

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 31 January 2018

### MANAGER COMMENTARY

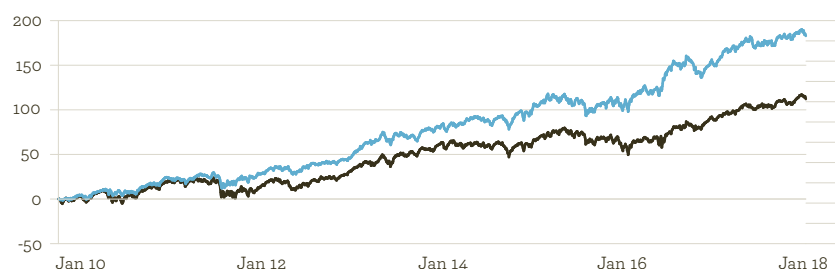
After a positive start to the year, global stock markets fell back in the second half of January and have continued to weaken since the month end, with levels of volatility also picking up. The mood wasn't helped by unilateralist sound bites from the US government, which led to a weakening dollar. Worries have also developed regarding rising interest rates, particularly in the US, and the potential headwind this may create for both the valuation environment and economic growth.

Evenlode returned -1.4% compared to -1.9% for the UK market and -0.8% for the IA UK All Companies sector. The most negative contributors to return were Diageo, Sage Group and EMIS. Diageo and Sage shares fell back despite updates that we considered to be reassuring, with both companies remaining highly cash generative. EMIS shares weakened after management identified some customer services issues with its EMIS Web product - disappointing news in the context of EMIS's normal reputation for product quality. The company's competitive position, revenue recurrence and financial strength are reassuring factors for the longer term.

The most positive contributors were UBM, Pagegroup and Smiths Group. UBM's share price benefited from the announcement of a recommended merger with fellow Evenlode holding Informa. We have analysed the potential transaction in detail: although it will involve some incremental debt, the combined entity will be highly cash generative, plans to de-leverage quickly and looks attractive in terms of both its valuation and competitive position. Pagegroup benefited from a very strong trading update, whilst Smiths Group shares were helped by an update on US tax changes which led analysts to increase forecasts for the company's earnings and free cash flow.

Many companies in the portfolio have released results in the last few weeks, and we remain reassured by the aggregate portfolio's characteristics, particularly in terms of balance sheet strength and free cash flow growth. We will continue to manage both valuation and fundamental risk carefully as 2018 develops.

### PERFORMANCE SINCE LAUNCH (%)



### CUMULATIVE PERFORMANCE

|                     | YTD     | 3 Mths  | 6 Mths  | 1 Yr   | 3 Yrs  | 5 Yrs  | Launch <sup>1</sup> |
|---------------------|---------|---------|---------|--------|--------|--------|---------------------|
| ■ Fund <sup>2</sup> | -1.4    | 0.4     | 3.9     | 12.8   | 37.4   | 85.2   | 182.9               |
| ■ Sector            | -0.8    | 1.0     | 4.1     | 12.4   | 27.9   | 57.5   | 112.1               |
| Rank in sector      | 199/265 | 170/265 | 159/264 | 95/264 | 45/248 | 35/235 | 20/213              |
| Quartile            | 3       | 3       | 3       | 2      | 1      | 1      | 1                   |

### DISCRETE ANNUAL PERFORMANCE

|                     | 31/01/18 | 31/01/17 | 31/01/16 | 31/01/15 | 31/01/14 | 31/01/13 |
|---------------------|----------|----------|----------|----------|----------|----------|
| ■ Fund <sup>2</sup> | 12.8     | 20.1     | 1.4      | 15.9     | 16.3     |          |
| ■ Sector            | 12.4     | 17.6     | -3.3     | 5.9      | 16.3     |          |

All performance data used on this factsheet is total return, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express.

The fund's main unit was changed to B shares on 1 December 2012 to comply with RDR regulation.

1. From launch date: 19 October 2009

2. TB Evenlode Income B Inc Shares

### Fund Attributes

- ✓ Emphasis on sustainable real dividend growth
- ✓ Focus on companies with high returns on capital and strong free cash-flow
- ✓ Low portfolio turnover, long-term holding periods
- ✓ Minimum of 80% in UK shares and up to 20% in overseas shares and/or cash
- ✓ Invests across the market-cap spectrum

### Fund Managers



#### HUGH YARROW Lead Portfolio Manager

Hugh launched TB Evenlode Income in October 2009. From 2002 to 2009 Hugh managed several equity income funds at Rathbone Unit Trust Management, having graduated from the University of Edinburgh with a first-class degree in philosophy and mathematics. He is a fellow of the Chartered Institute for Securities and Investment and holds the Investment Management Certificate.



