

Tideway

Tideway UCITS Funds ICAV
Investment Manager's Report Q2 2019



CONTENTS

03	Introduction
04	Tideway GBP Credit Fund
08	Tideway GBP Hybrid Capital Fund
12	Tideway Real Return Fund
17	Tideway European Equity Income Fund
23	Important Information
25	About Tideway
26	Tideway's Founding Partners

INVESTMENT MANAGER'S REPORT

Q2 2019



PETER DOHERTY

**MANAGING PARTNER
CHIEF INVESTMENT OFFICER**

"Too much of a good thing can be wonderful!"

– Mae West

SUMMARY OF Q2 2019

Asset prices increased across the board, with Government Bond yields falling, Equity Markets rising and Credit Markets also moving to ever lower yields.

Tideway Funds all performed very well even taking into account the favorable backdrop. Our investment process, with its focus on fundamental value and credit worthiness, continues to deliver solid results. We remain invested and are not yet looking to de-risk or raise cash given the ongoing support for financial assets from compliant Central Banks.

WHAT IS GOING ON?

Depending on who you ask, the stack of NEGATIVE yielding bonds rose to something in the order of USD 10 trillion equivalent. Remember that this state of affairs is a direct result of the combination of:

- a) The way the financial system is set up and
- b) Global central bank and government policies

THE SYSTEM

Mervyn King's "The End of Alchemy" includes an educational description of "Fractional Reserve Banking" which, to paraphrase Churchill on democracy, is the worst form of banking apart from all the alternatives. Putting to one side the point that if King knew so much he should have had a better Global Financial Crisis ("GFC"), the central narrative highlights how little capital there really is in the banking system in relation to the inherent risks and that it is therefore a built-in feature of the system to have periodic crises. Post GFC, the efforts to raise systemic capital have been very effective and the system is safer than before.

Less clearly laid out is that the regulatory capital framework for both the banking and insurance sectors heavily promotes

investment in Government Bonds at the expense of other, higher return, more productive assets such as equities and / or direct infrastructure. This supports government bonds to the point of them being expensive for buyers outside of these capital frameworks and indeed drives the risk-free rate lower, supporting higher valuations for all assets.

One downside of the system is that there are few incentives for Governments to rein in spending because they have an almost unlimited supply of funding available at a distorted price, with artificially low return expectations.

POLICIES

In addition to the systemic support for Government debt from the capital framework of the financial system, Central Banks and (to a lesser extent) Governments themselves have become obsessed with eliminating risk from financial assets, lowering the cost of borrowing and increasing the supply of credit to create a virtuous circle of growth, moderate inflation and more credit creation.

2019 has seen a dramatic turnaround by the US Federal Reserve in terms of the path for official interest rates.

Fed Funds had been expected to rise to 3.5, possibly 4 or even 5 % across 2019 and 2020, but weakness in financial markets in Q4 2018 scared the Fed and they have subsequently shifted expectations to rates going lower in 2019.

Similarly, the ECB has touted the idea of cutting rates to even more negative levels, thereby forcing investors to take on risk by getting out of cash.

CONCLUSION

There are two very powerful forces supporting asset prices - the way the financial system is set up and the policies being adopted by the institutions who oversee that system. Those forces are pretty much irresistible, so it is risky to take a material contrarian view. Through their duration and/or equity exposure, the Tideway funds have strongly participated in the rebound and benefitted from these two forces.

It does however pay to remain prudent and to keep an eye on risk because there can and will be difficult markets to navigate at some point.

INVESTMENT MANAGER'S REPORT

Q2 2019



GUILLAUME DESQUEYROUX CFA
TIDEWAY CREDIT PORTFOLIO
MANAGER

TIDEWAY GBP CREDIT FUND

The **Tideway GBP Credit Fund** aims to generate income, net of all expenses, equivalent to the Bank of England UK Base Rate plus 1-2%, from a credit portfolio with low to medium volatility. The Fund is designed for investors with short-term liquidity requirements (0-5 years), with the average duration of the Fund's investments being maintained under five years.

The Fund was launched in September 2016 and we are pleased to report that assets under management now stand at £90.9 million.

As the chart on page 5 illustrates, our GBP Credit Fund since launch has delivered a positive return of +10.93%, which is +2.81% ahead of its respective benchmark (IA Sterling Strategic Bond). Over this period the Fund's return is ranked 21st out of 83 funds that make up the IA Sterling Strategic Bond sector. The Fund has outperformed equivalent passive ETF strategies since launch. In Q2 2019 the Fund returned +1.84%, versus a return of +2.53% for the benchmark.

The Fund's best performing asset over the quarter was Pension Insurance Corp 6.5% 07/24 (+3.48% return, +0.16% contribution). Pension Insurance Corp benefitted from a strong pipeline of new business and Fitch confirmed the single 'A' rating of the company. Other significant positive

contributions came from Lloyds 13% Perpetual (+3.06% return, +0.12% contribution). This long-term investment received a lot of traction over the quarter as it offers clear cash flow visibility to debtholders in a tighter and tighter regulatory framework. The largest negative contribution in the quarter came from the Fund's holding in Santander 7.375% Perpetual, which returned -2.13% for a negative contribution of -0.01%. Santander UK reported disappointing results for Q1 2019 as a reflection of the intense competition in the mortgage market. While Banco Santander (the holding company) is considering its options, in regards to the UK market in the context of Brexit, it will engage in additional cost cutting in its subsidiary.

The current portfolio possesses a duration of 2.91 years and a yield of 3.08% gross / 2.18% net.

A dividend of £1.11 per unit was declared on the Class B Income shares with the next dividend to be declared at the end of September. Over the past 12 months the Fund has returned £4.66 per unit to investors, significantly ahead of its net income target (Bank of England UK Base Rate plus 1-2% per annum).

INVESTMENT MANAGER'S REPORT

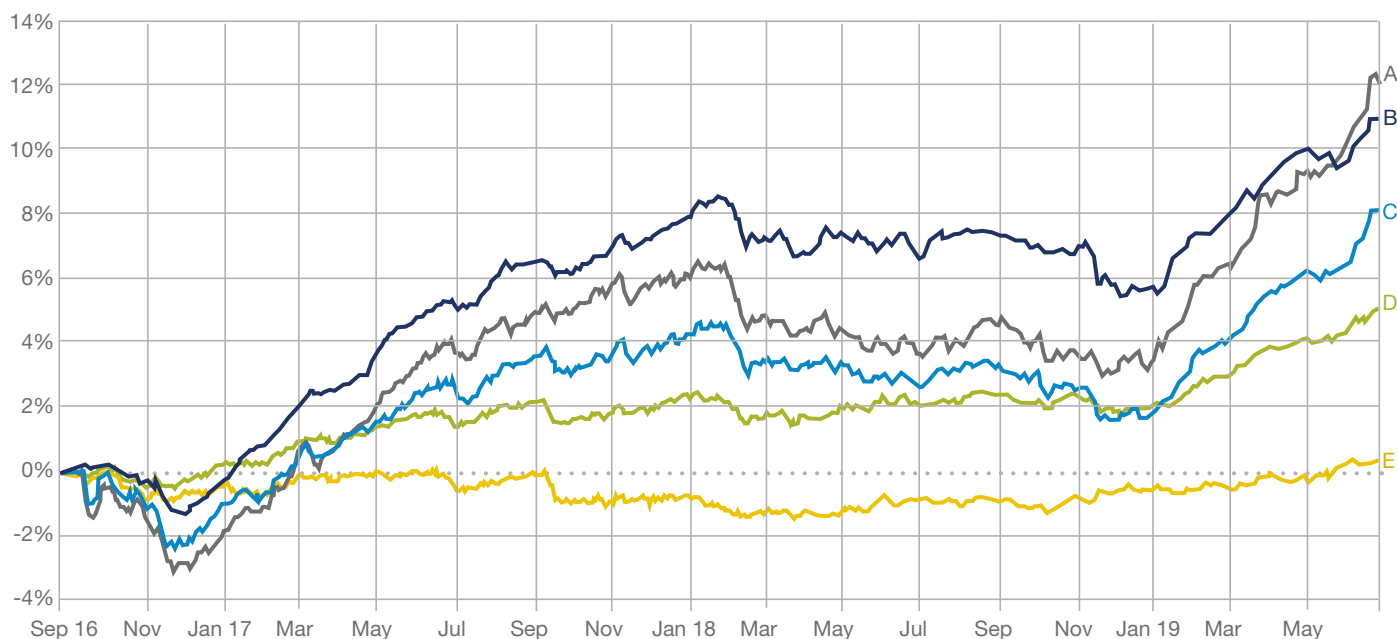
Q2 2019

TIDEWAY GBP CREDIT FUND - KEY FUND DATA

Bond Portfolio Yield (Gross)	Duration (in years)	PERFORMANCE Since launch %	PERFORMANCE Q2 2019 %	PERFORMANCE 2019 %
3.08%	2.91	10.93%	1.84%	4.99%

