

Fund Summary

- Aim is to provide capital growth over the long term by investing in Global Equities
- Opportunity arises from differences in performance of Global Sectors which are often driven by different factors
- Sector Rotation strategy can capture changes in sector leadership
- Avoids style bias – portfolio style changes as sector selection changes in different market conditions
- Provides Active sector selection with Passive implementation using low-cost liquid sector ETFs
- Provides sector focus with significant diversification and minimal stock specific risk

Investment Approach

The two most important drivers for 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. Neither analytic should be used in isolation but it is logical to select investments based objectively according to a combination of fundamental value and market trends which are independent of opinion, forecasts and emotion.

Performance

	January	3 Mths	12 Mths	* Since Launch
Fund	1.9%	11.1%	11.9%	16.1%
MSCI World (Net GBP)	1.3%	10.7%	13.1%	16.1%
IA Global	0.4%	11.2%	8.3%	12.5%
IA Global Quartile	2	3	2	2



Performance shown is the total return (net of fees & costs) for the Accumulation B share class. Inception date was 7 November 2022. The Fund is not managed against any benchmark. The MSCI World Index and Investment Association Global Sector are shown as comparator benchmarks as per FCA PS 19-04. Past performance is not a reliable indicator of future performance. Source: Ekins Guinness LLP, MSCI, FE fundinfo.

Portfolio Holdings

EQUITIES	95.7%
Global Sector ETFs	95.7%
db x-trackers MSCI World Information Technology Index UCITS ETF	18.8%
SPDR MSCI World Technology UCITS ETF	18.7%
db x-trackers MSCI World Industrials Index UCITS ETF	18.6%
db x-trackers MSCI World Financials Index UCITS ETF	18.1%
db x-trackers MSCI World Communication Services Index UCITS ETF	13.6%
SPDR MSCI World Health Care UCITS ETF	4.0%
SPDR MSCI World Financials UCITS ETF	2.0%
SPDR MSCI World Industrials UCITS ETF	2.0%
CASH	4.3%
TOTAL	100.0%

Equity Analysis

BY SECTOR	Equity Allocation	Market Cap. weight	Relative
Energy	0.0%	5.1%	
Basic Materials	0.0%	4.9%	
Industrials	20.8%	9.3%	
Cons. Staples	0.0%	7.5%	
Healthcare	0.0%	13.0%	
Cons. Discretionary	13.6%	11.2%	
Comm. Services	2.0%	8.0%	
Utilities	0.0%	3.1%	
Financials	22.7%	14.5%	
Real Estate	0.0%	2.7%	
Technology	36.7%	20.7%	
Cash	4.3%	0.0%	
	100.0%	100.0%	

BY REGION	Equity Allocation	Market Cap. weight
USA	63.2%	60.0%
Canada	3.5%	3.6%
UK	3.0%	3.9%
Europe ex UK	11.9%	10.6%
Japan	8.1%	5.7%
Dev. Asia ex Japan	1.3%	4.2%
Australasia	1.8%	2.1%
Emerging Mkts	2.9%	10.0%
Cash	4.3%	0.0%
	100.0%	100.0%

Investment Commentary

The Fund returned 1.9% in January 2024, which compares with a return of 1.3% for the MSCI World Index. This gives a return since launch on 7th November 2022 of 16.1% (net of fees and costs), which is in line with the return of 16.1% for the MSCI World Index over the same period. The Fund’s return puts it in the 2nd quartile of the 538 funds in the IA Global sector which has returned 12.5% since launch. Global equity funds have generally struggled recently to keep up with the MSCI World Index due to the huge returns from the mega-cap technology stocks (“Magnificent 7”).

The world equity market rally continued in January and in early February, led by the US equity market and particularly the technology-based Nasdaq Composite. Gilts and US Treasuries both gave a small negative return in January over worries about the timing of interest rate cuts.

At the global sector level, Communication Services and Technology continued to perform well (both in excess of 4% in January), whereas Real Estate and Materials both fell 4%.

