

# TB EVENLODE GLOBAL EQUITY

MONTHLY FACTSHEET all data as at 31 January 2023 unless otherwise indicated



This is a marketing communication. Please refer to the prospectus and to the Key Investor Information Documents (KIIDs) before making any final investment decisions.

## MANAGER COMMENTARY

In January, Evenlode Global Equity marginally trailed both its comparator benchmark, the MSCI World Index, and the IA Global Sector peer group. However, as of 6<sup>th</sup> February, the fund has already overtaken both for the year to date, demonstrating the volatility of considering such short time periods.

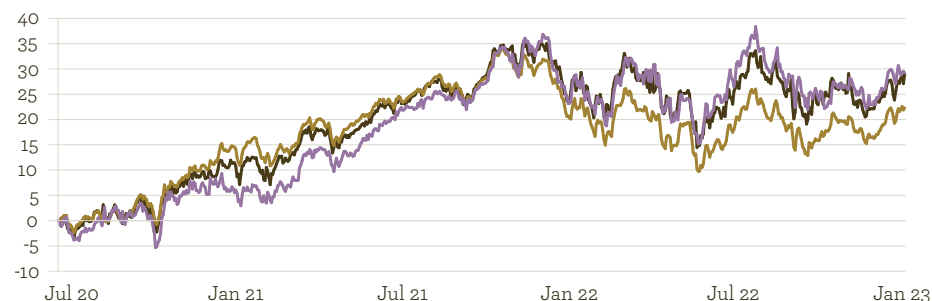
Recent benchmark performance has been driven by the rapid recovery of long-duration companies - those where future cash flows (rather than present) are the main determinant of valuation. This is consistent with expectations of softening monetary policy, as central banks respond to a weakening global economy. The Evenlode investment process requires that portfolio companies generate enough cash flow today to self-fund growth, which biases us away from some of these long-duration companies; we are content to limit some upside performance in rapidly rising markets in exchange for additional downside protection in declining markets and a smoother ride for our co-investors.

The annual reporting season has begun, with over half of the portfolio reporting in January and more in early February. We have been reassured by the pricing power demonstrated by the portfolio's consumer goods companies. Organic revenue growth at both Diageo (+9.4%) and LVMH (+17.0%) showcases their ability to pass costs on to customers in tough markets. However, the market response to each differed, with the LVMH share price continuing to rise in response to China's reopening, and Diageo declining as spirit volumes in the US softened. Where market moves are based on short-term demand trends and the long-term fundamentals remain intact, we will nudge our position sizes to take advantage of valuation disparities.

We have also noted the cyclical decline in cloud volumes at Alphabet (Google GCP), Microsoft (Azure), and Amazon (AWS). In all three cases, management has guided to further declines in FY23 as clients seek to optimise existing cloud usage and lower costs in the short term. The long-term investment cases remain exceptional, with Accenture estimating that only 35% of workloads have been migrated thus far. Clients generate significant savings from migration as technology, security and maintenance costs decline, so we would expect a recovery as clients seek efficiencies. The big three hyperscalers have also cut headcount, which will improve operating margins, while continuing to invest in datacentre capex to support long-term growth. As such, we have taken the opportunity to further increase the fund's exposure to these tech titans.

As ever, we would like to thank all our investors for their trust and backing, and we continue to focus our efforts on preserving and growing your capital.

## PERFORMANCE SINCE LAUNCH (%)



## CUMULATIVE PERFORMANCE

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	Launch <sup>1</sup>
■ Fund (%) <sup>2</sup>	4.0	2.9	-1.4	2.2	-	28.3
■ Benchmark (%) <sup>3</sup>	4.6	2.6	1.0	0.9	-	28.9
■ IA Sector (%)	4.4	4.6	1.5	0.1	-	21.9
Rank in sector	302/529	355/523	417/521	158/508	-/-	135/450
Quartile	3	3	4	2	-	2

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2022	2021	2020	2019	2018
Fund <sup>2</sup>	4.0	-8.7	26.0	-	-	-
Benchmark <sup>3</sup>	4.6	-7.8	22.9	-	-	-
IA Sector	4.4	-11.1	17.7	-	-	-

## FUND ATTRIBUTES

- ✓ Emphasis on sustainable real capital growth
- ✓ Actively managed, with focus on companies with high returns on capital and high cashflow conversion
- ✓ Aims to provide capital growth over rolling periods of 5 years
- ✓ Focused portfolio of 30-50 high quality 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 Index
Launch date	15 July 2020
Fund size	£58 million
No. of Holdings	33
Active share <sup>4</sup>	87.6%
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 the MSCI World Index (with net dividends reinvested) in GBP.
4. Active share is calculated against the fund's Comparator Benchmark, the MSCI World Index.