Since launch: From September 1st 2016 to June 28th 2019

TIDEWAY GBP CREDIT FUND – PERFORMANCE SINCE LAUNCH (CLASS A ACC)



- A - Janus Henderson - Preference & Bond I Acc TR in GB (12.28%)
- B - Tideway - GBP Credit A Acc GBP in GB (10.93%)
- C - IA Sterling Strategic Bond TR in GB (8.12%)
- D - iShares - £ Corporate Bond 0-5yr UCITS ETF GBP TR in GB (4.97%)
- E - iShares - UK Gilts 0-5yr UCITS ETF 0 5 GBP TR in GB (0.25%)

01/09/2016 - 28/06/2019. Data from FE 2019



All performance data as of 28th June 2019. Performance is shown on a bid price basis, with net income reinvested, net of all fund fees.

*The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. The ICAV's annual report for each financial year will include detail on the exact charges made. Sole basis for the purchase of units are the offering documents of this fund (the latest prospectus, the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY GBP CREDIT FUND – Q2 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
Pension Insurance Corp (6.5%, 03/07/24)	3.48%	0.16%
Lloyds (13%, Perp)	3.06%	0.12%
RL Finance (6.125%, 30/11/43)	2.21%	0.12%
CNP Assurances (7.365%, 30/09/41)	2.19%	0.11%
Quilter plc (4.478%, 28/02/28)	2.41%	0.11%

TIDEWAY GBP CREDIT FUND – 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
Lloyds (13%, Perp)	10.97%	0.39%
Royal London (6.125%, 30/11/43)	6.60%	0.36%
Pension Ins. Corp (6.5%, 03/07/24)	7.09%	0.33%
Quilter (4.478%, 28/02/28)	6.61%	0.31%
Jerrold (6.125%, 15/01/24)	8.73%	0.27%

TIDEWAY GBP CREDIT FUND – Q2 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
Santander (7.38%, Perp)	-2.13%	-0.01%

TIDEWAY GBP CREDIT FUND – 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
Metro Bank (5.5, 26/06/28)	-6.87%	-0.02%

GBP contribution figures are estimated using average asset weights over the period with returns in GBP. Source: Link, Bloomberg.

INVESTMENT MANAGER'S REPORT

Q2 2019

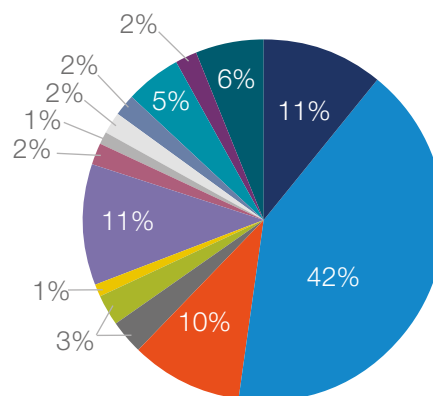
TIDEWAY GBP CREDIT FUND – TOP FUND HOLDINGS (AS % OF NAV, AS AT 28 JUNE 2019)

TOP HOLDINGS	
RL Finance (6.125%, 30/11/43)	5.8%
CNP Assurances (7.365%, 30/09/41)	5.2%
Pension Insurance Corp (6.5%, 03/07/24)	5.1%
Quilter plc (4.478%, 28/02/28)	4.9%
Lloyds (13%, Perp)	4.7%

Source: Link.

TIDEWAY GBP CREDIT FUND – INDUSTRY BREAKDOWN (AS % OF NAV, AS AT 28 JUNE 2019)

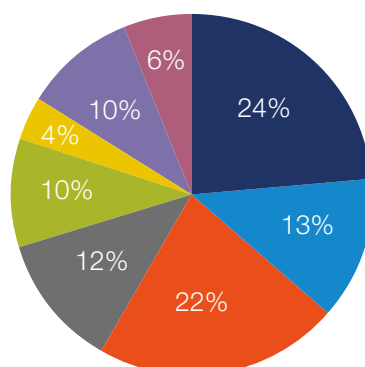
- Banks
- Insurance
- Communications
- Utilities
- Mining
- Entertainment
- Diversified Financial Services
- Industrial
- Real Estate
- Consumer Finance
- Consumer, Non-cyclical
- Consumer Staples
- Hotels, Restaurants & Leisure
- Cash



Source: Link, Bloomberg.

TIDEWAY GBP CREDIT FUND – IMPLIED CREDIT RATING (AS % OF NAV, AS AT 28 JUNE 2019)

- Baa1
- Baa2
- Baa3
- Ba1
- Ba2
- Ba3
- Non rated
- Cash



Source: Link, Bloomberg.

The implied credit rating is the worst rating allocated from the three main rating agencies (Moody's, S&P, Fitch), converted back to Moody's equivalent. Full details of the portfolio can be provided on request. Sole basis for the purchase of units in the Fund are the offering documents (the latest prospectus,

the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

INVESTMENT MANAGER'S REPORT

Q2 2019



GUILLAUME DESQUEYROUX CFA
TIDEWAY CREDIT PORTFOLIO
MANAGER

TIDEWAY GBP HYBRID CAPITAL FUND

The **Tideway GBP Hybrid Capital Fund** aims to generate 5% per annum income, net of all expenses, from a hybrid capital bond portfolio with medium volatility.

The Fund was launched in September 2016 and we are pleased to report that assets under management now stand at £114.9 million.

As the chart on page 9 illustrates, since launch the Tideway GBP Hybrid Capital Fund has returned +20.16%, which is +12.04% ahead of its respective benchmark (IA Sterling Strategic Bond). Over this period the fund's return is ranked 3rd out of 83 funds that make up the IA Sterling Strategic Bond sector. The Fund has also outperformed bond tracker funds such as iShares GBP Corporate Bond ETF and peer group funds such as Janus Henderson Preference & Bond Fund and GAM Star Credit Opportunities. The Fund posted a positive return in Q2 and outperformed its benchmark, returning 2.95% versus 2.53% for the IA Sterling Strategic Bond.

The Fund's best performing asset over the quarter was Esure 6.75% 12/24 (+11.10% return, +0.29% contribution). The insurer suffered from higher than expected claims costs,

against a backdrop of lower premiums across the market in FY18, while communicating in Q1. Since then, it has entered into some reinsurance contracts which have boosted its Solvency II ratio and supported the performance of the bond over Q2. Other significant positive contributions came from EDF 6% Perpetual (+6.09% return, +0.25% contribution). This defensive name has offered some certainty in a complex geopolitical environment - in particular, the US/China trade war. European power prices have not suffered from the falling commodity prices and a generation company like EDF can only benefit from such an environment. Additionally, the skyrocketing carbon price supports a name like EDF. The largest negative contribution in the quarter came from the Fund's holding in CYBG 7.875% 12/28, which returned -1.12% for a negative contribution of -0.06%.

The Hybrid Capital portfolio has a duration of 6.83 years and a yield of 4.32% gross / 3.39% net.

