



EF Tellsons Endeavour Fund July 2020



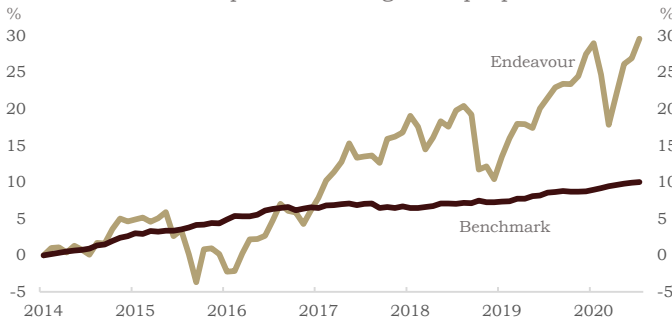
growth with income & downside protection

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.

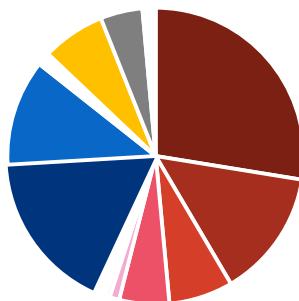
Period	July	3m	6m	1yr	3yr	5yr	since inc.*
Endeavour	2.1	6.2	0.5	6.7	14.2	25.3	29.6
Benchmark	0.1	0.4	1.0	1.4	2.8	6.3	10.1

Calendar	2020	'19	'18	'17	'16	'15	'14*
Endeavour	1.7	15.5	-5.5	10.1	5.9	-4.3	3.4
Benchmark	1.2	1.4	0.5	0.1	2.1	1.7	2.6

* Fund inception 03.02.2014; Source: Apex.

ASSET ALLOCATION

	%
US equities	28.8
Europe equities	14.6
Japan equities	7.3
UK equities	5.7
EM equities	1.1
Other Dev Mkt Eq	0.5
Corporate bonds	18.0
Gov bonds	12.1
Precious Metals	7.2
Cash	4.7



% Active FX: \$ 7.8 € 4.8 F 3.7 ¥ 3.5

TOP 10 EQUITIES: 19% Fund

PepsiCo
Ørsted
Procter & Gamble
Microsoft
Linde
McDonald's
Roche
JP Morgan
Iberdrola
Amazon

TOP 10 BONDS: 30% Fund

USTI 1% 2049
UKTI 0.5% 2050
Orange
RELX
LVMH
Praxair
Rabobank
Diageo
Vodafone
Walgreen Boots Alliance

INVESTMENT PROFILE

EQUITIES

Dividend Yield	1.8%
PE forward/EPS	25.6x/11.7%
Mkt.Cap. Avg	£166 Bn

BONDS

Running Yield	3.4% Corp.
Credit Quality	94% Inv.Gr.
Corporate years	5.3

FUND

Income Yield	2.8%
Volatility vs MSCI W H&E	7.57 vs 15.54
Sharpe	0.75
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	Jul	3m	6m	1yr	3yr	5yr
IA Sector Quartile	1 st	1 st	1 st	1 st	1 st	2 nd

Fund Size	£45m
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: Companies began to report their second quarter earnings in July, covering a period that has seen the biggest fall in US GDP since the Second World War. Markets also had to digest the mixed results from government attempts to revive their economies through the injection of stimulus and the lifting of lockdown restrictions. Against such a backdrop Endeavour returned +2.1% for the month with contributions coming from a mix of growth themes and more defensive sectors as well as protective strategies in the Fund. As concerns grew over the effectiveness of the US response to the pandemic and the prospect of further fiscal stimulus, US Treasury yields fell to new lows and the US Dollar weakened against major currencies. These factors combined to drive the gold price to an all-time high. We have been steadily increasing exposure to gold earlier in the year through our holdings of precious metal mining stocks and ETFs that are backed by physical gold holdings. The Fund also benefitted from the fall in Treasury yields through long-dated US inflation-linked bonds. The combination of unprecedented monetary and fiscal policy across most world economies makes the case for further gains in the gold price reasonably compelling to us, especially when adjusting its price for historic levels of inflation and allowing for future inflation expectations that typically follow supply shocks such as we are experiencing now with Covid. Notwithstanding the broader economic and political backdrop, investments across our technology, consumer, healthcare and materials sectors (Linde, Givaudan) also performed strongly in the month. Our holdings of Amazon, Ciena and Nvidia feed into the strong secular growth trend of data usage and the cloud and their share prices continued to break new highs, though less so for Microsoft. Hearing aid distributor Amplifon performed well alongside other more defensive holdings such as Procter & Gamble and PepsiCo where we had also made additions ahead of their earnings season, both beating expectations. Renewable energy provider Ørsted announced record new capacity contracts in Japan. Dividends from our companies in the period were all maintained from the previous quarter though buybacks are generally on hold and guidance remains cautious but with some renewed optimism. Economic activity and market confidence seem hostage to the arrival of a successful Covid vaccine and the ensuing upturn of a new business cycle. It seems prudent to us that the Fund should progressively position for this outcome in the next few quarters though we maintain a keen eye on virus containment, economic data, consumer confidence and political developments, especially in the US to assess this.

NOTES

Long-term performance chart: Source: Apex, from 02.03.14 to 31.7.20, 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 31.7.20, cumulative returns.

Asset Allocation table: Source: Apex, as at 31.7.20; Active FX unhedged currency of underlying investments.

Investment Profile: Source: Apex, Bloomberg, Tellsons as at 31.7.20. 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.

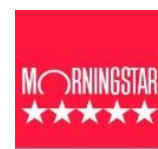
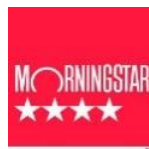
Sharpe ratio for the last 12 months calculated using ICE Libor GBP 3 months as risk-free rate.

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 31.7.20.

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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