

## Fund Summary

- Dynamic asset allocation between equities, bonds, commodities and cash
- Aim is to capture equity market upside in bull markets but to reduce drawdowns (peak to trough falls) in bear markets
- All exposure achieved through Exchange Traded Funds which have low costs and low dealing charges
- Avoids style bias – both asset allocation and equity focus change according to market conditions
- Suitable as a potential diversifier within a broader portfolio due to generally low correlation and lower volatility than Equities
- Can also be a core holding for investors who prefer not to make asset allocation changes themselves

## Investment Approach

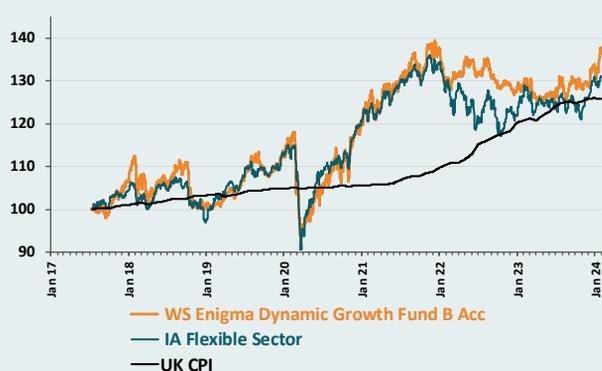
The two most important drivers for investment decisions are fundamental value and market trends. Fundamental value determines the potential over the medium/long term but can be a poor indicator of price movements in the short term. Market trends (including momentum and overbought signals) can be a good 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	1 Year	3 Years	5 Years	Launch*
<b>Fund</b>	2.2%	6.9%	7.2%	13.3%	36.0%	37.0%
IA Flexible Sector	0.0%	8.0%	3.6%	8.6%	29.3%	30.4%
IA Flexible Quartile	1	3	1	2	2	1
UK Inflation*	-0.1%	0.5%	4.2%	19.2%	21.6%	25.8%

The Fund is ranked in the 1<sup>st</sup> quartile over 1, 3 & 5 years out of all 624 funds in the four Investment Association Mixed Asset Sectors (Flexible, 0-35% Shares, 20-60% Shares & 40-85% Shares)

Discrete Years	2023	2022	2021	2020	2019
<b>Fund</b>	4.8%	-6.7%	14.1%	6.9%	11.9%
IA Flexible Sector	7.1%	-9.0%	11.3%	6.7%	15.7%
IA Flexible Quartile	4	2	2	3	4
UK Inflation*	4.8%	9.6%	3.8%	0.8%	1.5%



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, FE fundinfo.

## Portfolio Holdings

<b>EQUITIES</b>	<b>89.9%</b>
<b>Global Sector ETFs</b>	<b>80.8%</b>
db x-trackers MSCI World Information Technology Index UCITS ETF	18.6%
db x-trackers MSCI World Industrials Index UCITS ETF	17.5%
db x-trackers MSCI World Financials Index UCITS ETF	17.1%
SPDR MSCI World Technology UCITS ETF	12.4%
db x-trackers MSCI World Communication Services Index UCITS ETF	12.2%
SPDR MSCI World Health Care UCITS ETF	3.0%
<b>Regional Equity ETFs</b>	<b>9.1%</b>
iShares S&P 500 UCITS ETF	6.1%
Vanguard FTSE Japan UCITS ETF	3.0%
<b>FIXED INCOME</b>	<b>0.0%</b>
<b>GOLD &amp; COMMODITIES</b>	<b>3.9%</b>
Invesco Physical Gold	3.9%
<b>CASH</b>	<b>6.2%</b>
<b>TOTAL</b>	<b>100.0%</b>

## Equity Analysis

BY SECTOR	Equity Allocation	Market Cap. weight	Relative
Energy	0.3%	5.1%	
Basic Materials	0.2%	4.9%	
Industrials	19.5%	9.3%	
Cons. Staples	0.5%	7.5%	
Healthcare	0.9%	13.0%	
Cons. Discretionary	14.0%	11.2%	
Comm. Services	5.0%	8.0%	
Utilities	0.2%	3.1%	
Financials	20.2%	14.5%	
Real Estate	3.5%	2.7%	
Technology	35.7%	20.7%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>BY REGION</b>	<b>Equity Allocation</b>	<b>Market Cap. weight</b>	
USA	68.6%	60.0%	
Canada	3.2%	3.6%	
UK	2.9%	3.9%	
Europe ex UK	11.1%	10.6%	
Japan	8.1%	5.7%	
Dev. Asia ex Japan	1.3%	4.2%	
Australasia	1.7%	2.1%	
Emerging Mkts	3.1%	10.0%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

## Investment Commentary

The Fund returned 2.2% in January 2024. This gives a return since launch (7 July 2017) of 37.0% (net of fees and costs) which is ahead of the Investment Association (IA) Flexible Sector return of 30.4%.