A dividend of £1.10 was declared on the Class B Income shares with the next dividend to be declared at the end of September. Over the past 12 months the Fund has returned £4.93, in line with its 5% target.

INVESTMENT MANAGER'S REPORT

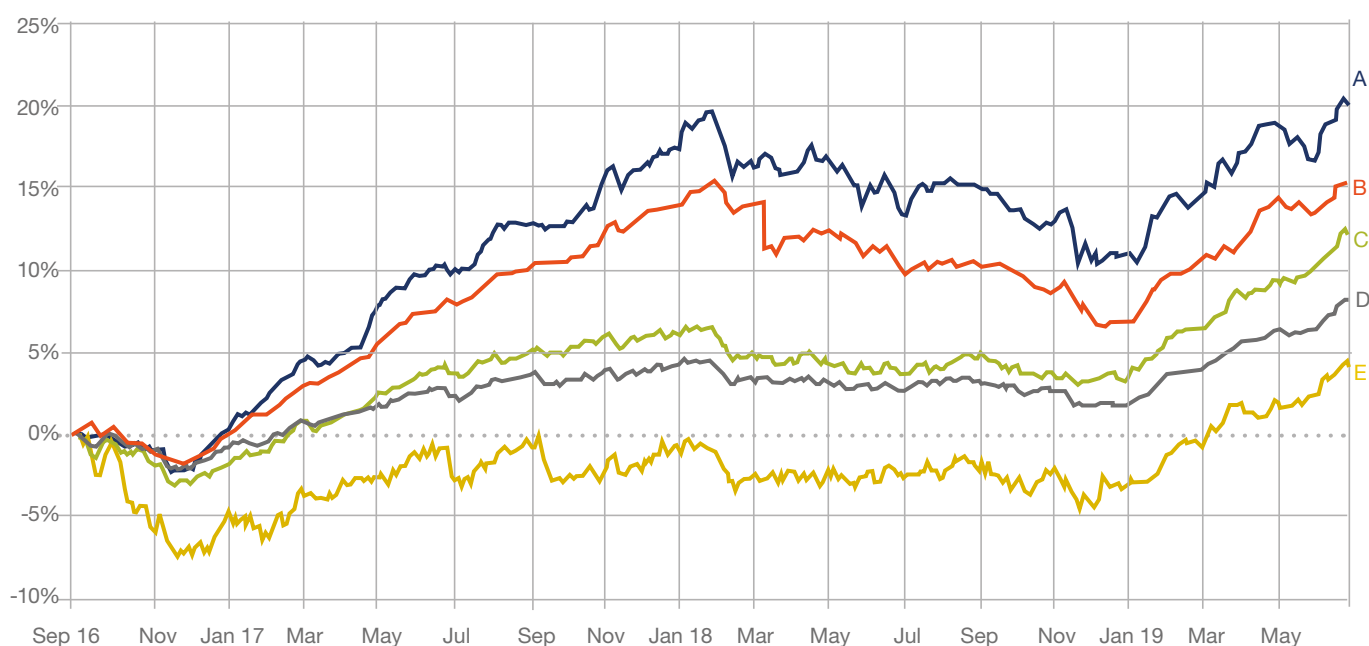
Q2 2019

TIDEWAY GBP HYBRID CAPITAL FUND - KEY FUND DATA

Bond Portfolio Yield (Gross)	Duration (in years)	PERFORMANCE Since launch %	PERFORMANCE Q2 2019 %	PERFORMANCE 2019
4.32%	6.83	20.16%	2.95%	8.24%

Since launch: From September 1st 2016 to June 28th 2019

TIDEWAY GBP HYBRID CAPITAL FUND – PERFORMANCE SINCE LAUNCH (CLASS A ACC)



- A - Tideway GBP Hybrid Capital Bond A GBP in GB (20.16%)
- B - GAM - Star Credit Opportunities GBP Inst in GB (15.30%)
- C - Janus Henderson - Preference & Bond I Acc TR in GB** (12.28%)
- D - IA Sterling Strategic Bond TR in GB (8.12%)
- E - iShares - Core £ Corporate Bond UCITS ETF GBP TR in GB (4.04%)

01/09/2016 - 28/06/2019. Data from FE 2019



All performance data as of 28th June 2019. Performance is shown on a bid price basis, with net income reinvested, net of all fund fees.

*The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. The ICAV's annual report for each financial year will include detail on the exact charges made. Sole basis for the purchase of units are the offering documents of this fund (the latest prospectus, the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY GBP HYBRID CAPITAL FUND – Q2 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
Esure (6.75%, 19/12/24)	11.10%	0.29%
EDF (6%, Perp)	6.09%	0.25%
Pension Insurance Corp (5.625%, 20/09/30)	4.44%	0.23%
Legal & General (5.125%, 14/11/48)	4.56%	0.20%
Aviva (6.875%, 20/05/58)	3.40%	0.19%

TIDEWAY GBP HYBRID CAPITAL FUND – 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
Aviva (6.875%, 20/05/58)	18.98%	0.79%
EDF (6%, Perp)	13.49%	0.55%
Legal & General (5.125%, 14/11/48)	13.19%	0.50%
Pension Insurance Corp (5.625%, 20/09/30)	9.61%	0.48%
Prudential plc (5.625%, 20/10/51)	12.68%	0.48%

TIDEWAY GBP HYBRID CAPITAL FUND – Q2 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
CYBG (7.875%, 14/12/28)	-1.12%	-0.06%

TIDEWAY GBP HYBRID CAPITAL FUND – 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
CYBG (7.875%, 14/12/28)	-1.12%	-0.06%

GBP contribution figures are estimated using average asset weights over the period with returns in GBP. Source: Link, Bloomberg.

INVESTMENT MANAGER'S REPORT

Q2 2019

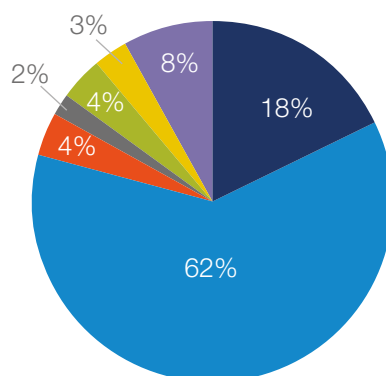
TIDEWAY GBP HYBRID CAPITAL FUND – TOP FUND HOLDINGS (AS % OF NAV, AS AT 28 JUNE 2019)

TOP HOLDINGS	
Rothsay Life (6.875%, Perp)	6.1%
Aviva (6.875%, 20/05/58)	5.7%
Pension Insurance Corp (5.625%, 20/09/30)	5.1%
Phoenix Group (5.75%, Perp)	4.7%
Legal & General (5.125%, 14/11/48)	4.3%

Source: Link.

TIDEWAY GBP HYBRID CAPITAL FUND – INDUSTRY BREAKDOWN (AS % OF NAV, AS AT 28 JUNE 2019)

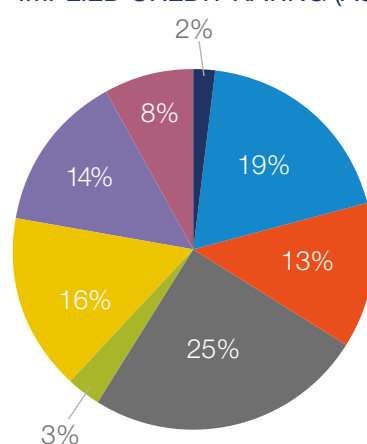
- Banks
- Insurance
- Utilities
- Communications
- Diversified Financial Services
- Real Estate
- Cash



Source: Link, Bloomberg.

TIDEWAY GBP HYBRID CAPITAL FUND – IMPLIED CREDIT RATING (AS % OF NAV, AS AT 28 JUNE 2019)

- A3
- Baa1
- Baa2
- Baa3
- Ba1
- Ba2
- Non rated
- Cash



Source: Link, Bloomberg.

