

The objective of the TB Enigma Global Sector Rotation Fund is to provide capital growth over the long term (periods of 5 years or more). The Manager uses a global quantitative investment methodology to invest in equity sectors and regions. This data-driven methodology, known as the “Enigma Investment Radar”, focuses on an objective assessment of Value and Momentum/Trends which are independent of opinion, emotion and forecasts. The selection of sectors and regions is actively managed. The investment strategy is flexible and dynamic to adapt to changing market conditions, enabling rotation across different sectors and different regions that are deemed to be attractive. Implementation of the sector and regional strategy is generally achieved by investing in global sector and regional Exchange Traded Funds (ETFs).

## PERFORMANCE

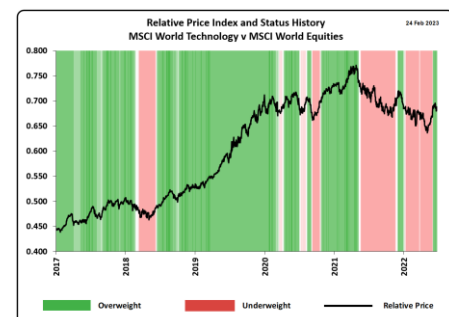
*It is a rule of the Financial Conduct Authority that performance of a new fund can only be shown in the first 12 months to investors in the fund and other professional investors. Otherwise (under FCA COBS 4.5A.10) no performance can be published in promotional literature until there is a full 12 month record.*

## FUND MANAGER COMMENT

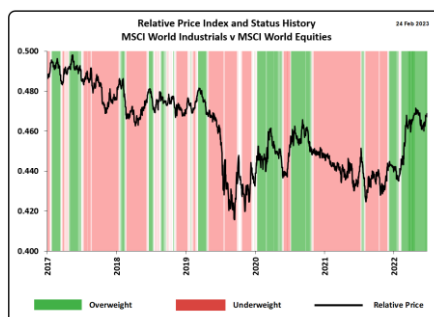
The TB Enigma Global Sector Rotation Fund was launched on 7 November 2022.

The Fund is managed using a data-driven model based on Value and Price Trends. It aims to capitalise on the fact that there are often significant differences in the performance of different sectors. This is not entirely surprising because Global Sectors often have fairly low correlation with each other. For example, Energy, Financials, Technology, Consumer Staples, Industrials etc are typically driven by different factors. These differing Sector returns provides investment opportunity for active Sector selection.

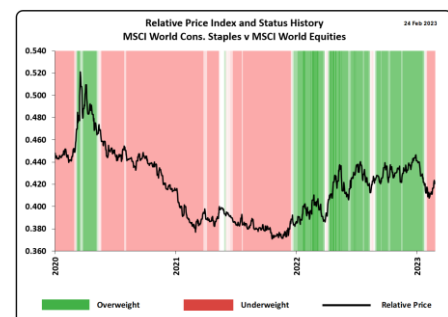
The equity market rally from the October 2022 lows has seen significant sector rotation. Many of the worst performing sectors in 2022, such as Consumer Discretionary, Communication Services and Technology, have been the leaders in 2023. By contrast, the defensives such as Consumer Staples and Healthcare 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.



*Technology has recently started to outperform again (rising black line which is relative price index) after significant underperformance in 2022. This 2022 underperformance seems to be over but the new uptrend is at an early stage. Momentum needs to be sustained for our model to remain confident. Meantime relative Value Yield for Technology (not shown here) is attractive*



*Industrials are in a strong relative uptrend (rising black line) and are the largest overweight Sector. This needs to be watched carefully – Industrials might struggle if the US goes into recession later in 2023*



*Consumer Staples were a sector to avoid in 2020 and 2021 (falling black line) but outperformed strongly in 2022. Our model was overweight in 2022 (green background) but in recent months moved underweight. However, Staples, which are typically defensive stocks, are now starting to outperform again and look interesting as sentiment in equity markets deteriorates again*

