Tellworth British Recovery & Growth Trust

Investing in the best of British

Launching October 2020

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Tellworth British Recovery & Growth Trust

Investing in the best of British

Tellworth British Recovery & Growth Trust invests in 'best of British' listed UK companies. The investment universe is focused on those companies that employ a significant proportion of their workforce in the UK.

Tellworth's investment approach, which the team has implemented over the last 20 years, emphasises stock selection and will aim to generate attractive long-term total returns.

Who are Tellworth?

Tellworth Investments is a specialist equity investment business which primarily focuses on UK Equities, founded in 2017 by Paul Marriage and John Warren, who currently manage several strategies including the Schroder UK Dynamic Absolute Return Fund and the LF Tellworth Smaller Companies Fund.

Key Facts

Managers
Paul Marriage, John Warren & Johnnie Smith

Target Launch Date
October 2020

Target Size
£100-150m

Strategy
UK Equities Multi-cap

Management Fee
0.65% of market cap up to £150m, 0.60% above £150m
No performance fee

Launch Costs
Capped at 2%

Portfolio Characteristics
No. of holdings: 35-45
Gearing: Max 25% NAV

Discount control mechanisms

Size: Continuation vote at the 2023 AGM if the Company's NAV does not exceed £150m;

Performance: Shareholder exit if NAV total return performance over the five years since IPO has not exceeded that of the FTSE All Share;

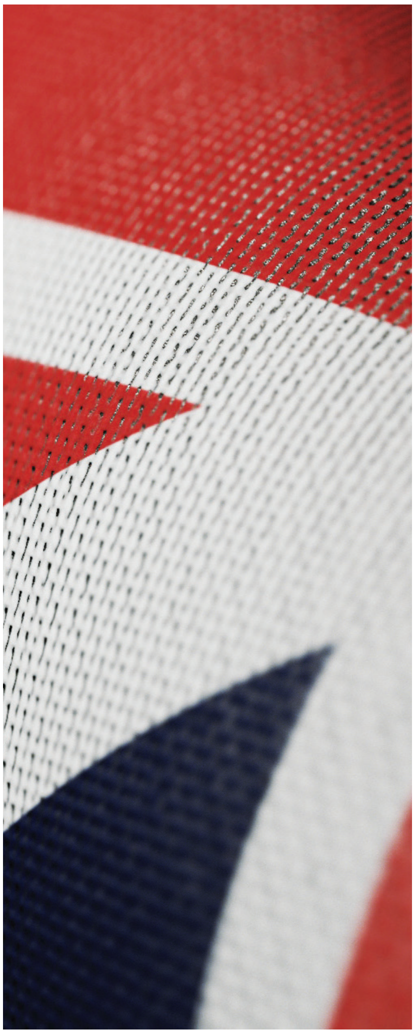
Periodic: Continuation vote at the annual general meeting in 2026 (and at every fifth AGM thereafter);

Discount: Buybacks with the aim of achieving a discount to NAV of less than 5% in normal market conditions over the long term.

Our investment philosophy

The Company will seek to generate attractive returns with a principled and consistent approach to investing in UK companies. In doing so the Company intends to:

- Support UK businesses with equity
- Support UK employers
- Promote UK technology and innovation.



Tellworth's three paths to profitable investments

1 / British Global Leaders

Seek companies that exhibit:

- Differentiated product
- Strong global market position
- Ability to grow margin over time / generate high returns on capital and cash
- Management with shareholder value approach and that own stock
- >20% employees in the UK.

2 / British Recovery

Seek companies that:

- Are materially undervalued
- Could see a significant recovery in revenues and profits
- >50% employees in the UK.

3 / British Technology

Seek companies that exhibit:

- Differentiated product with high levels of IP
- Large addressable market
- Management with shareholder value approach and that own stock
- >25% employees in the UK.

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Why now?

- Brexit, COVID-19 and other global political factors causing fundamental shifts in economies and investment outlook
- UK's flexible economy and high innovation likely to lead to new exciting opportunities
- Recovery likely to offer attractive entry points for investors taking long-term view.

For Risk Factors, please refer to page 4 in the disclaimer.

Why an Investment Trust?

- Long term nature of some investments suited to permanent capital structure
- Ability to run a more focussed portfolio
- Ability to invest in micro caps and unlisted securities at appropriate times
- Allows for leverage to enhance returns for clients.

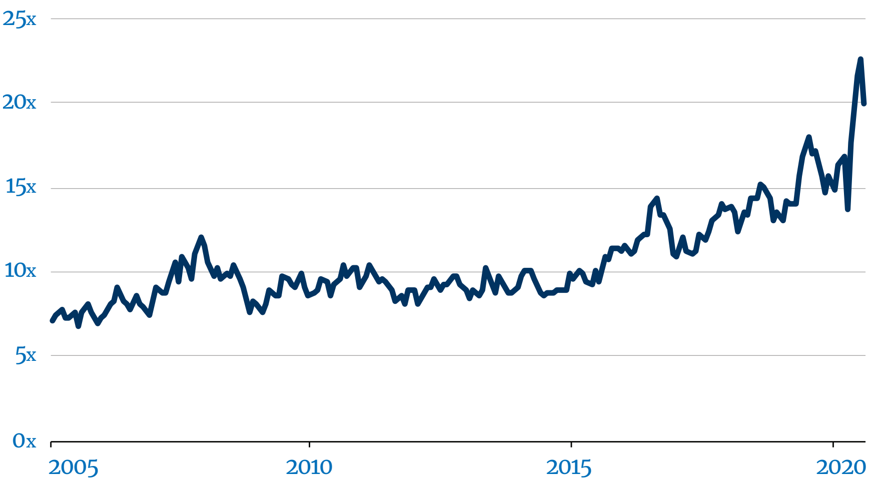
Why Tellworth?