The implied credit rating is the worst rating allocated from the three main rating agencies (Moody's, S&P, Fitch), converted back to Moody's equivalent. Full details of the portfolio can be provided on request. Sole basis for the purchase of units in the Fund are the offering documents (the latest prospectus,

the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

INVESTMENT MANAGER'S REPORT

Q2 2019



SAM GLOVER CFA
TIDEWAY FUND MANAGER

TIDEWAY HIGH INCOME REAL RETURN FUND

At the beginning of the second quarter the **Tideway High Income Real Return Fund** completed its strategy transition to the Tideway High Income Real Return Fund. The Fund is now a mixed-asset income fund, with a target to deliver net income of UK CPI + 3% on a rolling basis. The Fund invests in fixed income securities (including hybrid capital), equities and investment trusts (including alternative assets such as infrastructure, renewable energy and property).

Assets under management in the High Income Real Return Fund currently stand at £39.6 million.

The Fund made a good start under the new strategy, returning +1.43% in the quarter and distributing £1.10 (\$1.14) to investors. This was ahead of its IA Targeted Absolute Return peer group (+1.19%) but below its benchmark ('CPI +3%' returned +1.59%). Breaking the Fund's return down by asset class (see contribution table on page 13), we can see that in Q2 2019 the bond book contributed +1.08% to total return, equities contributed +0.55% and investment trusts contributed +0.12%.

In Q2 the credit portion of the High Income Real Return Fund (53.3% of NAV as at June 28th 2019) contributed +1.08% to the total return. The strongest performing bond during the quarter was Nationwide 10.25% Perpetual (+5.35% return, +0.31% contribution). This bond has continued to perform in Q2 and its high duration has been beneficial to these results. Lloyds 13% Perpetual was also a strong performer, returning +3.29% for a +0.26% performance contribution. On the negative side, Orsted 0.375% 05/34 returned -12.37% in the

quarter, contributing -0.96% to performance.

The equity portion of the High Income Real Return Fund (13.6% of NAV) posted a strong quarter, returning over 4% (in local terms) and contributing +0.55% to the Fund's total return. This return was below European equity markets, which returned +6.84% over the same period (FTSE Developed Europe). Given the weakening rate outlook our holdings in so-called 'bond proxies' such as Nestle performed exceptionally well (+9.36% return, +0.10% contribution). Such 'defensive' businesses tend to have strong competitive advantages and have historically exhibited less earnings cyclicity through an economic cycle, with exceptional track records of consistent dividend growth. The equity book is currently delivering a yield of over 5% in GBP terms.

The investment trust portion of the High Income Real Return Fund (20.4% of NAV) posted a solid quarter, returning just under +1% in sterling terms, for a +0.12% contribution to the Fund's return. The best performing trust in the period was Aquila European Renewables, which returned +2.5% (+0.14% contribution). Aquila European Renewables Income Fund is a new investment trust, raising gross proceeds of €154.3m in its IPO. The fund's shares started trading on the LSE's Main Market on 5 June. The fund will be managed by Aquila Capital, an alternative asset manager based in Hamburg, which has €8.2bn in AUM. The fund will be managed by Christine Brockwell, who has 13 years' experience in renewable energy and is backed by an investment team of over 40 people, which includes a dedicated power price agreement (PPA) desk. The IPO proceeds will be invested in a diversified portfolio of solar, onshore wind and hydroelectric power in continental Europe, including the UK and Ireland. Revenues will come from a combination of government subsidies supporting carbon-free energy and long-term supply or PPA with companies. The investment trust book is currently delivering a yield of 6.35% in GBP terms.

TIDEWAY HIGH INCOME REAL RETURN FUND - KEY FUND DATA

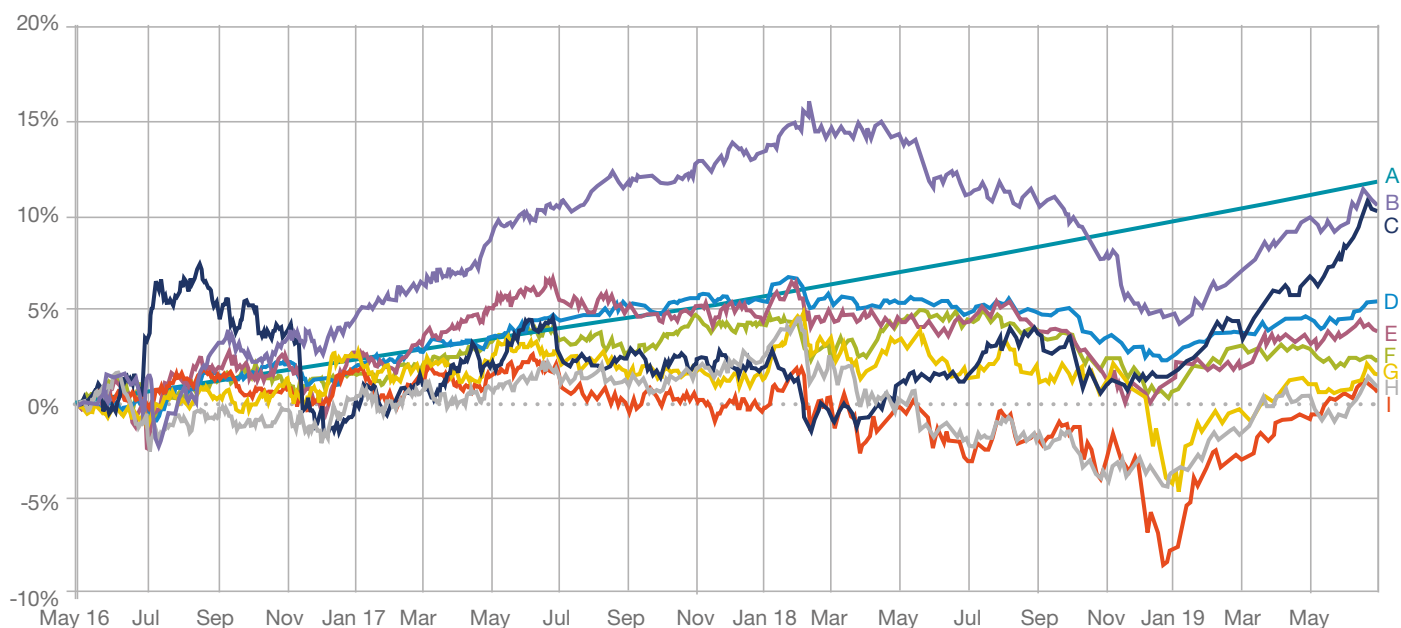
Estimated Fund Yield (GBP, Gross, Incl. cash)	Of which... Bond Yield (GBP, Gross)	Of which... Equity Yield (GBP, Gross)	Of which... Investment Trust Yield (GBP, Gross)	PERFORMANCE Since ICAV launch %	PERFORMANCE Q2 2019 %	PERFORMANCE 2019 %
5.00%	5.61%	5.51%	6.35%	10.11%	1.43%	5.46%

Since launch: From April 29th 2016 to June 28th 2019

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY HIGH INCOME REAL RETURN FUND – PERFORMANCE SINCE ICAV LAUNCH (CLASS A GBP ACC)



- A - LIBOR GBP 3m +3% TR in GB (11.79%)
- B - BNY Mellon - Real Return Inst Acc in GB (10.46%)
- C - Tideway - High Income Real Return A GBP in GB (10.11%)
- D - IA Targeted Absolute Return TR in GB (5.34%)
- E - Invesco - Global Target Returns Pn Gr Acc GTR in GB (3.80%)
- F - Janus Henderson - UK Absolute Return A Acc in GB (2.38%)
- G - Aviva - Multi Strategy Target Return S4 in GB (1.83%)
- H - Standard Life Investments - Global Absolute Return Strategies Inst in GB (1.06%)
- I - Aviva Inv - Multi Strategy Target Income 2 TR in GB (0.85%)

29/04/2016 - 28/06/2019. Data from FE 2019



All performance data as of 28th June 2019. Performance is shown on a bid price basis, with net income reinvested, net of all fund fees.