Such is the concentration of leadership at the global sector level that 6 of the 11 global sectors fell in January. This is a continuation of the disparity of sectors returns seen in 2023 – last year, the MSCI World Index returned 16.8% in GBP terms but 4 of the 11 global sectors gave a negative return.

During the month, the allocation to Consumer Discretionary was increased – relative Value Yield is still attractive and relative price momentum is good. Healthcare was increased but then reduced again because the encouraging early signs of recovery faded away.



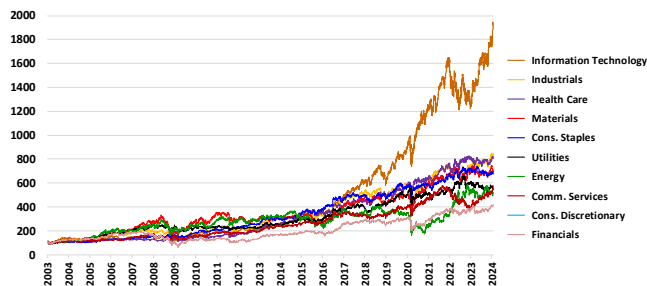
CHARLES EKINS
Founder & CEO

While the US equity market powers on to new highs, driven by the continued enthusiasm for the Technology Sector and prospects of lower interest rates, the rest of the World (ex US) is still 13% below its 2021 high. The Fund is still overweight in the US partly by virtue of the overweight in Technology, but there will be growing opportunities as the rest of the world catches up.

Divergence of Global Sectors

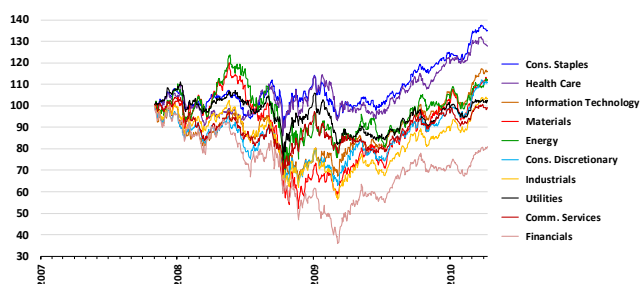
Comparison of performance

The chart below shows the variation in performance of each Sector since 2003. There are significant differences and volatility, although these are masked and dwarfed by the very strong performance of the Technology Sector.



Some investors might conclude that Technology is the principal sector they want to have exposure to – arguably the development of Technology is a generational structural development. However, this chart also shows that, although technology has been developing at a rapid pace over the last 30 years, it is only over the last 7 years in particular that the Technology sector has been so strong in market performance terms relative to other sectors.

Furthermore, in downturns, the performance of sectors tends to vary significantly from previous trends. In the 2008 Global Financial Crisis (see below), Consumer Staples only fell 10% from



their peak (November 2007) to trough, and ended up significantly higher, while Financials fell 64% from their peak. Technology fell 36% from peak to trough which was average.

In the bear market of 2022, Technology was one of the worst performing sectors, with a fall of 22%. Consumer Discretionary and Communication Services fared slightly worse (-25% and -29% respectively). Energy returned 64% and four other sectors gave modest positive returns. The pattern changed completely in 2023, with the Technology sector giving a well-publicised return of 45% in GBP terms, driven largely by Apple, Microsoft & Nvidia. Similarly, Communication Services returned 37% in 2023, while four sectors (including Energy) gave a negative return.