#### BEN PETERS Co-manager

Ben has been the investment analyst for TB Evenlode Income since the fund's launch. He became co-manager in December 2012. Ben is a member of the CFA Society of the UK and holds the Investment Management Certificate. He also holds a doctorate from the University of Oxford and a first-class degree from University College London, both in the field of physics.



#### CHRIS ELLIOTT Investment Analyst

Chris studied Maths and Economics at Cambridge University and then spent 5 years as a senior software engineer at Oxford University Press, before joining Evenlode Investment Management in March 2015. Chris is a member of the CFA Society of the UK and has successfully passed the examinations for all three levels of the Chartered Financial Analyst qualification.

### Key Details

|                             |                        |
|-----------------------------|------------------------|
| IA Sector                   | UK All Companies       |
| Launch date <sup>3</sup>    | 19 October 2009        |
| Fund value                  | £1,963.0 million       |
| Holdings                    | 40                     |
| Historic yield <sup>4</sup> | 3.30%                  |
| Active share                | 81.66%                 |
| Div ex dates                | 1 Mar, Jun, Sep, Dec   |
| Div pay dates               | end Apr, Jul, Oct, Jan |

3. Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.

4. The historic yield reflects distributions over the past 12 months as a percentage of the price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

Citywire rating is source & copyright of Citywire. Hugh Yarrow and Ben Peters have been awarded a AA rating by Citywire for their 3 year risk-adjusted performance for the period 31/01/2015 - 31/01/2018.



Please contact Spring Capital Partners, in the first instance.

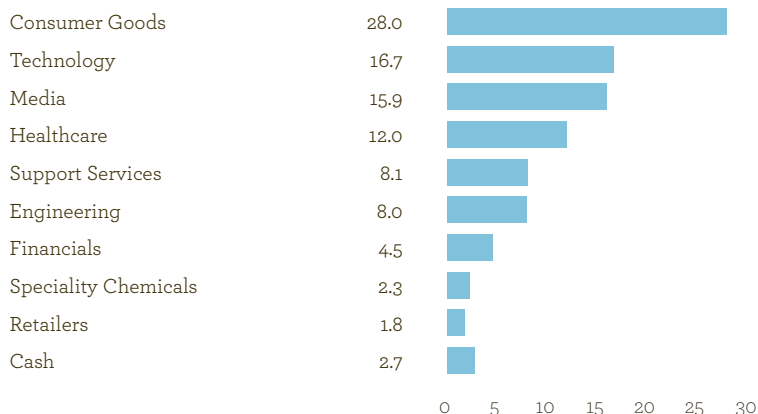
**springcapital**

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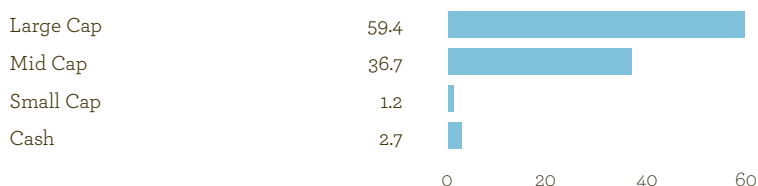
## PORTFOLIO ANALYSIS



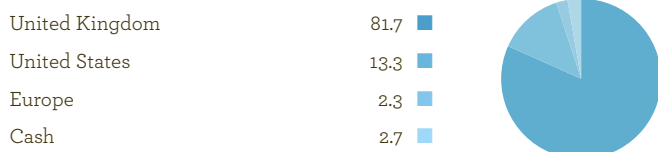
### SECTOR ALLOCATION (%)



### SIZE ALLOCATION (%)



### GEOGRAPHICAL ALLOCATION (%)



## DIVIDENDS

### ANNUAL DIVIDEND PAYMENTS (B INC SHARES)

| Year (to end of February)         | 2013  | 2014   | 2015   | 2016  | 2017  |
|-----------------------------------|-------|--------|--------|-------|-------|
| Annual Dividend (pence per share) | 5.02  | 5.57   | 6.27   | 6.42  | 6.65  |
| Year-on-Year Change               | +7.6% | +11.0% | +12.4% | +2.4% | +3.6% |

### INCOME GENERATED FROM £100 INITIAL INVESTMENT OVER 5 YEARS (B INC SHARES)

|                    |        |
|--------------------|--------|
| TB Evenlode Income | £31.35 |
| UK Market          | £20.37 |

Source: FT & Financial Express, date of investment 28/02/2012.