# TB Enigma Global Sector Rotation Fund

End-February 2023

## PORTFOLIO HOLDINGS

EQUITIES	98.9%
<b>Global Sector ETFs</b>	<b>98.9%</b>
db x-trackers MSCI World Information Technology Ind	18.9%
db x-trackers MSCI World Industrials Index UCITS ETF (I)	18.2%
db x-trackers MSCI World Financials Index UCITS ETF (I)	15.1%
SPDR MSCI World Technology UCITS ETF	12.3%
SPDR MSCI World Financials UCITS ETF	11.2%
db x-trackers MSCI World Consumer Discretionary Ind	10.9%
db x-trackers MSCI World Communication Services Inc	6.5%
SPDR MSCI World Industrials UCITS ETF	3.8%
db x-trackers MSCI World Materials Index UCITS ETF (I)	1.0%
db x-trackers MSCI World Consumer Staples Index UC	1.0%
<b>CASH</b>	<b>1.1%</b>
<b>TOTAL</b>	<b>100.0%</b>

## ANALYSIS OF EQUITY EXPOSURE

BY SECTOR	Allocation	Mkt Cap Wgt	Relative	
			-15%	+15%
Industrials	22.0%	9.3%		
Financials	26.3%	14.5%		
Technology	31.1%	20.7%		
Cons. Discretionary	10.9%	11.2%		
Comm. Services	6.5%	8.0%		
Real Estate	0.0%	2.7%		
Utilities	0.0%	3.1%		
Basic Materials	1.0%	4.9%		
Energy	0.0%	5.1%		
Cons. Staples	1.0%	7.5%		
Healthcare	0.0%	13.0%		
Cash	1.1%	0.0%		
	<b>100.0%</b>	<b>100.0%</b>		

BY REGION	Allocation	Mkt Cap Wgt	Relative	
			-15%	+15%
USA	63.9%	60.0%		
Japan	8.5%	5.7%		
Europe ex UK	12.9%	10.6%		
Canada	3.9%	3.6%		
Australasia	2.1%	2.1%		
UK	3.5%	3.9%		
Dev. Asia ex Japan	1.5%	4.2%		
Emerging Mkts	2.6%	10.0%		
Cash	1.1%	0.0%		
	<b>100.0%</b>	<b>100.0%</b>		

## NET CURRENCY EXPOSURE

(on a look-through basis)

	Underlying	Overlay	Net
GBP	5%	-	5%
USD	64%	-	64%
CAD	4%	-	4%
AUD	2%	-	2%
Other Dollar	2%	-	2%
EUR	9%	-	9%
CHF	2%	-	2%
Other Europe	2%	-	2%
JPY	9%	-	9%
Emerging	3%	-	3%
	<b>100%</b>		<b>100%</b>

## 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.

✉ [investments@ekinsguinness.com](mailto:investments@ekinsguinness.com)

☎ 01264 738989

## HOW TO INVEST

Visit: [tbaileys.co.uk/funds/tb-enigma-funds](http://tbaileys.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

<b>Structure</b>	UK Authorised OEIC	<b>Size</b>	£1m
<b>ACD, Administrator &amp; Registrar</b>	T. Bailey Fund Services	<b>Auditor</b>	Cooper Parry
<b>Depository</b>	NatWest Bank	<b>Custodian</b>	Northern Trust
<b>Investment Association</b>	Flexible Sector	<b>Dividend Payment Dates</b>	31 January & 31 July
<b>Valuation &amp; Cut Off</b>	12 noon daily	<b>Base Currency</b>	GBP
<b>UK UCITS</b>	Yes	<b>ISA Eligible</b>	Yes
<b>Share Classes</b>			
	<b>B Accumulation</b>	<b>B Income</b>	<b>Z Accumulation</b>
			<b>Z Income</b>
Currency	GBP	GBP	GBP
Periodic Charge <sup>1</sup>	0.70%	0.70%	0.45%
OCF <sup>2</sup>	0.91%	0.91%	0.66%
Minimum Investment	£5,000	£5,000	£200,000
Minimum Addition	£1,000	£1,000	£1,000
ISIN	GB00BLFFG644	GB00BLFFGB97	GB00BQ1L7137
			GB00BQ1L7244
SEDOL	BLFFG64	BLFFGB9	BQ1L713
			BQ1L724
Notes:			
1	The Periodic Charge is a fixed annual charge which includes administration, custody, depository, audit, registrar etc		
2	OCF (Ongoing Charge Figure) is as per the latest Key Investor Information Document. The OCF comprises the Periodic Charge plus the indirect charges of the various ETFs in which the Fund invests		

**DISCLAIMER & RISK WARNING:** Full details of the TB Enigma Global Sector Rotation Fund, including risk warnings, are published in the Prospectus and Supplementary Information document. The TB Enigma Global Sector Rotation 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. © Ekins Guinness LLP 2023. All rights reserved.