*The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. The ICAV's annual report for each financial year will include detail on the exact charges made. Sole basis for the purchase of units are the offering documents of this fund (the latest prospectus, the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

TIDEWAY HIGH INCOME REAL RETURN FUND – CONTRIBUTION BY ASSET CLASS

TIDEWAY HIGH INCOME REAL RETURN FUND	CONTRIBUTION – Q2 2019*
Bonds	+1.08%
Equities	+0.55%
Investment Trusts	+0.12%
Fees / Other	-0.32%
Net Total Return	+1.43%

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY HIGH INCOME REAL RETURN FUND – Q2 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	LOCAL CURRENCY RETURN %	PORTFOLIO RETURN (GBP) %
Nationwide (10.25%, Perp)	5.35%	0.31%
Lloyds (13%, Perp)	3.29%	0.26%
Royal Bank of Scotland (7.648%, Perp)	5.42%	0.22%
CYBG (8%, Perp)	4.09%	0.20%
Pension Insurance Corp (8%, 23/11/26)	4.40%	0.17%

TIDEWAY HIGH INCOME REAL RETURN FUND – 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	LOCAL CURRENCY RETURN %	PORTFOLIO RETURN (GBP) %
US TIPS (1%, 15/02/46)	7.17%	0.71%
Lloyds (13%, Perp)	11.22%	0.64%
Nationwide (10.25%, Perp)	11.09%	0.56%
CYBG (8%, Perp)	10.46%	0.48%
Royal Bank of Scotland (7.648%, Perp)	8.75%	0.35%

TIDEWAY HIGH INCOME REAL RETURN FUND – Q2 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	LOCAL CURRENCY RETURN %	PORTFOLIO RETURN (GBP) %
Orsted (0.375%, 16/05/34)	-12.37%	-0.96%
Vonovia SE	-6.32%	-0.08%
AA Bond Co (5.5%, 31/07/22)	-1.83%	-0.06%
UK TSY (1%, 22/04/24)	-0.50%	-0.05%
ITV PLC	-11.53%	-0.05%

TIDEWAY HIGH INCOME REAL RETURN FUND – 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	LOCAL CURRENCY RETURN %	PORTFOLIO RETURN (GBP) %
Metro Bank (5.5%, 26/06/28)	-6.87%	-0.33%
S&P500 EMINI (Future)	4.00%	-0.08%
Vonovia SE	-6.32%	-0.08%
FTSE 100 IDX (Future)	2.69%	-0.06%

*GBP contribution figures are estimated using average asset weights over the period with returns in local currency (whilst permitted, there is generally no FX exposure in the fund). Source: Link, Bloomberg.

INVESTMENT MANAGER'S REPORT

Q2 2019

IDEWAY HIGH INCOME REAL RETURN FUND – TOP FUND HOLDINGS (AS % OF NAV, AS AT 28 JUNE 2019)

TOP 10 HOLDINGS (AS % OF NAV)	
Lloyds (13%, Perp)	6.8%
Nationwide (10.25%, Perp)	6.3%
Aquila Renewables Fund	5.8%
UK GILT (0.125%, 08/10/41)	4.9%
Punch Taverns (7.875%, 30/12/25)	4.8%
Orsted (0.375%,	4.7%
Royal Bank of Scotland (7.648%, Perp)	3.9%
Permanent TSB (8.625%, Perp)	3.8%
CYBG (8%, Perp)	3.7%
AA Bond (5.5%, 31/07/22)	3.3%

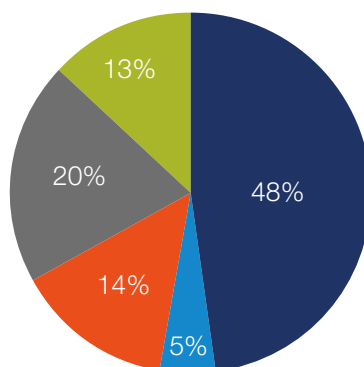
TOP BOND HOLDINGS	
Lloyds	6.8%
Nationwide	6.3%
UK GILT	4.9%
Punch Taverns	4.8%
Orsted	4.7%

TOP EQUITY/INVESTMENT TRUST HOLDINGS	
Aquila Ren. Fund	5.8%
Tetragon	3.1%
Riverstone	3.0%
Toro	2.6%
Secure Income	2.0%

Source: Link

TIDEWAY HIGH INCOME REAL RETURN FUND – ASSET ALLOCATION (AS % OF NAV, AS AT 28 JUNE 2019)

- Fixed Income
- Government Securities
- Equity
- Investment Trust
- Cash



Source: Link.

INVESTMENT MANAGER'S REPORT

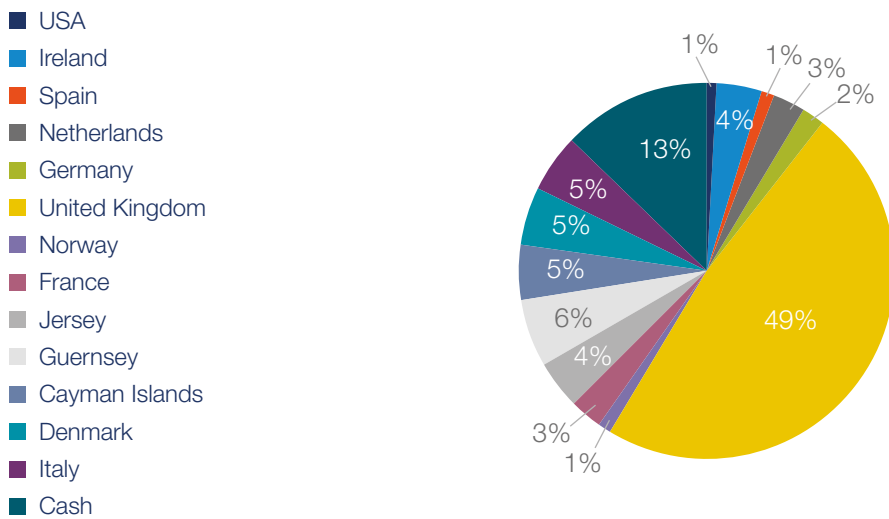
Q2 2019

TIDEWAY HIGH INCOME REAL RETURN FUND – INDUSTRY BREAKDOWN (AS % OF NAV, AS AT 28 JUNE 2019)



Source: Link

TIDEWAY HIGH INCOME REAL RETURN FUND – COUNTRY BREAKDOWN (AS % OF NAV, AS AT 28 JUNE 2019)



Source: Link

INVESTMENT MANAGER'S REPORT

Q2 2019



SAM GLOVER CFA
TIDEWAY FUND MANAGER

TIDEWAY EUROPEAN EQUITY INCOME FUND

The **Tideway European Equity Income Fund** aims to deliver long term investment returns ahead of inflation from a combination of income and capital growth. The Fund seeks to achieve its objective through investment in a diversified portfolio of shares (equity securities) of companies that are either listed in European countries, or if listed outside Europe, exercise a significant part of their economic activities in European countries. The Fund is designed for investors with long-term liquidity requirements (10 years).

The Fund was launched in April 2018 and assets under management currently stand at £20.5 million.

Q2 2019 was a positive quarter for equity markets, with the FTSE Developed Europe Index, a pan European index comprising the largest 500 equity securities, continuing to rally from the lows reached in late December 2018, returning +6.84%. The fears which fueled the selling in Q4 2018 have subsided somewhat, as central banks (particularly the US) put the brakes on the monetary tightening of 2018 amid signs of decelerating economic growth. Despite the Fund's value factor tilt, it actually had a strong positive quarter, as the weakening rate outlook provided a tailwind for income focused strategies. Overall the Fund returned +5.99% in Q2 2019. This return was slightly behind the Fund's benchmark (FTSE Developed Europe returned +6.84%). Since inception (30th April 2018) the Fund has returned 3.56%, versus 5.65% for the FTSE Developed Europe Index, 4.90% for the IA active peer group (IA Europe incl. UK) and -1.64% for the (passive) iShares Euro Dividend UCITS ETF (see chart on page 18).

