TB Enigma Dynamic Growth Fund

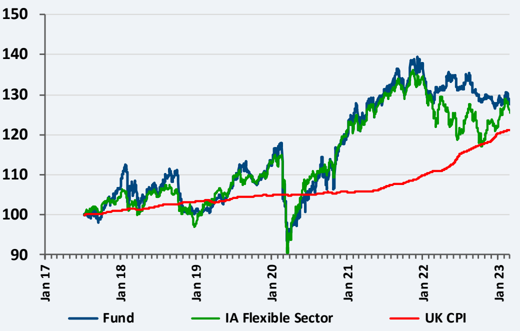
End-February 2023

Data-driven global investing

The objective of the TB Enigma Dynamic Growth Fund is to achieve long-term growth through a combination of capital and income. The Manager uses its proprietary data-driven “Enigma Investment Radar”, which focuses on an objective assessment of Value and Momentum/Trends which are independent of opinion, emotion and forecasts. The Fund adopts a flexible and dynamic asset allocation policy between equities, bonds and cash. The equity investments are achieved by selecting attractive regions and global sectors which are generally implemented using Exchange Traded Funds (ETFs). The Fund adopts an active currency overlay which may seek to protect investors from overseas currency losses and to enhance returns. Use of ETFs enables flexible asset allocation, provides diversification and reduces stock specific risk.

	February	3 Mths	1 Year	3 Years	5 Years	* Since Inception
Fund	**-0.2%**	**-1.2%**	**-1.4%**	**13.7%**	**18.9%**	**27.6%**
IA Flexible Sector	-0.7%	1.6%	-0.2%	11.3%	21.4%	25.5%
UK CPI	0.4%	2.4%	9.3%	15.7%	19.3%	21.2%

	Year To Date	2022	2021	2019	2017 (from 12 July)
Fund	**-0.2%**	**-6.7%**	**14.1%**	**11.9%**	**-6.0%**
IA Flexible Sector	2.8%	-9.1%	11.4%	15.6%	-6.6%
UK CPI	0.8%	9.6%	3.8%	1.5%	2.2%



Performance shown is the total return (net of fees & costs) for the Accumulation B share class. Inception date was 12 July 2017. The Fund is not managed against any benchmark – the Investment Association Flexible Sector and UK Consumer Price Inflation are shown as Comparator benchmarks as per FCA PS 19-04. The IA Flexible Sector contains a wide array of funds with a flexible mandate, hence the comparator, but many of them have different investment objectives and profiles. Past performance is not a reliable indicator of future performance. Source: Ekins Guinness LLP.

FUND MANAGER COMMENT

The Fund returned -0.2% in February 2023 which gives a return year-to-date also of -0.2% and 27.6% since inception on 12 July 2017.

The equity market rally last October/November was initially similar to the previous rallies in 2022 which subsequently petered out due to ongoing concerns throughout 2022 about higher interest rates to deal with the inflation crisis. However, the October/November rally differed from the previous rallies in that it was followed by a further strong rally in January. The overall rally from the 2022 low point in October displayed a greater level of conviction that the worst of the economic problems might be over and there was an expectation that interest rates could start to fall later in the year. It was a goldilocks scenario – an end of the rate tightening cycles, prospects of interest rate cuts and a soft economic landing without a major corporate earnings recession. Our model does not attempt to speculate on the validity of such hopes for the future, but remained cautious on equities simply because equity value yield is still not hugely attractive. Furthermore, price momentum, whilst improving, was not sufficient to indicate that a new bull market had started. At the end of February the Fund had exposure to equities of just 38%, a signification allocation (55%) to short dated bonds, no allocation to medium (10 year) Government bonds which have remained in a bear market and a modest allocation (6%) to Gold.