### TOP TWENTY HOLDINGS (%)

|                            |     |
|----------------------------|-----|
| Unilever                   | 7.5 |
| Diageo                     | 7.4 |
| Sage Group                 | 4.7 |
| Compass Group              | 4.1 |
| Smiths Group               | 3.9 |
| Microsoft                  | 3.4 |
| Informa                    | 3.1 |
| AstraZeneca                | 3.0 |
| GlaxoSmithKline            | 2.9 |
| Johnson & Johnson          | 2.8 |
| UBM                        | 2.8 |
| PageGroup                  | 2.5 |
| Burberry Group             | 2.4 |
| Daily Mail & General Trust | 2.3 |
| Victrix                    | 2.3 |
| Ashmore Group              | 2.3 |
| Jardine Lloyd Thompson     | 2.3 |
| Procter & Gamble           | 2.3 |
| Fidessa Group              | 2.1 |
| Cisco Systems              | 2.1 |

**Total 66.2**

### How to Invest

TB Evenlode Income is available as an OEIC and is also suitable to include in stocks and shares ISAs and SIPPs. You can buy shares in the fund by visiting [www.tbaileysfs.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileysfs.co.uk/funds/tb-evenlode-investment-funds); by telephoning the TB Evenlode Investor Dealing Line on 0115 988 8287 (open business days between 9am and 5pm); or through various third parties including Cofunds, Transact, Ascentric, Hargreaves Lansdown, Axa Winterthur, Axa Elevate and Standard Life.

### Contact Us

The Long Barn, Chalford Park Barns, Oxford Road, Chipping Norton, Oxon OX7 5QR

01608 695 200 [www.evenlodeinvestment.com](http://www.evenlodeinvestment.com)

Authorised Corporate Director & Administrator:  
T. Bailey Fund Services Ltd  
([www.tbaileysfs.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileysfs.co.uk/funds/tb-evenlode-investment-funds))

## SHARE CLASS DETAILS

### A SHARES (LEGACY)

### B SHARES (CLEAN)

### C SHARES (INSTITUTIONAL)

|  | A ACC                       | A INC   | B ACC                       | B INC   | C ACC                    | C INC   |
|--|-----------------------------|---------|-----------------------------|---------|--------------------------|---------|
| SEDOL Codes                                      | BDoB791                     | BDoB7B3 | BDoB7C4                     | BDoB7D5 | BDoB7F7                  | BDoB7G8 |
| Share Price (pence)                              | 271.00                      | 200.38  | 282.22                      | 208.78  | 283.00                   | 209.35  |
| Minimum Lump Sum                                 | £1,000                      |         | £1,000                      |         | £10 million              |         |
| Initial Charge                                   | 0%                          |         | 0%                          |         | 0%                       |         |
| IFA Legacy Trail Commission                      | 0.5% p.a.                   |         | N/A                         |         | N/A                      |         |
| Periodic Charge - Equivalent to OCF <sup>1</sup> | 1.40% taken from capital    |         | 0.90% taken from capital    |         | 0.80% taken from capital |         |
| Regular Savings Option Available?                | Yes - minimum £50 per month |         | Yes - minimum £50 per month |         | No                       |         |

1. For full information on the periodic charge please refer to section 7.2 of the full Prospectus

## IMPORTANT INFORMATION

TB Evenlode Income is a sub-fund of the TB Wise OEIC. Full details of the TB Wise Funds, including risk warnings, are published in the TB Wise Funds Prospectus, the TB Wise Supplementary Information Document (SID) and the TB Wise Key Investor Information Documents (KIIDs) which are available on request and at [www.evenlodeinvestment.com](http://www.evenlodeinvestment.com). The TB Wise Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested, you should therefore regard your investment as medium-to-long term. As a concentrated portfolio of typically less than 40 investments, Evenlode Income carries more risk than a fund spread over a large number of stocks. The fund has the ability to invest in derivatives for the purposes of EPM, which may restrict gains in a rising market. Investments in overseas equities may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Wise Investments Limited is authorised and regulated by the Financial Conduct Authority, No. 230553. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 190293.