

End-July 2023

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. The latest Fund prices are available on <https://www.tbaileys.co.uk/funds/tb-enigma-funds/prices>.

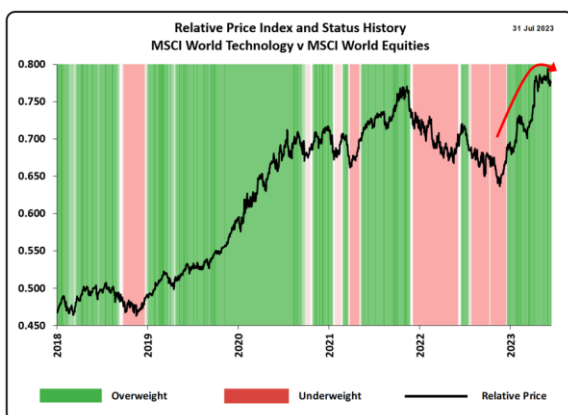
FUND MANAGER COMMENT

The TB Enigma Global Sector Rotation Fund was launched at 100p on 7 November 2022. At the end of July 2023 the price of the B Accumulation shares was 110.35p.

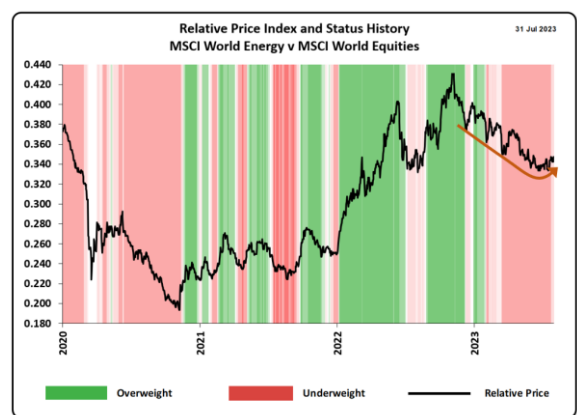
The Fund is managed using a data-driven model based on Value and Price Trends. It aims to capitalise on the fact that there are often significant differences in the performance of different sectors. This is not entirely surprising because Global Sectors often have fairly low correlation with each other and are typically driven by different factors.

Leadership at the Global Sector level has come from the Growth sectors this year especially Communication Services, Technology and Consumer Discretionary. It is a sign of the concentration within Equity markets that all other sectors have underperformed, with some Sectors being essentially flat on the year.

There appears to be a change of leadership occurring at the Global Sector level. Technology, after strong outperformance this year, is undergoing a relative correction. As such, in early August the exposure to Technology has been reduced from around 35% to around 18% and may still go lower until this period of uncertainty is over. It has largely been reinvested into Energy which has underperformed for many months but which is now experiencing improved momentum due to the Oil price strength.



Technology has outperformed strongly (black line rising) and is due a correction in relative terms



Energy has been a Sector to avoid but it is gaining momentum after underperforming all year. In early August the Fund has moved back into the Energy sector

There is likely to be further Sector rotation ahead – it is inevitable that some of the underperforming Sectors will catch up at some point although our model has not made any other major moves yet. There are still five Sectors where the Fund has zero exposure (Healthcare, Consumer Staples, Materials, Utilities & Real Estate) but the relative “Value” measurements are improving, so all it will take is an improvement in the relative price trends and momentum.

PORTFOLIO HOLDINGS

EQUITIES	96.3%
Global Sector ETFs	96.3%
db x-trackers MSCI World Industrials Index UCITS ETF	19.0%
db x-trackers MSCI World Information Technology Ind	18.3%
db x-trackers MSCI World Consumer Discretionary Ind	17.6%
SPDR MSCI World Technology UCITS ETF	16.2%
db x-trackers MSCI World Communication Services Inc	9.7%
SPDR MSCI World Consumer Discretionary UCITS ETF	9.0%
SPDR MSCI World Industrials UCITS ETF	5.0%
db x-trackers MSCI World Financials Index UCITS ETF	1.5%
CASH	3.7%
TOTAL	100.0%

ANALYSIS OF EQUITY EXPOSURE

BY SECTOR	Equity Allocation	Mkt Cap Wgt	Relative	
			-20%	+20%
Cons. Discretionary	27.7%	11.2%		
Industrials	24.9%	9.3%		
Technology	35.8%	20.7%		
Comm. Services	10.1%	8.0%		
Real Estate	0.0%	2.7%		
Utilities	0.0%	3.1%		
Basic Materials	0.0%	4.9%		
Energy	0.0%	5.1%		
Cons. Staples	0.0%	7.5%		
Financials	1.6%	14.5%		
Healthcare	0.0%	13.0%		
	100.0%	100.0%		

BY REGION	Equity Allocation	Mkt Cap Wgt	Relative	
			-20%	+20%
USA	70.0%	60.0%		
Japan	10.0%	5.7%		
Europe ex UK	12.4%	10.6%		
Australasia	0.8%	2.1%		
Canada	2.1%	3.6%		
UK	2.2%	3.9%		
Dev. Asia ex Japan	0.5%	4.2%		
Emerging Mkts	1.9%	10.0%		
	100.0%	100.0%		

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, Ascetric, Aviva, Barclays, FNZ, Hargreaves Lansdown, Interactive Investor, Novia, Nucleus, Pershing, Transact & Zurich platforms

FUND INFORMATION

Structure	UK Authorised OEIC	Size	£1m
ACD, Administrator & Registrar	T. Bailey Fund Services	Auditor	Cooper Parry
Depository	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
Periodic Charge ¹	0.70%	0.70%	0.45%
OCF ²	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
SEDOL	BLFFG64	BLFFGB9	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.