



# EF Tellsons Endeavour Fund March 2021

*growth with income & downside protection*

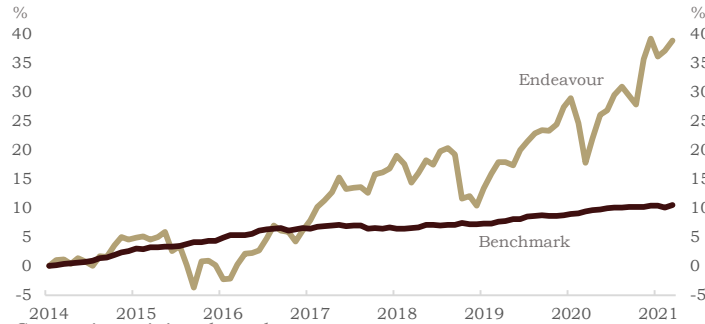


**Investment Objective:** to target capital growth with less of the volatility of global equities at a rate of 3-4% in excess of a composite target benchmark over a five-year period, net of fees.

**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.

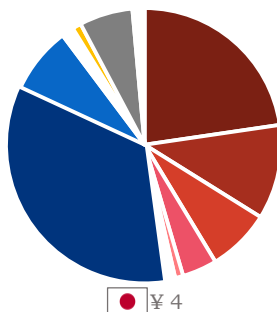
Period	Mar	3m	6m	1yr	3yr	5yr	S.I.*
Endeavour	1.3	-0.2	7.3	17.9	21.4	38.5	38.9
Benchmark	0.4	0.1	0.4	1.1	3.7	5.0	10.6

Calendar	2015	2016	2017	2018	2019	2020	YTD
Endeavour	-4.3	5.9	10.1	-5.5	15.5	9.2	-0.2
Benchmark	1.7	2.1	0.1	0.5	1.4	1.6	0.1

\* Since fund inception 03.02.2014; Source: Apex.

## ASSET ALLOCATION

Asset Class	%
US equities	23.7
UK equities	11.7
Europe equities	7.8
Japan equities	4.4
EM equities	1.0
Corporate bonds	35.6
Gov bonds	8.2
Precious Metals	1.1
Cash	6.5
Active FX	%



## TOP 10 EQUITIES: 16% Fund

- JP Morgan
- Emerson Electric
- Kansas City Southern
- Alphabet
- Abbott Laboratories
- Silicon Valley Bank
- Lloyds Banking Group
- Broadcom
- Visa
- Royal Dutch Shell

## TOP 10 BONDS: 30% Fund

- USTI 0.125% 2025
- Berkshire Hathaway
- UKTI 0.125% 2026
- MetLife
- Rabobank
- Orange
- The Walt Disney Co.
- Lowe's
- Microsoft
- PepsiCo

## INVESTMENT PROFILE

### EQUITIES

Dividend Yield	2.4%
PE forward/EPS	21.5x/20.2%
Mkt.Cap. Avg	£155 Bn

### BONDS

Running Yield	3.1% (Corporate)
Credit Quality	92% Inv.Gr.
Corporate years	3.5

### FUND

Income Yield (A Inc)	1.85%
Volatility vs MSCI W H£	8.27 vs 17.38
Sharpe	1.74
Worst/Best month	-6.3% (Oct18)/+6.1% (Nov20)

### 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	Mar	3m	6m	YTD	1yr	3yr	5yr
IA Sector Quartile	2 <sup>nd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	1 <sup>st</sup>