Since launch, the Fund is ranked in the 1<sup>st</sup> quartile of the IA Flexible Sector which is a comparator benchmark. When compared against the 624 funds in all four IA Mixed Asset sectors (Flexible, 0-35% Shares, 20-60% Shares & 40-85% Shares), the Fund is ranked in the 1<sup>st</sup> quartile over 1, 3 & 5 years.

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. Gold also fell slightly after a good year in 2023, whereas commodities (led by oil) rose after a weaker 2023.

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.

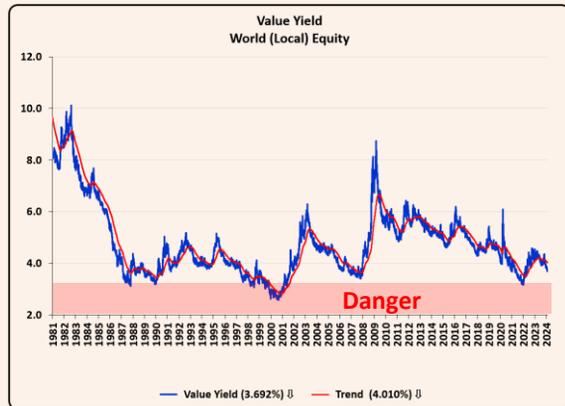


**CHARLES EKINS**  
Founder & CEO

**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.**

### Intrinsic Value Yield World Equities

13 Feb 2024



The strong rally in equity markets since November last year has understandably given rise to questions, even concerns, as to whether the rally has gone too far too quickly. Given the impossibility of knowing what shocks may lurk around the corner, perhaps economic or geopolitical especially in the Middle East, we rely on our Value and Trend measurements. These can be measured objectively and interpreted logically without emotion or opinion. Our equity Value Yield is a measure of potential future income streams, consisting of dividends and cash earnings, expressed as a yield.

As shown in the graph above, the level of equity Value Yield has fallen as equity markets have risen in recent months. In broad terms, it is clearly towards the lower end of its range but it is not extreme and it is not yet in danger territory. This is a different situation to the lower and dangerous levels of Value Yield in late 2021, which gave a prescient warning signal to reduce equities ahead of the 2022 bear market. The low levels of equity Value Yield ahead of the 1987 crash and at the end of the 2000 Tech

bubble can also be seen. We also conduct Value tests against bonds (not shown here) but nominal bond yields are similar to inflation, so bonds cannot be said to be good value although they might still give reasonable returns as inflation falls. In that respect, equities remain the Value asset class of choice.

Equity markets also have good momentum at present and are not overbought despite the strong returns. For these reasons, our asset allocation model (and therefore this Fund) remains heavily committed to equities. However, the whole point of a dynamic asset allocation strategy is that at some point it will be necessary to reduce equity allocations again significantly.

### Equity Price Performance

USA and World ex USA

13 Feb 2024

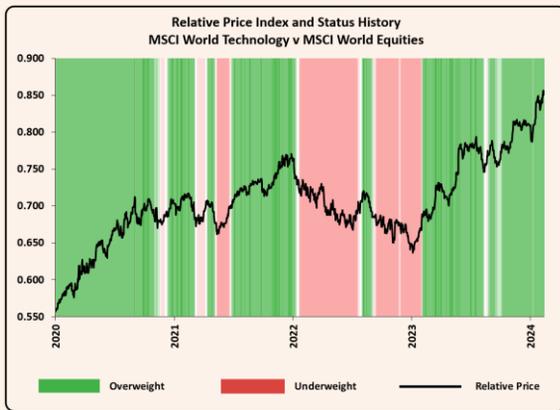


The outperformance of the USA market, which has a much higher weighting to Technology than other regions, is shown above. The USA has recently reached new highs, whereas the rest of the world (ex-US) is still well below its 2021 highs.

