

TB EVENLODE GLOBAL EQUITY



MONTHLY FACTSHEET all data as at 31 January 2022 unless otherwise indicated

MANAGER COMMENTARY

The Fund declined in the month of January by slightly more than the broader index sell-off. This is a salutary example of the old line that the market in the short term is a voting machine, but in the long term a weighing machine. The decline coincided with a heavy earnings season as companies with a December year end started reporting their 2021 results. Our portfolio companies had robust operational results across the board, comfortably ahead of the wider market. If we had to make the invidious choice between either weak portfolio stock prices or weak portfolio corporate earnings, we would always choose the former.

It's worth remembering that our companies enjoy – and are chosen for – their unusual competitive advantages. These confer exceptional pricing power as demonstrated by their average 57% gross margin¹, comfortably ahead of our comparator index's 31% gross margin², reducing the risk to earnings from increased inflation. Similarly, they all have healthy current economics and balance sheets, which means that they are insulated from the effects of higher capital costs, unlike companies which are still in cash burn growth mode.

A corporate reporting season during a volatile period puts the spotlight on companies with durable competitive advantages. We were fortunate to own a number of these. Microsoft, our third largest holding, posted half year results featuring 40% earnings growth, underpinned by continued growth in its Azure cloud computing platform. The company also announced increases in prices, with the cost of Office 365 being hiked by up to 25%. We expect few businesses will change provider. Microsoft is in the rare position of having both exceptional present economics and a vast future addressable market to grow into.

Mastercard, our largest holding, posted another excellent set of results. Payment's volume grew 21%, driving 23% net revenue and 24% operating profit growth. Executives at both large payment networks were bullish on the return of cross-border revenues, while results elsewhere confirmed the continuing criticality of the major networks' 'rails' in facilitating ecommerce.

In both cases, the competitive advantage of the company appears to have deepened in 2021. This is characteristic of the portfolio's results as a whole. We remain confident in the abilities of our companies to grow cash flows over the long term and will invest in those companies that can invest to self-fund growth.

1. FactSet, Evenlode Global Equity, average gross margin, December 2021.

2. FactSet, MSCI World Index, December 2021.

PERFORMANCE SINCE LAUNCH (%)



CUMULATIVE PERFORMANCE

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	Launch ¹
■ Fund (%) ²	-7.1	-1.0	2.7	20.6	-	25.6
■ Benchmark (%) ³	-4.4	-1.3	3.9	19.3	-	27.8
■ IA Sector (%)	-7.2	-5.1	-1.5	9.4	-	21.9
Rank in sector	267/477	105/473	125/465	44/450	-/-	166/434
Quartile	3	1	2	1	-	2

CALENDAR YEAR PERFORMANCE (%)

	YTD	2021	2020	2019	2018	2017
Fund ²	-7.1	26.0	-	-	-	-
Benchmark ³	-4.4	22.9	-	-	-	-
IA Sector	-7.2	17.7	-	-	-	-

FUND ATTRIBUTES

- ✓ Emphasis on sustainable real capital growth
- ✓ Focus on companies with high return on capital and high cashflow conversion
- ✓ Aims to provide capital growth over rolling periods of 5 years
- ✓ Focus on larger companies with growth opportunities
- ✓ Underlying revenue streams from diverse geographies
- ✓ Low portfolio turnover, long-term holding periods

KEY DETAILS

Sector	IA Global
Comparator Benchmark	MSCI World
Launch date	15 July 2020
Fund size	£31 million
No. of Holdings	35
Active share ⁴	88.7%
Valuation point	12 noon daily
Div ex dates	1 Mar
Div pay dates	end Apr
Currency availability	GBP

Past performance is not a reliable indicator of future results.

All performance data used on this factsheet is total return, bid-to-bid, and sourced from Financial Express and MSCI.