Q2 saw strong performance across the portfolio. Our holdings in so-called 'bond proxies' performed exceptionally well. Such 'defensive' businesses tend to have strong competitive

advantages and have historically exhibited less earnings cyclicality through an economic cycle, with exceptional track records of consistent dividend growth. Examples of such businesses include the journal publisher RELX (+18.35% return in Q2, +0.66% contribution), regulated utility Iberdrola (+16.31% return, +0.59% contribution) and consumer staples conglomerate Unilever (+12.23% return, +0.47% contribution). On the negative side, the biggest detractor in the Fund in Q2 was ITV. Contrary to the above businesses, ITV's earnings have historically been more cyclical in nature, driven by demand for TV (and increasingly digital) advertising. Unfortunately ITV released a weak trading update in May, which highlighted weakness in 2019 advertising revenues within both its TV and digital channels. We are taking a much longer-term view on the company's potential, and were impressed with much of what was presented to investors at the company's recent investor day, with real progress being made in transforming the business into a digital media asset. ITV has a highly regarded brand, excellent production business and a strong balance sheet and free cash flow. ITV trades on just 8x on a forward P/E basis with a 7% trailing dividend yield. ITV remains a core holding in the Tideway European Equity Income Fund and Tideway Real Return Fund.

The European Equity Income Fund comprises 47 equity securities and has a current gross (of withholding taxes) yield of 3.68%. In the first full year of trading the Fund returned £3 to investors, which is equivalent to a 3.00% yield (based on Class B NAV price as at 28th June). This compares with a yield of 2.88% for the FTSE Developed Europe Index – Net Tax TR GBP. The Fund's yield premium to the benchmark is a little lower than target, owing to unfavourable FX movements and the large cash balance ran through the volatile markets in Q4 2018. We have however filed various withholding tax reclaims for the period, and as such expect these to provide a tailwind to income distributions in future periods.

A dividend of £1.35 was declared on the Class B Income shares, with the next dividend to be declared at the end of September.

INVESTMENT MANAGER'S REPORT

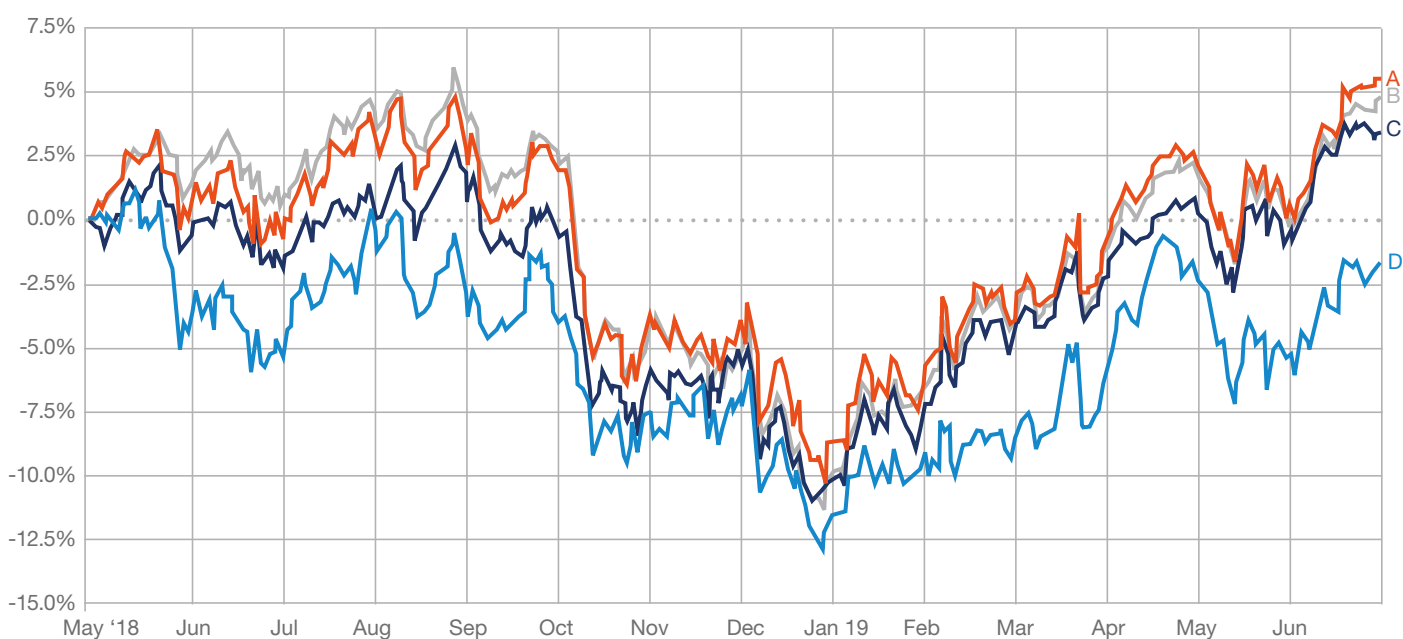
Q2 2019

TIDEWAY EUROPEAN EQUITY INCOME FUND - KEY FUND DATA

Portfolio Yield (Gross)	Number of Holdings	PERFORMANCE Since launch %	PERFORMANCE Q2 2019 %	PERFORMANCE 2019 %
3.7%	47	3.56%	5.99%	15.43%

Since launch: From April 30th 2018 to June 28th 2019

TIDEWAY EUROPEAN EQUITY INCOME FUND – PERFORMANCE SINCE LAUNCH (CLASS A ACC)



- A - FTSE Developed Europe TR in GB (5.65%)
- B - IA Europe Including UK TR in GB (4.90%)
- C - Tideway - European Equity Income A Acc in GB (3.56%)
- D - iShares - EURO Dividend UCITS ETF GBP TR in GB (-1.64%)

30/04/2018 - 28/06/19. Data from FE 2019



All performance data as of 28th June 2019. Performance is shown on a bid price basis, with net income reinvested, net of all fund fees.

*The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. The ongoing charges figure (TER) shown in this document is an estimate of the charges, as published in the Key Investor Information Document ("KIID"), with an official TER to be issued by the management company in due course. The ICAV's annual report for each financial year will include detail on the exact charges made. Sole basis for the purchase of units are the offering documents of this fund (the latest prospectus, the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY EUROPEAN EQUITY INCOME FUND – Q2 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
RELX PLC	18.35%	0.66%
IBERDROLA SA	12.01%	0.59%
UNILEVER PLC	12.23%	0.47%
NOVARTIS AG-REG	5.35%	0.47%
AMUNDI SA	14.97%	0.41%

TIDEWAY EUROPEAN EQUITY INCOME FUND – 2019 FIVE LARGEST POSITIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
IBERDROLA SA	27.66%	0.96%
NOVARTIS AG-REG	23.91%	0.95%
MONDELEZ INTERNATIONAL INC-A	36.01%	0.91%
AMUNDI SA	39.73%	0.80%
ROCHE HOLDING AG-GENUSSCHEIN	16.45%	0.78%

TIDEWAY EUROPEAN EQUITY INCOME FUND – Q2 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
ITV PLC	-11.53%	-0.28%
RYANAIR HOLDINGS PLC	-13.29%	-0.12%
DANSKE BANK A/S	-11.17%	-0.11%
UBISOFT ENTERTAINMENT	-13.26%	-0.09%
LLOYDS BANKING GROUP PLC	-5.82%	-0.07%

TIDEWAY EUROPEAN EQUITY INCOME FUND – 2019 FIVE LARGEST NEGATIVE CONTRIBUTIONS

ASSET	ASSET RETURN %	PORTFOLIO RETURN (GBP) %
DANSKE BANK A/S	-14.11%	-0.24%
ITV PLC	-9.94%	-0.22%
UBISOFT ENTERTAINMENT	-11.17%	-0.09%
RYANAIR HOLDINGS PLC	-5.91%	-0.06%

GBP contribution figures are estimated using average asset weights over the period with returns in GBP. Source: Link, Bloomberg.

