



EF Tellsons Endeavour Fund September 2020



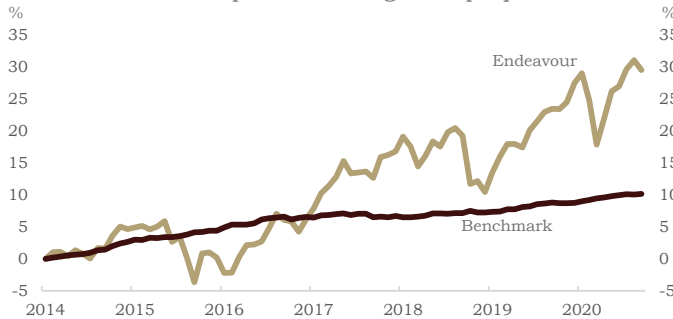
growth with income & downside protection

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 up to 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.

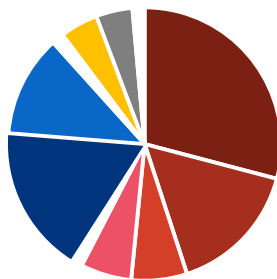
Period	Sep	3m	6m	1yr	3yr	5yr	S.I.*
Endeavour	-1.2	2.0	9.9	4.9	15.0	34.4	29.5
Benchmark	0.1	0.2	0.7	1.3	3.5	5.8	10.2

Calendar	2020	2019	2018	2017	2016	2015	2014*
Endeavour	1.6	15.5	-5.5	10.1	5.9	-4.3	3.4
Benchmark	1.3	1.4	0.5	0.1	2.1	1.7	2.6

* Since fund inception 03.02.2014; Source: Apex.

ASSET ALLOCATION

	%
US equities	30.4
Europe equities	16.6
Japan equities	6.9
UK equities	6.3
Corporate bonds	18.0
Gov bonds	12.6
Precious Metals	4.7
Cash	4.5



Active FX % 🇯🇵 ¥ 12 🇨🇭 F 5 🇺🇸 \$ -5

TOP 10 EQUITIES: 20% Fund

- Nvidia
- Procter & Gamble
- McDonald's
- Ørsted
- Roche
- PepsiCo
- SVB Financial
- Linde
- Visa
- JP Morgan

TOP 10 BONDS: 31% Fund

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

INVESTMENT PROFILE

EQUITIES

Dividend Yield	1.9%
PE forward/EPS	27.1x/10.6%
Mkt.Cap. Avg	£144 Bn

BONDS

Running Yield	3.4% (Corporate)
Credit Quality	94% Inv.Gr.
Corporate years	5.2

FUND

Income Yield	2.8%
Volatility vs MSCI W H&	7.71 vs 16.20
Sharpe	0.54
Worst/Best month	-6.3% (Oct18)/+4.7% (Oct15)

Risk profile

1	2	3	4	5	6	7
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IA Sector: Mixed Investment 20-60% shares

Morningstar Category: Moderate Allocation

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

Fund Size	£46m
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: The month has seen significant declines in some areas of world stock markets though less in others and the weakness centred around the most expensive high growth Technology stocks in the US. Less expensive markets that had struggled more under the Covid-19 pandemic fared better, seemingly offering more 'value' at this stage in the recovery, like Europe, the UK and Japan. The UK notably still languishes around 20% below where it started the year, chiefly on poor Covid management but also ongoing Brexit uncertainty. It is possible, as many market commentators have suggested, that this revaluation between expensive growth and cheap more cyclically exposed sectors is the tentative beginning of what is termed a 'rotation' that would normally be expected in the early stages of a new business cycle as earnings prospects improve more broadly across the economy. We have been alert to this theme in recent months and have updated investors in our monthly commentaries that we would be steadily transitioning the portfolio towards this footing; certainly the Fund's investments in cyclical leaders have made strong contributions to return during the month across a number of sectors and geographies: industrial automation – Keyence in Japan; discretionary consumer – Puma and McDonald's; and materials – Givaudan in Switzerland, Shin-Etsu also in Japan. Fund holdings in bank stocks continued to disappoint as prospects for higher net interest margins faltered on stubbornly low interest rates but we believe there is a case for their earnings to accelerate before long on recovery of loan loss reserves set aside earlier in the pandemic and increased loan growth as the economy picks up again. The global economy continues on its path to normalisation at least at a steady pace, and progress continues in both the treatment of Covid-19 and the search for a vaccine. In the meantime, monetary accommodation from central banks and fiscal policies from governments to support businesses, employment and consumption remain supportive across most markets and will likely be extended into 2021. Trade negotiations between the UK and EU are ongoing and a decent deal appears within reach. However, investment markets and business confidence remain hostage to some extent to the unpredictable outcome of the US presidential election in early November. The Fund maintains significant protection for any downside surprises or heightened volatility through this period whilst continuing to build investment exposure for the broad economic upswing in the aftermath, whichever party should prevail.

NOTES

Long-term performance chart: Source: Apex, from 02.03.14 to 30.9.20, 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 up to 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 30.9.20, cumulative returns.

Asset Allocation table: Source: Apex, as at 30.9.20; Active FX unhedged currency of underlying investments.

Investment Profile: Source: Apex, Bloomberg, Tellsons as at 30.9.20. Equity Profile - Dividend Yield: based on estimated annual dividends per share; PE/EPS LT Growth: Bloomberg consensus long-term estimates (98% 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; Corporate 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 30.9.20.

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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