PORTFOLIO

Sector allocation (%)

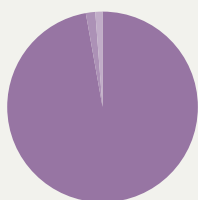
Information Technology	29.9	
Consumer Staples	24.8	
Industrials	17.3	
Consumer Discretionary	8.2	
Financials	8.2	
Communication Services	7.2	
Health Care	3.1	
Cash	1.2	

Top 20 holdings (%)

Mastercard	6.7
Microsoft	6.4
Nestlé	5.7
Alphabet	5.5
Wolters Kluwer	4.8
Heineken	4.3
L'Oréal	3.7
Experian	3.5
Accenture	3.5
Estée Lauder	3.4
Hermès International	3.3
LVMH	3.2
RELX	3.2
Medtronic	3.1
Diageo	2.9
Unilever	2.8
Intercontinental Exchange	2.7
Visa	2.4
S&P Global	2.3
Amadeus IT	2.3
<b>Total</b>	<b>75.7</b>

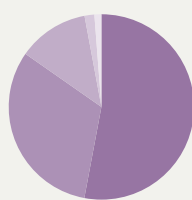
Size allocation (%)

Large Cap (> £10 bn)	97.2
Mid Cap (£2 bn - £10 bn)	1.6
Cash	1.2



Geographical allocation (%)

North America	53.0
Europe	31.7
United Kingdom	12.4
Asia	1.7
Cash	1.2



Investors will own shares in TB Evenlode Global Equity, not in the underlying holdings; these are the underlying assets owned by the fund.




INVESTMENT TEAM

The Evenlode Investment Team totals 18 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)

Integration into the investment process



**SAWAN KUMAR**  
Head of Stewardship

A fresh start to a new year, however the goal for the Stewardship team remains the same. We aim to preserve and enhance the value of our clients' assets through long-term engagement and analysis. How does this work in practice? As proud members of the Net Zero Asset Managers (NZAM) initiative, we use active voting and engage with companies in our funds over the long-term to move them along their net zero journey. This is where we can have the biggest impact and can contribute to real economic change and decarbonisation. Assessing these companies on their net zero plans is the team's primary focus and we look forward to providing you with more detail on how our investee companies and our portfolios have progressed in the coming months.

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.

Investment & Stewardship Policy



Direct - Listed Equity Active fundamental - Incorporation



Direct - Listed Equity Active fundamental - Voting



Recent publications for download

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

MSCI Rating



Data as at 30 November 2022. Based on 98.8% 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 30 November 2022. 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.



Ratings as at 30 September 2022. Based on 99.1% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## SHARE CLASS DETAILS

	GBP shares	
Share class	B ACC	C ACC
SEDOL codes	BMFX289	BMFX1N7
Share price	128.29p	128.56p
Minimum lump sum	£1,000	£10 million
Minimum regular savings	£50 pm	N/A
Periodic charge <sup>1</sup>	0.85%	0.75%
Ex ante transaction cost	0.07%	0.07%

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 between 30 and 50 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](http://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 between 30 and 50 investments, TB Evenlode Global Equity carries more risk than a fund spread over a larger 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. This factsheet is neither directed to, nor intended for distribution or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The sale of shares of the fund may be restricted in certain jurisdictions. In particular shares may not be offered or sold, directly or indirectly in the United States or to U.S. Persons, as is more fully described in the Fund's Prospectus. 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](http://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

The Long Barn  
Chalford Park Barns  
Oxford Road  
Chipping Norton  
Oxfordshire  
OX7 5QR  
United Kingdom

**+44 (0)1608 695200**

**Calls are recorded**

**[www.evenlodeinvestment.com](http://www.evenlodeinvestment.com)**

Authorised Corporate Director & Administrator:

T. Bailey Fund Services Ltd  
([www.tbaileyfs.co.uk/funds/tb-evenlodeinvestment-funds](http://www.tbaileyfs.co.uk/funds/tb-evenlodeinvestment-funds))



Please contact Spring Capital Partners.  
**+44 (0)20 3307 8086** [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com)