INVESTMENT MANAGER'S REPORT

Q2 2019

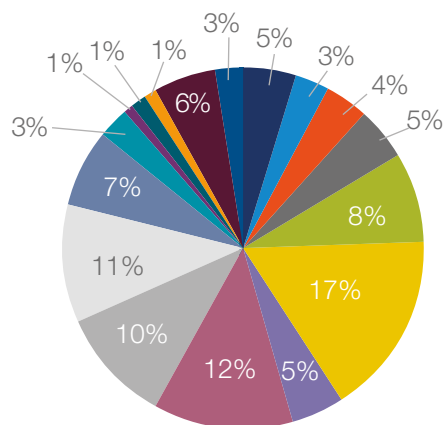
TIDEWAY EUROPEAN EQUITY INCOME FUND – TOP FUND HOLDINGS (AS % OF NAV, AS AT 28 JUNE 2019)

TOP HOLDINGS	
Total SA	4.68%
Roche AG	4.31%
Unilever plc	4.03%
RELX plc	3.95%
Novartis AG	3.76%

Source: Link.

TIDEWAY EUROPEAN EQUITY INCOME FUND – INDUSTRY BREAKDOWN (AS % OF NAV, AS AT 28 JUNE 2019)

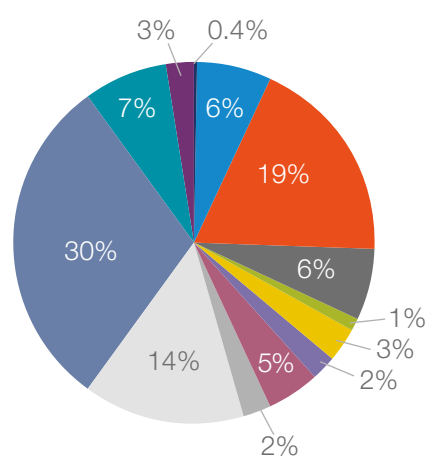
- Banks
- Chemicals
- Construction & Materials
- Financial Services
- Food & Beverage
- Health Care
- Industrial Goods & Services
- Insurance
- Media
- Oil & Gas
- Personal & Household Goods
- Real Estate
- Technology
- Telecommunications
- Travel & Leisure
- Utilities
- Cash



Source: Link, Bloomberg.

TIDEWAY EUROPEAN EQUITY INCOME FUND – COUNTRY BREAKDOWN (AS % OF NAV, AS AT 28 JUNE 2019)

- Belgium
- Denmark
- France
- Germany
- Ireland
- Netherlands
- Norway
- Spain
- Sweden
- Switzerland
- UK
- Other
- Cash

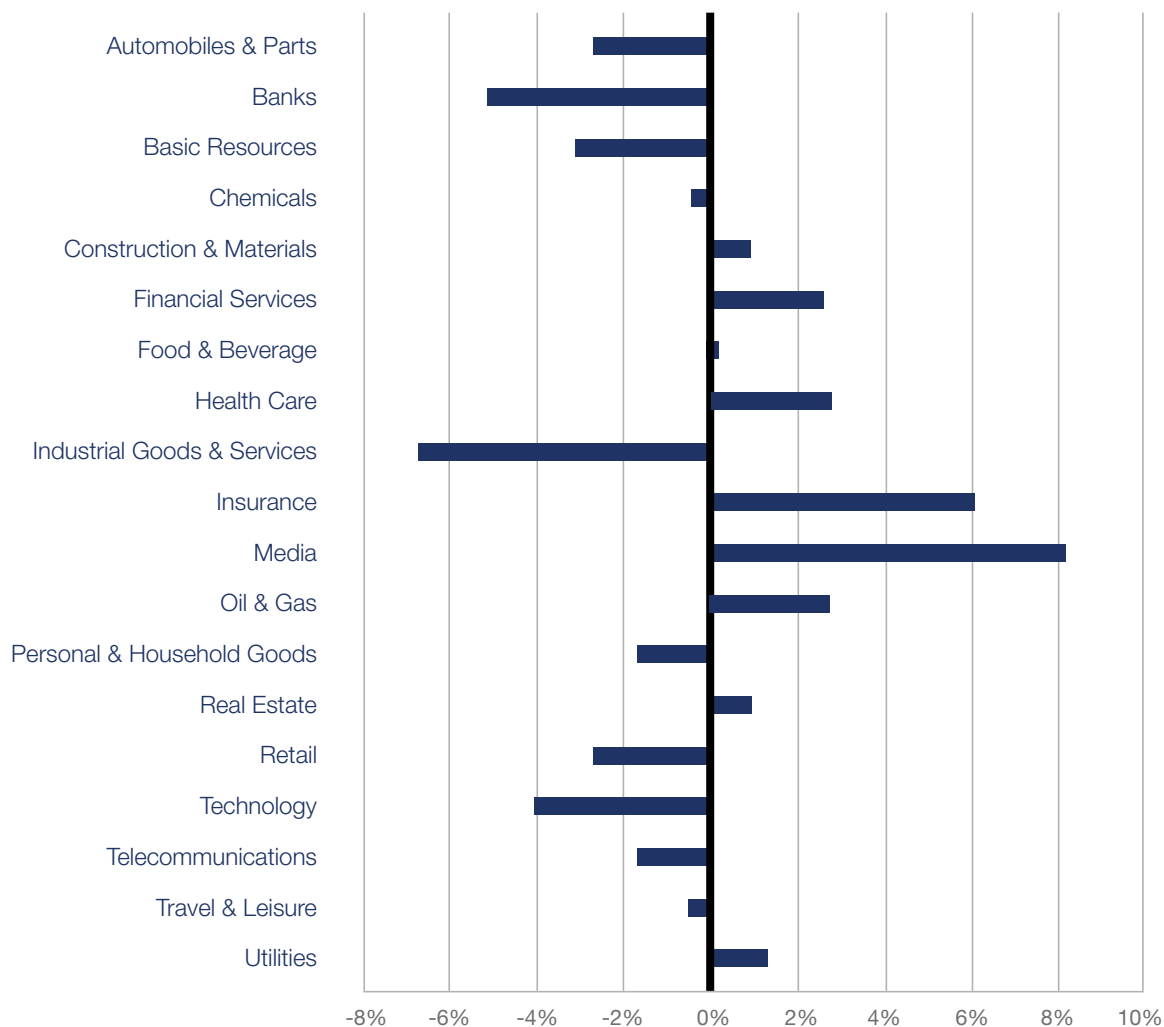


Source: Link, Bloomberg.

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY EUROPEAN EQUITY INCOME FUND – INDUSTRY RELATIVE BREAKDOWN
(AS % OF NAV, 28 JUNE 2019)