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

### 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:** The month saw a pause in the record-breaking 'rotation' experienced at the start of the year from growth-oriented sectors of markets towards the more undervalued and 'cyclical' sectors. Yields in bond markets stabilised and the more expensive, higher growth sectors staged an impressive comeback. For the time being at least, it seems markets are prepared to take the US Federal Reserve at face value by accepting that whatever increases in inflation are expected to materialise in coming months they will be only 'transitory'. The Fed also assured markets that it had plenty of tools it could confidently deploy to bring inflation under control if necessary. Producer Price Indexes have been strengthening as reopening gathers pace in the US, Asia and the UK and consumers are flush with record high cash balances and further stimulus cheques from their governments are on the way. Your manager welcomes the prospect of some firming of prices as it will consolidate growth in the economy, facilitate further bank lending and drive corporate profits, employment and wages, and in turn drive further consumption and investment. However, it seems likely there will be sectors of the market that may re-price lower to better reflect this higher yielding environment where your manager has reduced allocations in favour of the cyclical leadership represented in the Fund: one of the Fund's longest-held and top performing investments a 6.9% 20 year maturity subordinated bond issued by Rabobank was finally sold in the month, sheltering the portfolio from the threat of rising yields, and harvesting an annualised 12.7% return since inception, with the proceeds being invested in another Rabobank bond but with a final maturity of less than three years. Particular performances in the Fund to illustrate this battle for supremacy in markets were the themes of houses, cars, trains, and toolmakers on the one hand, and computer chip makers and financial technology on the other. UK housebuilders Taylor Wimpey and Barrett Developments performed strongly on the prospects for the government's reopening roadmap; BMW rose almost 24% in company with other German carmakers as VW unveiled its plans to challenge Tesla's leadership in electric vehicles; US railroad company Kansas City Southern rose almost 25% on a bid from Canadian Pacific Railway; and engineers Illinois Tool Works and Emerson Electric both performed strongly across all product areas. Fund holdings in leading chipmaker Nvidia and payment services disruptor PayPal dragged on performance as their high valuations looked vulnerable. Your manager is cautious in the shorter-term run up to the summer break with broad-based equity valuations still very full and a resumption of the value-growth rotation to be expected on the back of higher inflation and interest rate expectations, however transitory they may indeed turn out to be. It is the investments in the financial, industrial, energy and discretionary consumer segments within the Fund that should stand to gain most from the strengthening business cycle taking shape.

For more information on the Endeavour Fund and investment process: [www.tellsons.co.uk](http://www.tellsons.co.uk)

## NOTES

**Long-term performance chart:** Source: Apex, from 02.03.14 to 31.3.21, 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 31.3.21, cumulative returns.

**Asset Allocation table:** Source: Apex, as at 31.3.21; Active FX unhedged currency of underlying investments.

**Investment Profile:** Source: Apex, Bloomberg, Tellsons as at 31.3.21. 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 31.3.21.

**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:** Based on the most recent 12-months' dividends declared (March 20, September 20) for the A Income share class. Administration costs applicable to the Income Units are expensed to capital and gross income paid out as distribution.

**Fund Ratings:** The fund continues to enjoy high ratings across many industry providers. Please click on the links below for further information.



**IMPORTANT INFORMATION:** Tellsons Investors LLP (Tellsons) is the investment advisor to the EF Tellsons Endeavour Fund. Tellsons does not offer investment advice to investors or make any recommendations regarding the suitability of its products. No information contained in this report should be construed as advice. The value of investments can go down as well as up and non-sterling currency exposures can influence your returns. Investors may not get back the original amount invested. Past performance is not a guide to future performance. An English language prospectus and Key Investor Information Document are available for the EF Tellsons Endeavour Fund and investors should consult these documents before making an investment decision. Tellsons Investors LLP is registered in England & Wales with number OC377878 at 4 Woodfall Street, London SW3 4DJ and is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, Stratford, London E20 1JN. WAY Fund Managers Limited is the authorized corporate director (ACD) of the EF Tellsons Endeavour Fund and is authorized and regulated by the Financial Conduct Authority, Registered Office: Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. Elite Fund Administration (EF) is a trading style of WAY Fund Managers Limited.

Morningstar's Sustainability Rating: Valid at March 2021. Sustainability provides company-level analysis used in the calculation of Morningstar's Sustainability Score. For more detailed information about Morningstar's Sustainability, including its methodology, please go to: <http://corporate1.morningstar.com/SustainableInvesting>