It is a truism that a cautious allocation to equities during a bear market, such as that seen in 2022, can result in missing out on some of the rallies. It is never apparent until after the event whether any such rally is the beginning of a new bull market or simply a temporary rally in an ongoing bear market. Whilst some were getting excited in January that we were through the worst, February saw a retreat from this optimism. In early March, equity markets have taken a further tumble because of the failure of Silicon Valley Bank, concerns about the viability of Credit Suisse and fears about contagion spreading to other banks. Such events are typical of an unstable monetary environment which in this case is the highest level of inflation for 50 years and the consequence of the remedies needed to get back to normal. The fact that the US money supply is now shrinking at the highest level since the 1970s is a warning that there may be further trouble ahead. At the time of writing in mid-March, the Fund’s equity allocation had already reduced further to 32% and it is quite possible that it could be reduced further. Eventually, the equity market valuation will be nicely set up for a new bull market, but our model will remain cautious in an attempt to minimise losses (compared to a fully invested equity fund) until the storm clouds blow away.

There has been significant sector rotation with equities. Many of the worst performing sectors in 2022, such as Consumer Discretionary, Communication Services and Technology, have been the leaders in 2023. By contrast, the defensives such as Consumer Staples and Healthcare have been much weaker. Our model made a move back into the growth sectors but the strength of signal for these sectors is now possibly reversing. If the current equity market weakness continues, it is likely that the sector emphasis for the Fund will change, potentially quite rapidly, to the defensives again. For example, the current exposure to Healthcare, Consumer Staples and Utilities is minimal, but they are just starting to look attractive again.

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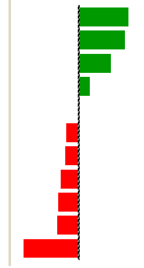
PORTFOLIO HOLDINGS

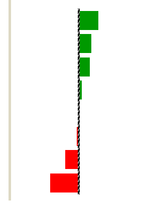
EQUITIES	**38.4%**
Global Sector ETFs	**36.2%**
db x-trackers MSCI World Consumer Discretionary Ind	5.0%
db x-trackers MSCI World Communication Services Inc	3.0%
db x-trackers MSCI World Information Technology Ind	10.6%
db x-trackers MSCI World Financials Index UCITS ETF (	9.0%
db x-trackers MSCI World Industrials Index UCITS ETF (	7.5%
db x-trackers MSCI World Consumer Staples Index UC	1.0%
Regional Equity ETFs	**2.2%**
Vanguard FTSE Developed Europe ex UK UCITS ETF	1.1%
SPDR FTSE UK All Share UCITS ETF	1.1%
FIXED INCOME	**55.3%**
Short Duration & Cash Equivalents	**55.3%**
SPDR Barclays 1-3 Year US Treasury Bond UCITS ETF	18.6%
iShares $ Ultrashort Bond UCITS ETF	18.5%
$ Treasury Bond 0-1y UCITS ETF USD Acc	18.2%
GOLD & COMMODITIES	**6.0%**
Invesco Physical Gold	6.0%
CASH	**0.4%**
TOTAL	**100.0%**

ANALYSIS OF EQUITY EXPOSURE
(pro-rated to 100% on a look-through basis across the ETFs)

BY SECTOR	Equity Allocation	Mkt Cap Wgt
Industrials	20.4%	9.3%
Financials	24.7%	14.5%
Technology	27.9%	20.7%
Cons. Discretionary	13.6%	11.2%
Comm. Services	7.9%	8.0%
Real Estate	0.1%	2.7%
Utilities	0.2%	3.1%
Cons. Staples	3.7%	7.5%
Basic Materials	0.4%	4.9%
Energy	0.4%	5.1%
Healthcare	0.7%	13.0%
	100.0%	**100.0%**



BY REGION	Equity Allocation	Mkt Cap Wgt
Europe ex UK	14.7%	10.6%
Japan	8.3%	5.7%
UK	6.3%	3.9%
USA	60.6%	60.0%
Canada	3.4%	3.6%
Australasia	1.8%	2.1%
Dev. Asia ex Japan	1.2%	4.2%
Emerging Mkts	3.6%	10.0%
	100.0%	**100.0%**