- Experienced team with established knowledge, relationships and track-record investing in UK businesses
- Stock-selection process leverages well-established fundamental and quantitative skill sets

Why UK Equities?

In the aftermath of Brexit and Covid-19, there can be little doubt that UK equities are currently out of favour and unloved. Low interest rates, structural changes to industry profit outlooks and a volatile political and economic backdrop have driven significant valuation dispersion in the UK Equity market. The difference between the median P/E ratio of the top quartile of the UK equity market is at 15 year highs relative to the median PE of the bottom quartile (see below). This presents an opportunity for stock-pickers. We believe that there are attractive opportunities at both ends of the market, with some very high quality growth companies that more than justify the high valuations but some very high quality businesses that have much better profit outlooks than the market currently values. The mixture of Value and Growth positions makes the trust an attractive 'all-weather' option.

Difference between Median Top Quartile P/E Ratio and Median Bottom Quartile P/E Ratio:



Source: Tellworth Investments and Exane BNP Paribas

Investment team

Paul Marriage
Fund Manager
& Co-Founder

John Warren
Fund Manager
& Co-Founder

Johnnie Smith
Fund Manager

Seb Jory, CFA
Fund Manager

James Gerlis, CFA
Head of Research
& Responsible Investment

Board of Directors

Andrew Martin-Smith
Chairman

Paul Dollman
Chairman of the Audit Committee

Shauna Bevan
Non-Executive Director

Sir Richard Jewson
Non-Executive Director

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The value of investments may go up as well as down. Past performance is not a guide to future performance.

The Company, the AIFM and Investment Manager

Domicile and legal form: Tellworth British Recovery & Growth Trust plc was incorporated and registered in England & Wales on 14 August 2020 as a public company limited by shares under the Companies Act 2006 with registered number 12814859.

Its registered office is at: Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW

The Company is an alternative investment fund for the purposes of the AIFM Directive.

Under the terms of the Management Agreement, the Company has appointed Thesis Unit Trust Management Limited ("Thesis" or the "AIFM") as the Company's alternative investment fund manager for the purposes of the AIFM Directive. The AIFM has delegated portfolio management to BennBridge as Investment Manager.

BennBridge, as the Investment Manager of the Company, has appointed the Tellworth team to manage the portfolio of the Company.

The Company is an investment trust the shares of which will be included in the Official List and admitted to trading on the London Stock Exchange, and constitutes an investment company under Section 833 of the Companies Act 2006.

Risk Factors

There is no guarantee that the Company's investment objective will be achieved or provide the long-term total returns sought by the Company.

The Company is a newly formed company with no operating results, financial statements or current investments. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory return

The Company's portfolio will be managed in particular by two investment executives within Tellworth Investments (being Paul Marriage and John Warren, the Lead Portfolio Managers) who have direct responsibility for portfolio selection. In the event either of these investment executives are no longer involved in the management of the Company's portfolio, this may result in the performance of the Company or its shares being adversely affected.

The Company is reliant upon the provision of services by third party service providers in order to carry on its business, and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance.

The past performance of investments managed by Paul Marriage, John Warren and Johnnie Smith is not necessarily indicative of future performance.

The underlying investments comprised in the Company's portfolio will be subject to market risk. The Company seeks to achieve its investment objective by constructing a portfolio consisting principally of UK listed equities. The prices of equity investments may be volatile and are affected by a wide variety of factors many of which can be unforeseen and are outside the control of the investee company and the Investment Manager. These price movements could result in significant losses for the Company which would impact the returns to Shareholders and the ability of Shareholders to realise their investments.

The Company may invest in smaller capitalisation companies. As smaller companies do not have the financial strength, diversity and resources of larger companies, they may find it difficult to operate in periods of economic slowdown or recession. The small capitalisation of such companies could also make the market in their securities less liquid and, as a consequence, their prices more volatile than investments in larger companies.

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The Company may make use of derivative instruments, such as options and warrants, for the purposes of efficient portfolio management as well as for investment purposes within the limits set by the Directors. Derivative instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of the underlying securities may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited.

In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

Where the Company enters into derivative transactions, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract.

The Company may seek to enhance investment returns by using gearing in the form of derivatives and/or borrowings. Whilst gearing should enhance the total return on the shares where the return on the Company's underlying assets is positive and exceeds the cost of the gearing, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the gearing, reducing the total return on the shares. As a result, gearing may increase the volatility of the Net Asset Value per share.

The Company intends that the majority of its investments will be in quoted companies. The Company may also make investments in unquoted companies in accordance with its investment policy and the Company may become invested in unquoted companies as a result of corporate actions or commercial transactions undertaken by quoted companies. Investments in unquoted companies may not be readily realisable. In addition, these investments may not have readily ascertainable market prices and may have reported valuations that differ from their true and actual realisable value. Valuations can be subject to significant fluctuations. Therefore, there is a risk that the Company may be carrying its investment in such a company in its books at an incorrect value, which value may be significantly lower than the actual value the Company is able to realise for such an investment and this would have an adverse impact the Net Asset Value of the Company.

The market value of, and the returns derived from, the shares may go down as well as up and an investor may not get back the amount invested. The market price of the shares may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium to Net Asset Value at different times. The Directors are under no obligation to effect repurchases of shares. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their shares in the market. Although the shares will be listed on the Official List and admitted to trading on the Main Market, there may not be a liquid market in the shares and Shareholders may have difficulty selling them.

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