2022		2023	
ENERGY	64%	TECHNOLOGY	45%
UTILITIES	7%	COMM. SERVICES	37%
HEALTHCARE	7%	CONS. DISCR.	27%
CONS. STAPLES	6%	INDUSTRIALS	16%
FINANCIALS	1%	FINANCIALS	10%
MATERIALS	0%	MATERIALS	8%
INDUSTRIALS	-2%	REAL ESTATE	4%
REAL ESTATE	-16%	HEALTHCARE	-2%
TECHNOLOGY	-22%	ENERGY	-3%
CONS. DISCR.	-25%	CONS. STAPLES	-3%
COMM. SERVICES	-29%	UTILITIES	-5%

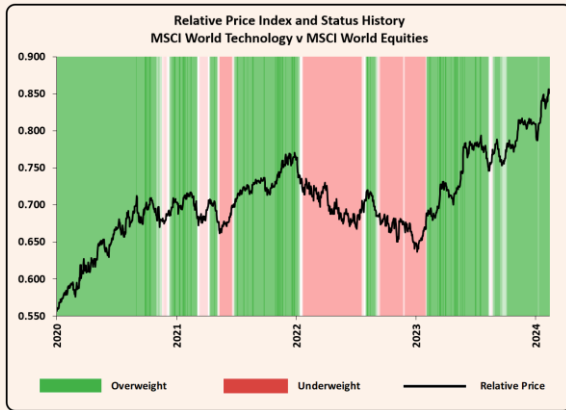
There is obviously no certainty as to which the best performing sectors will be in future and it is not necessarily the case that it will always be just one sector which dominates, as Technology has in recent years.

Our approach is to focus on the Value and Trend signals for each sector, and to let those determine the allocations. If any sector does dominate, whether Technology or any other, that will come through in our model from the favourable Trend scores, but it also allows switching and rotation when Value in any sector deteriorates and/or any sector becomes overbought – either of which could happen to any sector at any time.

Key Overweight Sector

Technology

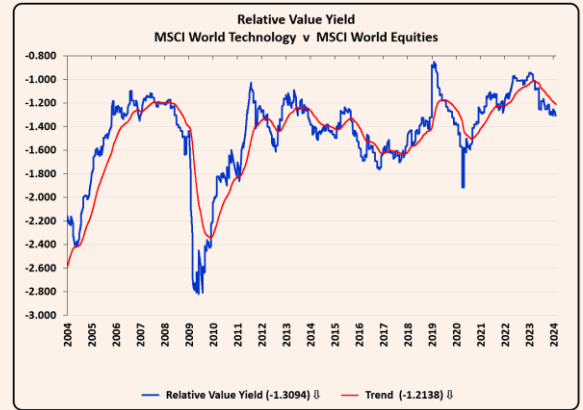
13 Feb 2024



The Global Technology sector has outperformed since early 2023 (rising black line above), after a period of underperformance during the 2022 bear market (our model was underweight during the red-shaded periods). Technology is the largest global sector and it is the largest overweight, so it is a major part of the Fund.

Technology: Relative Value Yield

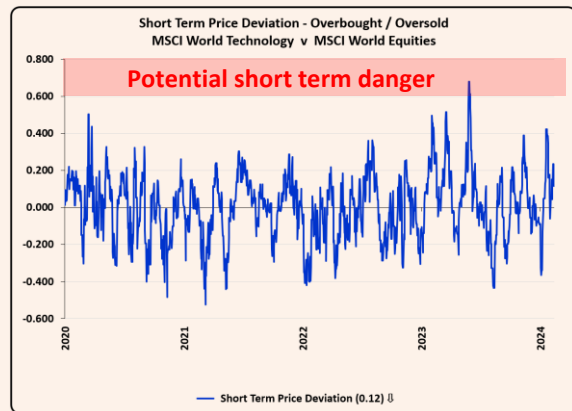
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Relative Value Yield for Global Technology is still towards the top (i.e. attractive) end of its range, which provides strategic Value support for the sector. This is essentially because corporate earnings have been strong and more than kept up with strong price movements.