NET CURRENCY EXPOSURE
(on a look-through basis)

	Underlying	Overlay	Net
GBP	3%	-	3%
USD	85%	-	85%
CAD	1%	-	1%
AUD	1%	-	1%
Other Dollar	0%	-	0%
EUR	4%	-	4%
CHF	1%	-	1%
Other Europe	1%	-	1%
JPY	3%	-	3%
Emerging	1%	-	1%
	100%		**100%**

INVESTMENT APPROACH

We believe that the two most important drivers for most investment decisions are fundamental value and market trends. Fundamental value determines the potential over the medium/long term but can be a poor indicator of price movements in the short term. Market trends (including momentum and overbought signals) can be a good leading indicator of future price movements but can be dangerous if fundamental value is ignored. We believe that neither analytic should be used in isolation but it is logical to select investments based objectively on the combination of fundamental value and market trends, which are independent of opinion, forecasts and emotion.

ABOUT THE MANAGER

Ekins Guinness LLP was founded by Charles Ekins. Previously he was Chief Investment Officer at Valu-Trac Investment Management, prior to which he spent 19 years at Morgan Grenfell (Deutsche) Asset Management where he was a portfolio manager, member of the Investment Policy Committee and client director. The business is backed by Tim Guinness, Founder & Chairman of Guinness Asset Management. Jasper Falk joined from JP Morgan after 23 years as a senior fixed income specialist & Head of Global Inflation Trading.

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HOW TO INVEST

Visit: tbaileyfs.co.uk/funds/tb-enigma-funds ☎ 0115 988 8286

Availability: Aegon, AJ Bell, Alliance Trust, Ascentric, Aviva, Barclays, FNZ, Hargreaves Lansdown, Interactive Investor, Novia, Nucleus, Pershing, Transact & Zurich platforms

FUND INFORMATION

Structure: UK Authorised OEIC
Size: £10m
ACD, Administrator & Registrar: T. Bailey Fund Services
Auditor: Cooper Parry
Depositary: NatWest Bank
Custodian: Northern Trust
Investment Association: Flexible Sector
Dividend Payment Dates: 31 January & 31 July
Valuation & Cut Off: 12 noon daily
Base Currency: GBP
UK UCITS: Yes
ISA Eligible: Yes

Share Classes

	B Accumulation	B Income	Z Accumulation	Z Income
Currency	GBP	GBP	GBP	GBP
Periodic Charge[1]	0.70%	0.70%	0.45%	0.45%
OCF[2]	0.87%	0.87%	0.62%	0.62%
Minimum Investment	£5,000	£5,000	£200,000	£200,000
Minimum Addition	£1,000	£1,000	£1,000	£1,000
ISIN	GB00BD8YW428	GB00BD8YW758	GB00BLFFGD12	GB00BLFFGC05
SEDOL	BD8YW42	BD8YW75	BLFFGD1	BLFFGC0

Notes:

1 The Periodic Charge is a fixed annual charge which includes administration, custody, depositary, audit, registrar etc

2 OCF (Ongoing Charge Figure) is as per the latest Key Investor Information Document. The OCF comprises the fixed Periodic Charge plus the indirect charges of the various ETFs in which the Fund invests

***DISCLAIMER & RISK WARNING**: Full details of the TB Enigma Dynamic Growth Fund, including risk warnings, are published in the Prospectus and Supplementary Information document. The TB Enigma Dynamic Growth Fund is exposed to global financial markets and therefore is subject to market fluctuations and other risks inherent in such investments. Investments in overseas markets may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. The manager may enter into derivative transactions for efficient portfolio management purposes (including hedging) and investment purposes. The value of investments can go down and investors could lose all or substantial parts of their investments. Past performance is not a reliable indicator of future performance. You should not treat this report as a recommendation to buy, sell or trade the Fund or any of the investments mentioned. Recipients of this document should conduct their own due diligence and research before making their own investment decision. Ekins Guinness LLP is authorised and regulated by the Financial Conduct Authority.*