



EF Tellsons Endeavour Fund June 2020



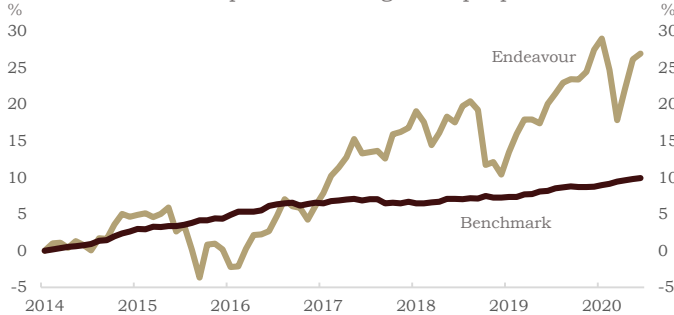
growth with income & downside protection

Investment Objective: to target capital growth with less of the volatility of global equities at a rate of 3-4% in excess of a composite target benchmark over a five-year period, net of fees.

Target Benchmark: comprising 50% UK CPI five-year average and 50% UK Conventional Gilts upto five years index; and volatility vs MSCI World GBP Hedged (See NOTES).

Investment Philosophy: the manager believes growth equity investments can often come with too much volatility on their own and make too much of an uncomfortable ride for many investors to stay the course. We seek to reduce much of that volatility by combining growth with income yielding investments and downside protective strategies to reduce volatility in times of market stress. If we can achieve this, investors may be more confident to remain invested with their savings and investment plans for the long-term.

Investment Process: minimum 80% invested in global equities and corporate bonds whilst seeking to reduce volatility by investing in government bonds, instruments with exposure to precious metals, unhedged foreign currency and the use of derivatives for efficient portfolio management purposes.



Source: Apex, A-Acc share class
Past performance is not a guide to future performance.

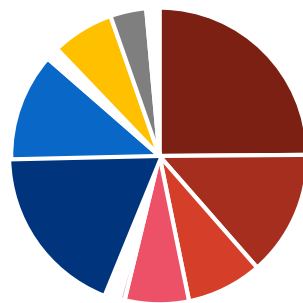
Period	June	3m	6m	1yr	3yr	5yr	since inc.*
Endeavour	0.6	7.7	-0.4	5.7	12.0	23.7	27.0
Benchmark	0.1	0.5	1.1	1.6	2.9	6.4	9.9

Calendar	2020	'19	'18	'17	'16	'15	'14*
Endeavour	-0.4	15.5	-5.5	10.1	5.9	-4.3	3.4
Benchmark	1.1	1.4	0.5	0.1	2.1	1.7	2.6

* Fund inception 03.02.2014; Source: Apex.

ASSET ALLOCATION

US equities	26.0
Europe equities	14.3
Japan equities	8.6
UK equities	7.3
EM equities	0.6
Other Dev Mkt Eq	0.4
Corporate bonds	19.3
Gov bonds	12.3
Precious Metals	7.1
Cash	4.1
% Active FX	



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TOP 10 EQUITIES: 17% Fund

Roche
Microsoft
Ørsted
Pepsico
Iberdrola
Procter & Gamble
Takeda Pharma
Amazon
McDonald's
Abbott Laboratories

TOP 8 BONDS: 32% Fund

USTI 1% 2049
UKTI 0.5% 2050
RELX
Disney
Praxair
Microsoft
Orange
Rabobank

INVESTMENT PROFILE

EQUITIES

Dividend Yield	2.0%
PE forward/EPS	24.1x/10.6%
Mkt.Cap. Avg	£156 Bn

BONDS

Running Yield	3.2% Corp.
Credit Quality	100% Inv.Gr.
Corporate years	5.6

FUND

Income Yield	2.8%
Volatility vs MSCI W H&E	7.62 vs 15.48
Sharpe	0.62
Worst month	-6.3% (Oct18)

Risk profile

1 2 3 4 5 6 7

IA Sector: Mixed Investment 20-60% shares

Morningstar Category: Moderate Allocation

Period	Jun	3m	6m	1yr	3yr	5yr
IA Sector Quartile	4 th	4 th	1 st	1 st	1 st	2 nd

Fund Size	£44m
Daily Dealing	16:30
NAV strike	22:00
Distributions	Jul/Nov
Depositary	Northern Trust
ACD	WAY FM (Elite)

Share classes, fees:

A Acc 1.02% OCF	ISIN GB00BJ391H08
A Inc 1.02% OCF	ISIN GB00BJ391G90
SP Acc 0.67% OCF	ISIN GB00BYWWR883
PF Acc 0.27% OCF	ISIN GB00BJ391J22

A Income Yield 2.81%

Distribution A Inc	'20	'19	'18	'17	'16	'15
pence per unit	2.99	3.03	2.13	1.94	1.46	1.70

Fund Managers:

Joe Bunting, Christoph Wiedebach, John Bishop

Fund Commentary: World markets continued their recovery completing a quarter of rapid gains from the lows of March on the gradual easing of lockdown. Within Endeavour the growth holdings of the fund have gained over 20% and precious metals investments almost 14% so far this year, both outstripping the US Nasdaq market which rose to new highs in the month. Together these two segments of the fund have almost completely offset the losses taken elsewhere in the fund to leave a modest gain in the month of 0.6% and only a modest loss of 0.4% for the year to date. Broader equity markets remain somewhat below the level they started the year, with the main UK market's FTSE 100 still almost 17% lower. Returns for the month in the fund were driven principally by consumer technology investments Amazon and Adyen, but also by the defensive utility company Iberdrola and the portfolio's protective bond and precious metals holdings, all investments that are usually highly uncorrelated to each other. Noble Energy also performed strongly as the oil price continued its recovery above \$40 a barrel (WTI). While we have taken some profits in energy, we remain as committed as ever to Shell as it accelerates its transition towards cleaner energy. Healthcare was the poorest sector overall and Takeda Pharmaceutical detracted the most, but we retain our conviction in their new drugs pipeline and successful deleveraging of the company's balance sheet following its ambitious acquisition of the UK's Shire Pharmaceutical two years ago. The fund overweight to financials briefly looked useful at the beginning of the month only to falter, yet again, on stubbornly low yields and net interest margins that drive so much of their earnings. After strong contributions from RELX and Rabobank bonds, we are less hopeful for corporate bond returns at such low yields and structurally poor liquidity and now allocate to them at the lowest level in our history; we favour the equities of companies where we have confidence in relatively reliable dividends and modest growth and where their pricing power can offer some inflation protection too. Gold and precious metals mining companies may continue to provide the most reliable counterpoise to equity holdings in the fund as they may make record highs on a range of possible outcomes for this Covid-ravaged investment environment. Prospects for the UK economy appear hostage to Brexit negotiations and a possibly strengthening pound sterling. However, ongoing outbreaks of Covid and rolling 'smart lockdowns' appear likely to be a feature of the global landscape as well as the overhang of a fraught US presidential election in the autumn. Cautious optimism seems a reasonable outlook given accelerating activity levels but where equity markets already appear to be pricing much of the 'best case' scenario.

NOTES

Long-term performance chart: Source: Apex, from 02.03.14 to 30.6.20, A Accumulation share class, net of fees;

Target Benchmark: The Fund aims to grow, over any five-year period, by 3-4% (net of fees) above the rate of the aggregate performance of 50% of the UK Consumer Price Index (CPI) rolling five-year average, and 50% of the FTSE Actuaries UK Conventional Gilts upto five years index, with volatility measured against MSCI World Hedged GBP index over the same period. This is a target benchmark against which the performance of the fund has been set ("Target Benchmark").

Long-term performance table: Fund inception 03.02.2014; Source: Apex, up to 29.5.20, cumulative returns.

Asset Allocation table: Source: Apex, as at 30.6.20; Active FX unhedged currency of underlying investments.

Investment Profile: Source: Apex, Bloomberg, Tellsons as at 30.6.20. Equity Profile - Dividend Yield: based on estimated annual dividends per share; PE/EPS LT Growth: Bloomberg consensus long-term estimates (99% of equity investments); Market Capitalisation: average in GBP; Bond Profile - Running Yield: based on bond coupon and price; Credit quality: weighted average credit quality of bonds; Maturity, years: years to maturity or adjusted for issuer redemption options.

Volatility is based on monthly returns over the last 36 months, annualized.

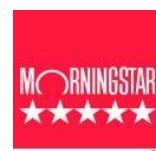
Sharpe ratio for the last 12 months calculated using ICE Libor GBP 3 months as risk-free rate.

Risk Profile: SRRI indicator is published in the Fund prospectus and KIID documents and is known as the "synthetic risk and reward indicator". It is based on historical data and may not be a reliable indicator of the future risk profile of the Fund which may change. The Fund risk profile indicated is because the Fund invests in a mixture of investments and their value may vary more widely than others. Please see the Fund prospectus for more details.

IA Sector quartiles: Source: Financial Express, as at 30.6.20.

Fees: Investment fee plus administration expense = OCF (admin 0.27%) A Fixed Investment Fee 0.75%, OCF 1.02%; SP Fixed Investment Fee 0.40%, OCF 0.67% (available to Charities, Pensions, SIPP, and Endowment investors); PF Performance Fee option carries no Fixed Investment Fee, solely admin expense of 0.27% (plus 20% share of outperformance vs. Performance Benchmark).

Income Yield: This is based on the most recent annualised dividend payable for the A Income (former IF) share class, financial year ended 31.3.2020. Administration costs applicable to the Income Units are expensed to capital and gross income paid out as distribution.



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