

Assessment of Value

EF Tellsons ICVC

Incorporating sub-fund

EF Tellsons Endeavour Fund

Period ending: 31st March 2023



WAY Fund Managers & Tellsons Investors LLP

WAY Fund Managers (WFM), as the Authorised Fund Manager (AFM) offers an independent fund structuring and fund operation facility to regulated asset management professionals such as investment managers, wealth managers, IFAs, stockbroking firms and other financial institutions, who are looking to establish new, or maintain existing, regulated collective investment schemes in the UK.

WFM's flexible approach is built around a solid core operating model which allows it to adapt its service offering and level of interaction to meet the business needs of its professional clients and in turn, its mutual investors.

WFM, as AFM to the EF Tellsons ICVC, acts with Tellsons Investors LLP, the Sponsor and appointed investment adviser of the EF Tellsons Endeavour Fund (hereinafter referred to as the 'Fund'), as joint manufacturer.



Assessment of Value-an overview

The assessment of value (AoV) is undertaken annually by WFM to determine whether the payments taken for each class of shares or units of a fund or a sub-fund, are justified in the context of the overall service and value delivered to investors, taking into consideration regulation and guidance from the FCA.

WFM's Product Governance Committee carries out the initial assessment of a fund/sub-fund taking into consideration the 'Value Factors' detailed below. This assessment is then passed to WFM's independent non-executive directors (iNEDs) for scrutiny and agreement, ensuring that the outcome reflects a clear and fair assessment. A final review is carried out by the WFM Board before publication.

Outcome of the Assessment

To provide a clear presentation of the value assessment outcomes in this report WFM has adopted the grading method that the wider investment industry uses for sharing with distributors and intermediaries. To make these outcomes easier to read, at the end of the values section you will find a table for each fund/sub-fund and share class using the below grading.

	Charges are justified based on assessment and any action identified or, where the first assessment is not yet due, based on initial product design
	Charges are not justified; significant action is required

For each share or unit class, WFM uses a green (justified)/red (not justified) signal for each of the Value Factors, to indicate whether it believes the charges are justified in the context of the overall service and value delivered to investors.

Value factors that contribute to our assessment of value

WFM considers, but is not limited to considering, the following value factors for each class of shares within each fund or sub-fund:



The range of services provided to investors by the Sponsor

Tellsons' sole activity is the investment management of the Endeavour Fund. The fund managers invest substantially all their wealth in the Fund and so they are perhaps quite uniquely focused and aligned with their fellow investors' outcomes. The risk profile of the fund is designed to capture much of the growth available from equity investments as well as the income and diversification from bond investments which may also reduce much of the downside risks in times of market stress. As the assessment of value identifies, the fund has performed above its targeted return consistently over rolling five-year periods since inception. At the same time as outperforming its peer group for most of that period, the fund has also been able to protect investors from on average 70% of equity market downsides (defined as falls in equity markets of 5% or more).

Product Governance Reviews are conducted at Tellsons annually and the managers are always thoughtful about the utility of the fund to client portfolios, its risk budget and risk management, its performance comparators and its accessibility and adoption in the widest possible marketplace. Growth in the size of the fund and the ability to further reduce costs and drive investor value for money are the foremost outcomes and focus for the managers in these ongoing reviews.



Investor Service & Fund Governance from the AFM

The AFM, WFM is responsible for overseeing any third-party that provides services to its funds/sub-funds. Being based in Wimborne, Dorset allows WFM's operating costs to typically be lower than a London-based organisation and, as a smaller business, WFM has built strong relationships with its third-party service providers. This allows WFM to nimbly exchange expertise and business development ideas for the benefit of investors and to provide a good quality personal service. The Wimborne-based Transfer Agency was originally developed by WFM specifically for its own funds/sub-funds and that close relationship continues, with a dedicated team all experienced in the understanding of the full WFM fund range and typical investor requirements. The Wimborne office also provides in-house corporate governance and oversight expertise in investment, product, compliance, risk, and other operational arrangements.



Comparable Services

WFM provides a similar range of services across its entire fund range. This means WFM adheres to all applicable financial regulations in the UK and provides the information and dealing services that its investors need. WFM's added value is its customer service and WFM prides itself on high quality personal service compared to other institutions. Charging structures may vary between funds/sub-funds, because the size, investment nature and risk can vary between different funds/sub-funds, depending on its investment objective(s) and policy. However, WFM endeavours to ensure that the ongoing fees paid by a fund/sub-fund are similar to those paid by other comparable funds/sub-funds in its range. Unit/Shareholders can compare the charges across WFM's fund range at: www.wayfunds.com/Funds/FundChargesandCosts.



Economies of Scales

WFM has used its overall asset base to negotiate the best possible terms available with its current outsourced service providers, for the benefit of its entire fund range. Service arrangements are reviewed on an ongoing basis and WFM negotiates fee rates on an appropriate sliding scale, with lower percentage fees applying as the funds/sub-funds reach certain sizes, ensuring all benefits of economies of scale are applied directly to the funds/sub-funds and their investors. This means that as a fund/sub-fund grows, it benefits from the improved economies of scale. Certain services may have fixed or minimum fees, which are applied to each individual fund/sub-fund. WFM seeks to ensure that each fund/sub-fund offers value to investors and is viable considering the impact of any fixed or minimum fees.