1. From launch date 15 July 2020.

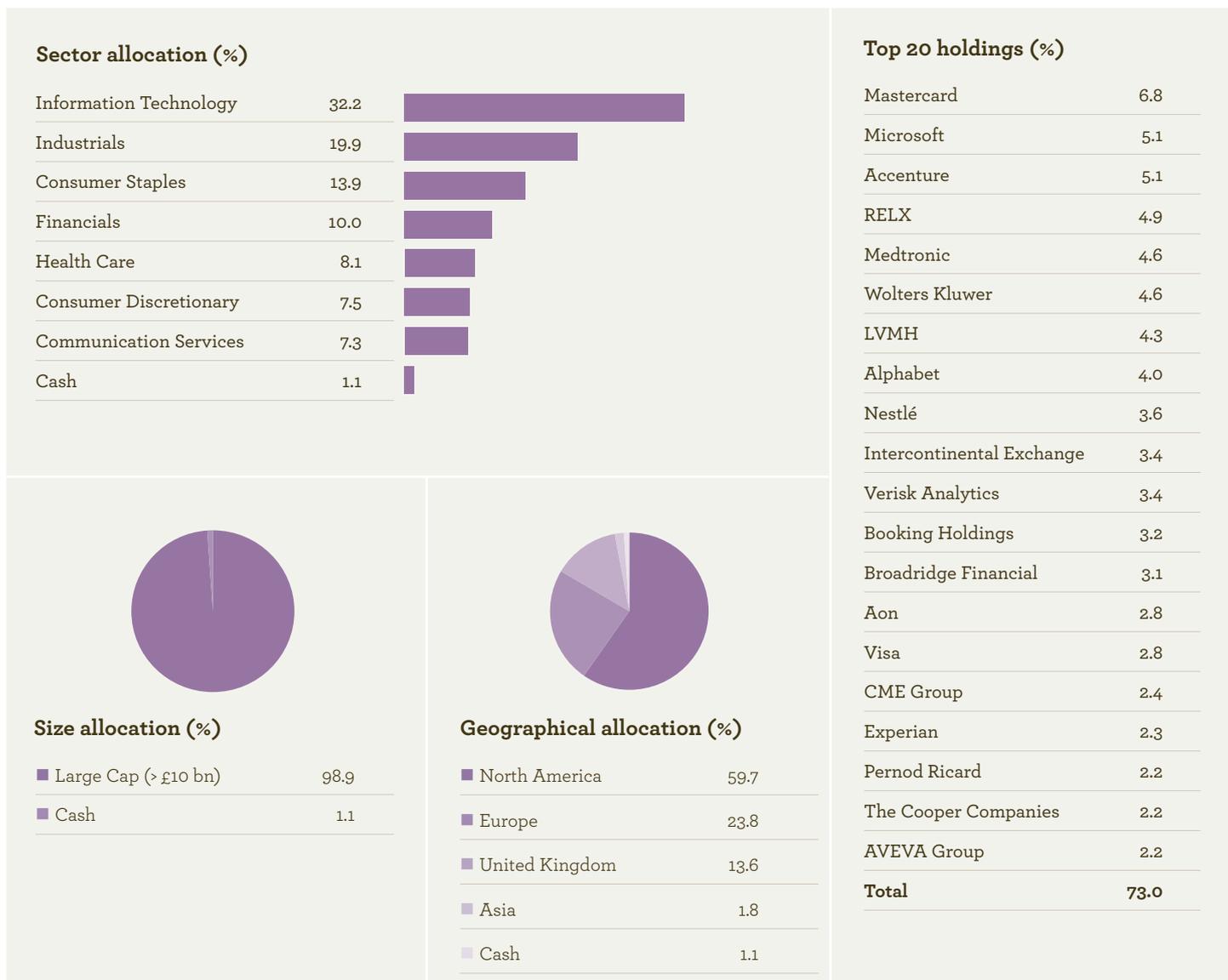
2. TB Evenlode Global Equity B Acc GBP shares.

3. Comparator Benchmark is MSCI World (with net dividends reinvested) in GBP.

4. Active share is calculated against the fund's Comparator Benchmark, the MSCI World.



PORTFOLIO





INVESTMENT TEAM

The Evenlode Investment Team totals 15 staff. Fund managers are supported by a team of analysts including three dedicated stewardship analysts, and the team works collegiately to challenge thinking and share ideas.



CHRIS ELLIOTT

Fund Manager

Chris is a fund manager on the Evenlode Global Equity strategy, which launched in 2020, and on the Evenlode Global Income strategy, which launched in 2017. Chris is a fully qualified Chartered Financial Analyst and has a degree from the University of Cambridge in Mathematics and Economics. Prior to Evenlode, Chris worked as a senior software engineer.