## Key Overweight Sector

### Technology

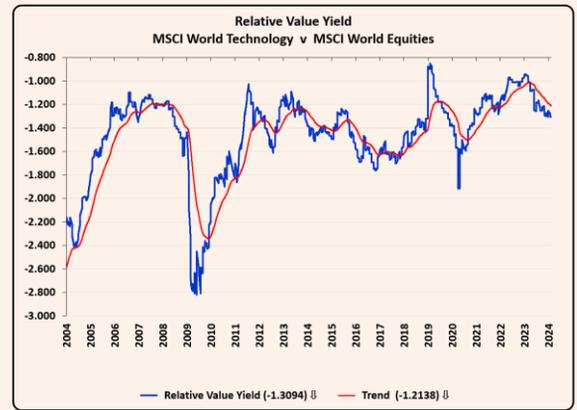
13 Feb 2024



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

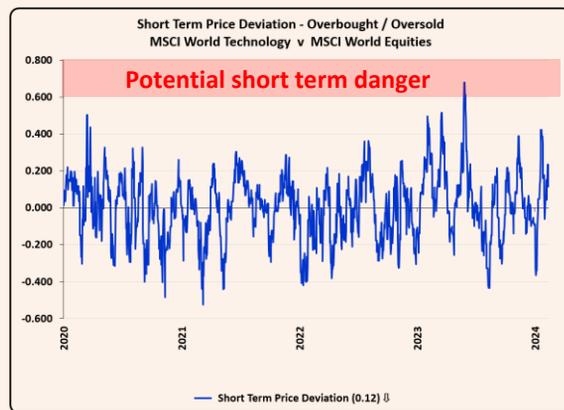
13 Feb 2024



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

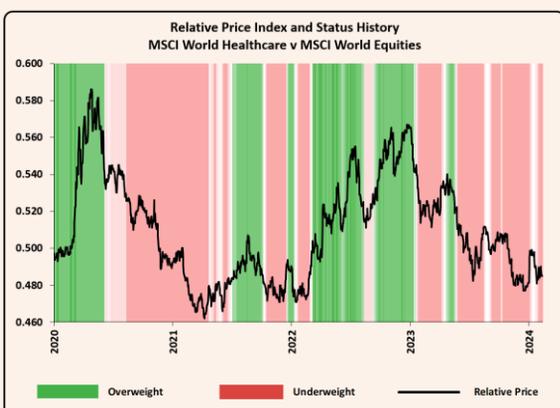


Despite the strong outperformance of Technology against World Equities, the sector is not showing up as being dangerously overbought on a tactical basis relative to world equities. It is therefore not currently at a level which would trigger an automatic reduction, although obviously this could still 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 it may take a while. The Fund started to rebuild allocations, but it proved to be a short-lived rally. 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 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 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 through active

selection of attractive regions and global sectors. These are generally implemented using cheap low-cost 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.

## 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

<b>Structure</b> UK Authorised OEIC	<b>Custodian</b> Northern Trust
<b>UK UCITS</b> Yes	<b>Auditor</b> Cooper Parry
<b>ISA Scheme</b> Yes	<b>Investment Association Sector</b> IA Flexible
<b>Size</b> £10m	<b>Valuation &amp; Cut Off</b> 12 noon daily
<b>Authorised Corporate Director</b> Waystone Fund Services Limited	<b>Base Currency</b> GBP
<b>Depository</b> NatWest	<b>Dividend Payment Dates</b> 31 January & 31 July

## Share Classes

	B Accumulation	B Income	Z Accumulation	Z Income
<b>Currency</b>	GBP	GBP	GBP	GBP
<b>Periodic Charge<sup>1</sup></b>	0.70%	0.70%	0.45%	0.45%
<b>OCF<sup>2</sup></b>	0.85%	0.85%	0.60%	0.60%
<b>Minimum Investment</b>	£5,000	£5,000	£200,000	£200,000
<b>Minimum Top Up</b>	£1,000	£1,000	£1,000	£1,000
<b>ISIN</b>	GB00BD8YW428	GB00BD8YW758	GB00BLFFGD12	GB00BLFFGC05
<b>SEDOL</b>	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

## How to invest

**Search:** [www.EkinsGuinness.com/dynamicgrowthfund](http://www.EkinsGuinness.com/dynamicgrowthfund)

**Ekins Guinness:** [investments@ekinsguinness.com](mailto: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

**DISCLAIMER & RISK WARNING:** Full details of the WS Enigma Dynamic Growth Fund, including risk warnings, are published in the Prospectus and Supplementary Information document. The WS 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. © Ekins Guinness LLP 2024. All rights reserved.