Performance of the Fund/ Sub-fund

WFM assesses the value represented by the investment performance achieved by a fund/sub-fund after charges, at the end of each annual review period, taking into consideration the fund's/sub-fund's investment objective(s), its policy, its benchmark, its recommended holding period and, where relevant, its relative exposure to investment risk to achieve this. If a fund/sub-fund has been assessed as charges not being justified, WFM will provide any explanation or proposed action, later in this report for further information.



The Cost of Investing

All expenses and general disbursements paid by a fund/sub-fund, such as the annual management charge, the cost of any investment advisory services, regulatory reporting, accounting, transfer agency, platform services, depositary and custody services, together with the synthetic cost arising where investment is made into any underlying funds are reflected in the ongoing charges figure ("OCF"). The cost of investing may be different depending upon the share or unit class selected.



Classes of shares or units available

Each fund/sub-fund may have a number of share classes, each with different characteristics and charging structures, to cater for the ways in which they may have been previously or are currently distributed. These are determined by the fund's/sub-fund's Sponsor. The selection of the appropriate share class is made by investors or their financial advisers. During this assessment WFM will review each of the share classes across a fund/sub-fund to ensure, as far as WFM reasonably can, that unit/shareholders are in the correct unit/share class given the size of their holding. However, WFM is unable to determine whether one unit/share class is more suitable for an individual investor than another. A table setting out the characteristics of each unit/share class is provided later in this report.



Comparable Market Rates

Given the confidential nature of commercial arrangements, it is not possible to objectively compare the rates that WFM is paying for its services against its competitors. As described above not all unit/share classes can be comparable to each other across different funds/sub-funds. However, all funds/sub-funds have a "primary" unit/share class registered with the Investment Association. WFM has, therefore, used the primary unit/share class in its assessment. Using data supplied to FE Fund Analytics by AFMs for publication, WFM can compare funds/sub-funds of a similar size, structure and Investment Association Sector for an average investment cost. It should be noted that this section is based on the total charges incurred and includes the asset transaction costs charged to the fund/sub-fund, which are not included in the OCF calculation.



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The investment objective of the Fund is to target capital growth, with less of the volatility of equities, at a rate of 3-4% (net of fees) in excess of a composite performance benchmark over a 5 year period. The target performance benchmark represents 50% of UK Consumer Prices Index (CPI) (rolling 5-year average) and 50% of the FTSE Actuaries UK Conventional Gilts up to 5 years Index. Volatility is measured against the MSCI World 100% Hedged to GBP Index.

Share/Unit Class	ISIN	Share Class AoV Rating	AFM Investor Service & Governance	Comparable Services	Economies of Scale	Performance of the Sub-Fund	Cost of Investing	Share/Unit classes Available	Comparable Market Rates
A Accumulation	GB00BJ391H08	●	●	●	●	●	●	●	●
A Income	GB00BJ391G90	●	●	●	●	●	●	●	●
PF Accumulation	GB00BJ391J22	●	●	●	●	●	●	●	●
SP Accumulation	GB00BYWWR883	●	●	●	●	●	●	●	●
Z Accumulation	GB00BJ391F83	●	●	●	●	●	●	●	●
Z Income	GB00BJ391D69	●	●	●	●	●	●	●	●

Summary of Grading: ● Charges are justified based on assessment and any action identified.

The Fund has a target benchmark which it has achieved for 5 years performance and volatility. However, it should be noted that the post-COVID 19 rises in the UK Consumer Prices Index (CPI) has been significantly higher than in previous years. This will continue to be monitored by Tellsons and the AFM. All charges are considered justified for each of the share classes. Charges have been assessed as justified for the individual investor's share class.

Performance

The Fund has provided growth over 5 years and has exceeded its target benchmark. Therefore, the Fund has been assessed as providing value to investors. The Fund's volatility is measured against the MSCI World 100% Hedged to GBP Index. This has shown that the Fund has met the other aspect of its objective, which is to have lower volatility than a typical basket of equities..

Classes of shares/units

WFM endeavours to ensure that all shareholders are in the most appropriate share classes. However, the selection of share class is driven by an investor's choice, the relevant intermediary and the distribution channel.

- *A Accumulation* *Primary Accumulation class open to all investors*
- *A Income* *Primary Income class open to all investors*
- *PF Accumulation* *Class subject to performance fees, charges specific, and not applied during the last 12 months*
- *SP Accumulation* *Restricted Institution class*
- *Z Accumulation* *Restricted to founder investors in the Fund*
- *Z Income* *Restricted to founder investors in the Fund*

The Cost of Investing

WFM considered both the performance return and the above information regarding its distribution channels/share classes during its assessment when considering if the costs are justified. The Fund is competitive in its charging structure with its IA Peer group. WFM has assessed that the Fund is providing value to the individual investors.

Comparable Market Rates

WFM has compared the charges of the Fund's primary share class with that of other funds of a similar size found in the IA Mixed Investment 20-60% Shares sector and has determined that its charges are competitive. The Fund provides value for its investors.

Quality of Service

A good level of service is provided to shareholders by all parties involved and is commensurate to the amounts paid by the Fund for those services and provides value to the investor.

Comparable Services

All investors are provided with the same services by WFM and the Fund has the same direct service providers across the WAY Fund range.

Economies of Scale

All available savings from economies of scale obtained by WFM or the Fund are passed to the investor.