JAMES KNOEDLER

Fund Manager

James is a fund manager on the Evenlode Global Equity strategy, which launched in 2020. He previously worked as an Equities Analyst at Independent Franchise Partners (IFP) and before that worked as an Investment Analyst at Arisaig Partners and Newlands Investment Management. James graduated from Oxford University with a first-class degree in English and holds a Masters degree in Finance from the London Business School.



CHRIS MOORE

Head of Research

Chris joined Evenlode Investment Management in February 2018 having previously been an equity research analyst at Investec Bank and Berenberg. Chris is a fully qualified Chartered Accountant and Chartered Financial Analyst, and studied Accounting and Finance at Warwick University.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



SAWAN KUMAR

Head of Stewardship

Integration into the investment process

Evenlode is a signatory of the UK Stewardship Code which was first published by the Financial Reporting Council in 2010. After being updated in January 2020, the code sets high stewardship standards for asset owners, managers and service providers that support them. The Code increasingly helps us navigate around these complex risk mitigating themes and is increasingly recognising that environmental, social and governance (ESG) factors are becoming even more material to the long-term success of a company. We have welcomed the emphasis on investor engagement outcomes over the last couple of years. We are hoping this will create more robust long-term engagement strategies with intended positive outcomes on investee companies.

Our ongoing commitment

Signatory of:



Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance returns and better manage risk for our clients.

- ✓ Strategy & Governance: A+
- ✓ Integration: A+
- ✓ Engagement: A
- ✓ Proxy Voting: A

Recent publications for download

- ✓ UNPRI Assessment Report
- ✓ Responsible Investment Report
- ✓ Carbon Emissions Report



CHARLIE FREITAG

Stewardship Analyst



BETHAN ROSE

Sustainable Investment Analyst

MSCI Rating



Data as at 31 December 2021. Based on 95.4% of AUM. MSCI ESG Fund ratings are intended to measure the resilience of funds to long-term risks and opportunities arising from environmental, social and governance issues.

Morningstar® Ratings



Ratings as at 31 December 2021. Based on 100.0% of AUM. The Morningstar® Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance risks and opportunities relative to the fund's Morningstar Global Category peers.

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SHARE CLASS DETAILS

Share class	GBP shares	
	B ACC	C ACC
SEDOL codes	BMFX289	BMFX1N7
Share price	125.55p	125.68p
Minimum lump sum	£1,000	£10 million
Minimum regular savings	£50 pm	N/A
Periodic charge ¹	0.85%	0.75%
Ex ante transaction cost	0.22%	0.22%

1. Equivalent to OCF. For full information on the periodic charge, please refer to section 7.1 of the full Prospectus.

WHAT ARE THE RISKS?

As a focused equity portfolio of typically less than 40 investments, the fund can involve higher risk and higher volatility. The value of an investment can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. You should therefore regard your investment as long term. Details on the risk factors are included in the fund's prospectus, available on our website.

INVESTOR PROFILE

The Fund may appeal to investors who:

- ✔ Desire capital growth over the long term
- ✔ Accept the risk associated with the volatile nature of equity investments
- ✔ Plan to hold their investment for at least 5 years

IMPORTANT INFORMATION

This Factsheet has been produced by Evenlode Investment Management Limited. TB Evenlode Global Equity is a sub-fund of the TB Evenlode Investment Funds ICVC. Full details of the TB Evenlode Investment Funds, including risk warnings, are published in the TB Evenlode Investment Funds Prospectus and the TB Evenlode Investment Funds Key Investor Information Documents (KIIDs) which are available on request and at www.evenlodeinvestment.com. The TB Evenlode Investment 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 long term. As a focused portfolio of typically less than 40 investments, TB Evenlode Global Equity 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. Evenlode Investment Management Limited is authorised and regulated by the Financial Conduct Authority, No. 767844. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 190293.

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How to Invest

TB Evenlode Global Equity 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.tbaileyfs.co.uk/funds/tb-evenlodeinvestment-funds

Or by telephoning the TB Evenlode Investor Dealing Line:

0115 988 8287

(open business days between 9am and 5pm)

Or through various third parties including Aegon, AJ Bell, Aviva, Hargreaves Lansdown, Pershing and Transact.

Contact Evenlode

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Calls are recorded

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(www.tbaileyfs.co.uk/funds/tb-evenlodeinvestment-funds)