Technology: Overbought / Oversold

13 Feb 2024

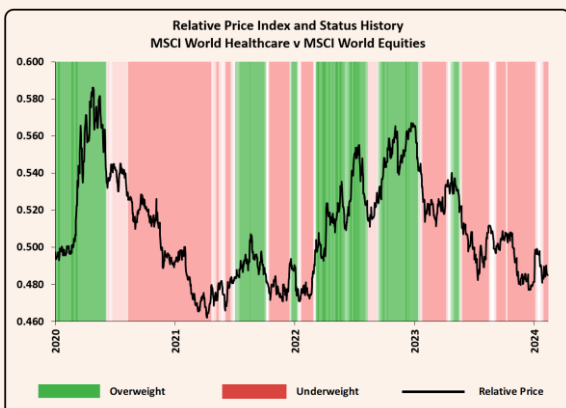


Despite the strong outperformance of Technology against World Equities, the sector is not showing up as being dangerously overbought on a tactical basis relative to world equities. It is therefore not currently at a level which would trigger an automatic reduction, although obviously this could still happen if the sector continues to push on upwards.

Recent Reduction in Sector allocation

Healthcare

13 Feb 2024



We explained in the December factsheet that, after underperformance in 2023, it had seemed that a major opportunity was building in Healthcare but that it may take a while. Accordingly the Fund started to rebuild allocations, but it proved to be a short-lived rally before fading. The Fund has therefore reduced its holding again because that rally may just be a short-term bounce in an ongoing period of underperformance. At some point the rally will probably last and there still seems to be an opportunity building because relative Value Yield (not shown here) is attractive. This dawn proved to be false, but no doubt the opportunity will arise again.

Objective

The objective of the WS 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 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).

About EkinsGuinness

We were founded by Charles Ekins.
Other Partners are:

TIM GUINNESS

Founder & Chairman of Guinness Asset Management

WILLIAM MALTBY

Chairman of NB Private Equity Partners Limited, previously vice-chairman of Investment Banking at Deutsche Bank

RICHARD THOMPSON

Previously Founder of Spring Capital Partners which specialises in the distribution of investment funds

Portfolio Managers



CHARLES EKINS
Founder & CEO

Charles is the Founder and Chief Executive of Ekins Guinness LLP. 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. He read Maths with Computing Science at Bristol University and has an MBA from the City University Business School. Charles is a Director of the Herald Worldwide Technology Fund (Dublin OEIC).



JASPER FALK
Partner

Jasper has over 20 years experience in Investment Banking. He established and managed JPMorgan's Global Inflation trading business which assisted Pension Funds and Asset Manager clients in hedging and managing their liabilities. He was also a member of the Fixed Income Management Committee. Jasper read Engineering and Management Studies at St Catharine's College Cambridge, and holds the Financial Times Non-Executive Director Diploma.

Fund Facts

Structure UK Authorised OEIC	Custodian Northern Trust
UK UCITS Yes	Auditor Cooper Parry
ISA Scheme Yes	Investment Association Sector IA Global
Size £1.5m	Valuation & Cut Off 12 noon daily
Authorised Corporate Director Waystone Fund Services Limited	Base Currency GBP
Depository NatWest	Dividend Payment Dates 31 January & 31 July

Share Classes

	B Accumulation	B Income	Z Accumulation	Z Income
Currency	GBP	GBP	GBP	GBP
Periodic Charge¹	0.70%	0.70%	0.45%	0.45%
OCF²	0.95%	0.95%	0.70%	0.70%
Minimum Investment	£5,000	£5,000	£200,000	£200,000
Minimum Top Up	£1,000	£1,000	£1,000	£1,000
ISIN	GB00BLFFG644	GB00BLFFGB97	GB00BQ1L7137	GB00BQ1L7244
SEDOL	BLFFG64	BLFFGB9	BQ1L713	BQ1L724

Notes:

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

How to invest

Search: www.EkinsGuinness.com/sectorrotationfund

Ekins Guinness: investments@ekinsguinness.com 01264 738989

Dealing Line: 0115 988 8286

Platforms: Allfunds, Aegon, AJ Bell, Alliance Trust, Ascetric, Aviva, Barclays, FNZ, Hargreaves Lansdown, Interactive Investor, Novia, Nucleus, Pershing, Transact & Zurich

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