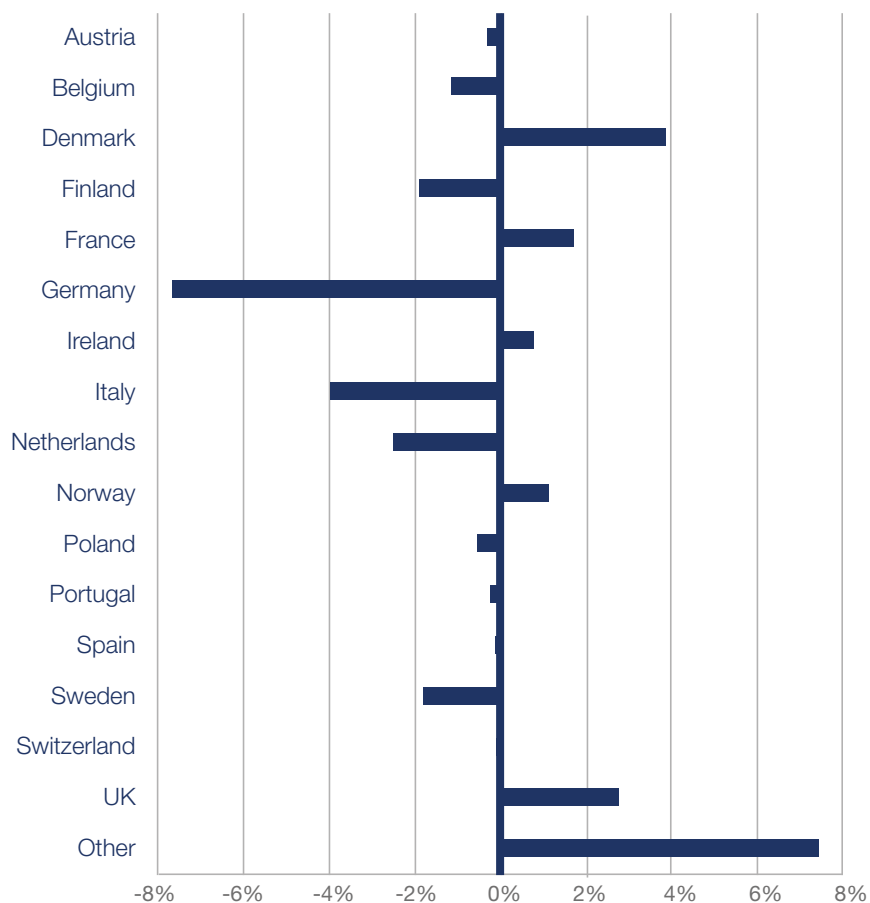


Relative fund positioning versus Fund's primary benchmark: FTSE Developed Europe GBP. Source: Link, FTSE.

INVESTMENT MANAGER'S REPORT

Q2 2019

TIDEWAY EUROPEAN EQUITY INCOME FUND – COUNTRY RELATIVE BREAKDOWN
(AS % OF NAV, 28 JUNE 2019)



Relative fund positioning versus Fund's primary benchmark: FTSE Developed Europe GBP. Source: Link, FTSE.

IMPORTANT INFORMATION

***DISCLAIMER**

The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. Sole basis for the purchase of units are the offering documents of this fund (the latest prospectus, the Key Investor Information Documents, instrument of incorporation and the yearly review) that can be requested free of charge from the investment manager, Tideway Investment Partners LLP.

***KEY RISKS – GBP CREDIT FUND / GBP HYBRID CAPITAL FUND**

The value of your investment and the income from it will vary and your initial investment amount is not guaranteed. Investments in bonds and other debt instruments may be subject to price fluctuation or default by the issuer. Investment is subject to interest rate risk. The value of the Fund may go down if interest rates rise and vice versa. It may be difficult to sell quickly positions of one or more companies to meet redemption requests upon demand in extreme market conditions. Non-investment grade securities will generally pay higher yields than more highly rated securities but will be subject to greater market, credit and default risk.

***KEY RISKS – HIGH INCOME REAL RETURN FUND**

The value of your investment and the income from it will vary and your initial investment amount is not guaranteed. The value of this Fund does not typically move in line with general market trends and is not expected to reap the full benefits of a rising stock / bond market. Investment strategies employed by the manager may affect the risk profile of the Fund, as both positive and negative asset movements affect the overall value of the Fund. The Fund is permitted to use derivatives as part of its investment strategy. This can increase the overall risk profile of the Fund.

***KEY RISKS – EUROPEAN EQUITY INCOME FUND**

Investing in equity securities may offer a higher rate of return than those investing in debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value as a result in changes in a company's financial position and overall market and economic conditions.

IMPORTANT INFORMATION

WHO REGULATES US?

Tideway Investment Partners LLP is authorised and regulated by the Financial Conduct Authority (“FCA”). The FCA is the independent watchdog that regulates financial services. We are listed on the FCA register and our Registration Number is 496214.

Tideway UCITS Fund ICAV is authorised and regulated by the Central Bank of Ireland. This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be unlawful under the securities laws of such jurisdiction.

IMPORTANT RISK NOTICES

- **Make sure you understand all the risks before investing. The information in this document represents the views and opinions of Tideway Investment Partners LLP and does not constitute and should not be construed as investment advice or a recommendation to buy, sell or otherwise invest in any security.**
- **Past performance is no guarantee of future returns and the value of investments and the income they produce can fall as well as rise. You may not get back your original investment and you may lose all your investment.**
- **The last 5 years have provided relatively high investment return opportunities as investments have recovered from the 2008/9 financial crisis and driven by low interest rates. Returns at these levels are generally not predicted for the next 5 years and investors should plan to expect lower returns.**
- **The performance of individual client accounts will vary from those quoted due to a range of factors including the timing of when the account was first invested, the size of the account, the underlying asset allocation and the third-party platform used.**
- **The calculation basis for all the returns quoted can be provided on request.**
- **Tideway Investment Partners LLP provides no guarantees, representations or warranties regarding the accuracy of the information contained in this document. Forward-looking statements are based on assumptions. Since all assumptions, predictions and statements simply reflect the current view of future events, they quite naturally are subject to inherent risks and uncertainties. Thus, they should not be seen as guarantees or promises regarding future performance.**
- **The information contained herein may not be reproduced, distributed or published by any recipient for any purpose without prior written consent. This document exists for information purposes only and does not constitute an offer or a solicitation of an offer for the product presented and may not be used as an offer or solicitation.**
- **We strongly recommend you seek independent professional advice prior to investing. If, after reading this document, you have any questions or would like any additional information please contact your financial adviser or speak to our Investor Services Team.**
- **Exchange rate fluctuations may have an adverse effect on the value of non-UK shares. The return received may rise or fall as a result of currency fluctuations.**

ABOUT TIDEWAY

Established in 2009, Tideway Investment Partners LLP is an independently owned firm of asset managers and financial advisers focused on the at retirement market.

INVESTMENT SERVICES

- Managers of regulated Tideway UCITS Funds ICAV aiming to deliver predictable returns and secure income
- Asset managers of bespoke and model portfolios in segregated accounts
- Third party managed funds and individual securities also available

TIDEWAY WEALTH MANAGEMENT

- Ongoing wealth, tax and investment planning advice
- Pensions, ISAs and general taxable accounts
- Offshore bonds

TIDEWAY PENSION ADVICE

- Tideway specialist pension advice
- Safeguarded benefits advice for defined benefit transfers and other guaranteed pension plans
- Ad hoc financial planning

TIDEWAY FOR INTERMEDIARIES

- End-to-end defined benefit pension transfer service
- Asset management service for at retirement investors
- Widely available on leading UK platforms
- Tideway UCITS Funds ICAV aiming to deliver predictable returns and secure income

CONTACT DETAILS

Tideway Investment Partners LLP

107 Leadenhall Street

London EC3A 4AF

T: +44 (0) 20 3143 6100

E: info@tidewayinvestment.co.uk

More information is available via our websites:

www.tidewayinvestment.co.uk

TIDEWAY'S FOUNDING PARTNERS

PETER DOHERTY (ON RIGHT) **MANAGING PARTNER AND CIO**

Peter joined Tideway in 2010 to lead the firm's asset management team and is now the largest shareholder in the business. Peter is the lead portfolio manager of Tideway's in-house UCITS funds, chairs Tideway's investment committee and is active in the firm's business development.

Born in Sheffield, Peter graduated from Oriel College, Oxford with a degree in Engineering and has 30 years' experience in the fixed income credit markets. He has held senior positions at Goldman Sachs, Bear Stearns, Bank of America, Solent Capital and Markit.

JAMES BAXTER **MANAGING PARTNER**

James started Tideway in 2009 and oversees all of Tideway's advice services. James sits on Tideway's Investment Committee and is lead author on Tideway's Guide to Final Salary Transfers. James is regularly quoted in the financial press on pensions and financial planning.

Born in Northampton James graduated from Imperial College, London. He has over 30 years' experience as a financial adviser and wealth manager and managed his own firm from a start-up in 1989 before selling it in a management buyout in 2008.



NOTES

Tideway

107 Leadenhall Street, London EC3A 4AF

Tel +44 (0) 20 3143 6100

www.tidewayinvestment.co.uk