



EF Tellsons Endeavour Fund December 2020



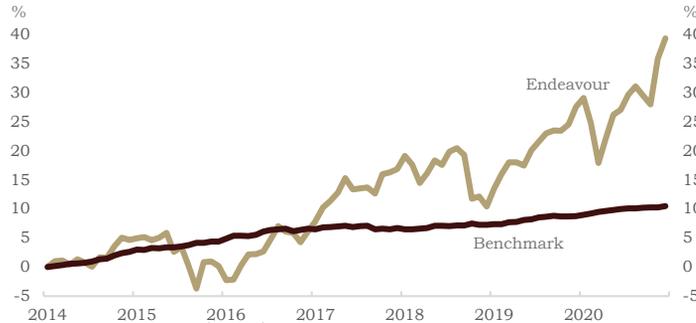
growth with income & downside protection

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

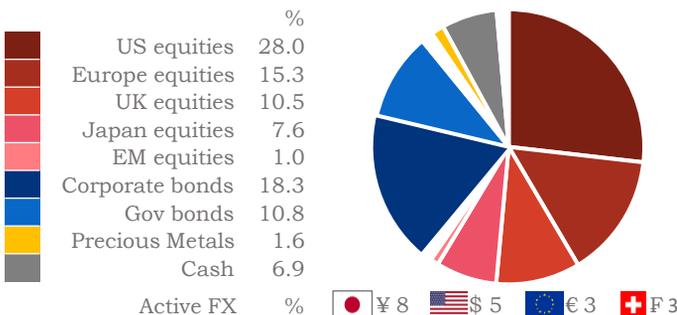
Past performance is not a guide to future performance.

Period	Dec	3m	6m	1yr	3yr	5yr	S.I.*
Endeavour	2.6	7.5	9.7	9.2	19.2	39.0	39.3
Benchmark	0.2	0.3	0.5	1.6	3.5	5.8	10.5

Calendar	2014*	2015	2016	2017	2018	2019	2020
Endeavour	3.4	-4.3	5.9	10.1	-5.5	15.5	9.2
Benchmark	2.6	1.7	2.1	0.1	0.5	1.4	1.6

* Since fund inception 03.02.2014; Source: Apex.

ASSET ALLOCATION



TOP 10 EQUITIES: 17% Fund

- SVB Financial
- JP Morgan
- Nvidia
- Ørsted
- Royal Dutch Shell
- Linde
- Amazon
- LVMH
- PepsiCo
- Procter & Gamble

TOP 10 BONDS: 26% Fund

- UKTI 0.5% 2050
- UKTI 0.125% 2029
- Orange
- Diageo
- Walgreens Boots Alliance
- LVMH
- RELX
- USTI 1% 2049
- Rabobank
- Praxair

INVESTMENT PROFILE

EQUITIES

Dividend Yield	1.7%
PE forward/EPS	29.2x/11.1%
Mkt.Cap. Avg	£169 Bn

BONDS

Running Yield	3.2% (Corporate)
Credit Quality	95% Inv.Gr.
Corporate years	4.7

FUND

Income Yield (A Inc)	1.85%
Volatility vs MSCI W H£	8.42 vs 17.60
Sharpe	0.86
Worst/Best month	-6.3% (Oct18)/+6.1% (Nov20)

Risk profile



IA Sector: Mixed Investment 20-60% shares

Morningstar Category: Moderate Allocation

Period	Dec	3m	6m	YTD	1yr	3yr	5yr
IA Sector Quartile	1 st	2 nd	1 st				

Fund Size	£53m
Daily Dealing	16:30
NAV strike	22:00
Distributions	Jul/Nov
Depositary	Northern Trust
ACD	WAY FM (Elite)
Website	www.tellsons.co.uk

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

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

Fund Managers:

Joe Bunting, Christoph Wiedebach, John Bishop

Fund Commentary: In December equity markets performed strongly, though clearly not at the blistering pace of November following the Covid-19 vaccine breakthroughs. Fiscal support in the US and an EU trade deal for the UK gave additional impetus for further moves higher in the last market sessions before Christmas, moving sideways into year-end to consolidate the extraordinary gains from this most extraordinary year. The dominant theme for the Fund, again, in the month was the continued 'rotation' from growth and defensive sectors to cyclical areas of the economy, with the companies in the Fund that we classify as 'cyclical leaders' outperforming all other segments combined by c.40% on a like-for-like weighted basis. This was also reflected in the outperformance of UK and Europe vs US investments.

Among the top contributors for the month were Ceres Power (fuel cell technology), Alfen (smart energy grid) and Ørsted, continuing to demonstrate the strength of the energy transition theme, which is a major focus for the Fund. Other strong performers were the US bank holdings of JP Morgan and Silicon Valley Bank, and a broad mix of cyclical stocks such as Toyota Motors, Broadcom, Kansas City Southern (railroad), LVMH and Keyence (factory automation). Sterling strength continued to be a drag for Diageo and Unilever, while strict conditions for European banks to resume dividends was a negative for ING.

Your managers expect this rotation to continue into the New Year, notwithstanding further Covid-19 disruption from rolling lockdowns of regional economies, as these will be set against the accelerating rollout of the vaccines from Pfizer-BioNtech, Moderna and Oxford-AstraZeneca. As the economy revitalises and accelerates through the first half 2021, bond markets and other protective strategies in the Fund will likely come under steadily increasing pressure, to a modest extent offsetting what could be compelling earnings growth from a fully invested and well-diversified equity allocation.

It seems curmudgeonly not to join in with some prediction for the year ahead, so while it may seem obvious after the year just passed the greatest risk will likely turn out to be the one no one should reasonably be factoring at this point – not so much the 'known unknowns', but rather the 'unknown unknowns'. Nevertheless, with growing concern around the impact of more contagious coronavirus variants in the near-term, your manager retains substantial precautionary investments in support of what otherwise appears an increasingly attractive cyclical outlook for the year ahead. Happy and healthy New Year!

For more information on the Endeavour Fund and investment process: www.tellsons.co.uk

NOTES

Long-term performance chart: Source: Apex, from 02.03.14 to 31.12.20, 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 31.12.20, cumulative returns.

Asset Allocation table: Source: Apex, as at 31.12.20; Active FX unhedged currency of underlying investments.

Investment Profile: Source: Apex, Bloomberg, Tellsons as at 31.12.20. Equity Profile - Dividend Yield: based on estimated annual dividends per share; PE/EPS LT Growth: Bloomberg consensus long-term estimates (97% 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 31.12.20.

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 share class. Administration costs applicable to the Income Units are expensed to capital and gross income paid out as distribution.



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