

# TB EVENLODE GLOBAL EQUITY

MONTHLY FACTSHEET all data as at 30 September 2021 unless otherwise indicated

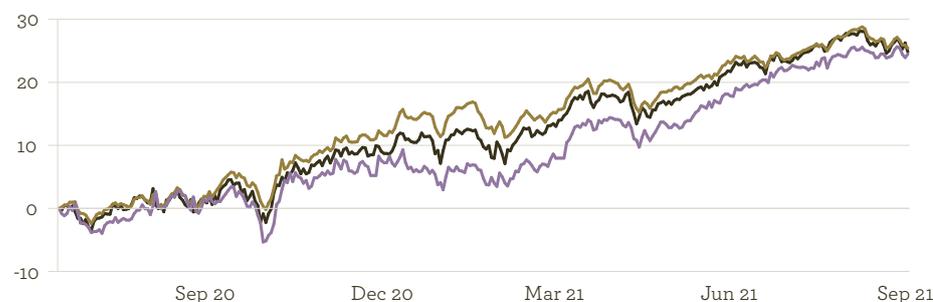
## MANAGER COMMENTARY

Despite a fall in the month, the fund outperformed its benchmark, the MSCI World Index, despite a rally in the Energy sector. The fund has no exposure to this sector, which is occupied by asset-intensive companies whose performance is highly correlated with the underlying market price of commodities. We prefer to focus on asset light businesses with differentiated competitive advantages that confer pricing power, as we believe these high-quality companies will outperform over the long term.

Positive performance in the portfolio was largely driven by the reopening narrative once more. Amadeus, the airline technology provider, and Booking Holdings, the online travel agent, both rallied as society looks forward to resuming summer vacations in 2022. It is important to note that we do not hold these positions purely based on the short-term reopening trade. We consider the long-term prospects for both companies to have been improved by the crisis, as highly indebted rivals have had a materially rougher ride. Relative to their peers, both Amadeus and Booking Holdings have both been able to maintain higher levels of investment and while this will not flatter short-term valuation metrics, it should contribute to a materially better service to customers and increased market share over the coming year and beyond.

Our weakest performer was L'Oréal, the French beauty and cosmetics company. While it is challenging (if not impossible) to discern the rationale of the market, two negative narratives may have affected performance: concerns over the Chinese luxury market and increased cost-inflation. While L'Oréal does have a sizable exposure to Chinese consumers, the majority belong to the middle-class rather than super-rich. If successful, the Chinese levelling up is expected to grow the middle-class, meaning more L'Oréal consumers rather than less. While short-term cost inflation has undoubtedly appeared, the effect on L'Oréal should be minimal. The company operates with gross margins of over 70%, demonstrating that customers already have a high willingness to pay well above the cost of materials. This pricing power can be leveraged to cover cost increases in the short term and grow profits as inflation subsides. Importantly the company continues to invest heavily in marketing and R&D, supporting their market leading brands with scientific innovation. We consider this investment to be a key indicator for future performance.

## PERFORMANCE SINCE LAUNCH (%)



## CUMULATIVE PERFORMANCE

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	Launch <sup>1</sup>
■ Fund (%) <sup>2</sup>	-0.3	5.6	15.3	23.1	-	24.5
■ Benchmark (%) <sup>3</sup>	-2.2	2.5	10.2	23.5	-	24.6
■ IA Sector (%)	-2.0	1.9	8.9	23.2	-	25.4
Rank in sector	42/435	12/431	25/425	207/412	-	231/411
Quartile	1	1	1	3	-	3

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2020	2019	2018	2017	2016
Fund <sup>2</sup>	16.1	-	-	-	-	-
Benchmark <sup>3</sup>	14.6	-	-	-	-	-
Sector	12.4	-	-	-	-	-

## 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	£25 million
No. of Holdings	36
Active share <sup>4</sup>	88.6%
Valuation point	12 noon daily
Div ex date	1 Mar
Div pay date	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

Sector allocation (%)

Information Technology	31.3	
Industrials	18.0	
Consumer Staples	13.8	
Financials	10.9	
Health Care	10.5	
Communication Services	7.3	
Consumer Discretionary	7.2	
Cash	1.0	

Top 20 holdings (%)

Accenture	5.7
Mastercard	5.5
Microsoft	5.0
Medtronic	4.6
RELX	4.5
Wolters Kluwer	4.3
LVMH	4.0
Intercontinental Exchange	4.0
Alphabet	3.8
Broadridge	3.6
Aon	3.5
The Cooper Companies	3.2
Visa	3.2
Booking Holdings	3.1
Nestlé	2.8
Unilever	2.5
Diageo	2.5
Verisk Analytics	2.4
Heineken	2.4
L'Oréal	2.1
<b>Total</b>	<b>72.7</b>

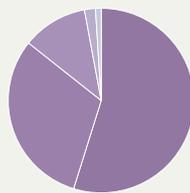
Size allocation (%)

Large Cap (> £10 bn)	99.0
Cash	1.0



Geographical allocation (%)

North America	54.8
Europe	30.9
United Kingdom	11.4
Asia	1.9
Cash	1.0





## 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



**CHARLIE FREITAG**  
Stewardship Analyst



**BETHAN ROSE**  
Sustainable  
Investment Analyst

### Integration into the investment process

Performance measures play a crucial role to the variable element of a remuneration policy as the CEO's overall salary depends on the performance of the company. This is why we consider a good remuneration policy to be one that incentivises and measures sensible performance metrics which give a broader view of the financial and the strategic progress of the company, over a long-time horizon. Both qualitative and quantitative performance measures should be taken into consideration.

### 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](#)

### MSCI Rating



Data as at 31 August 2021. Based on 97.1% 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 August 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

	GBP shares	
Share class	B ACC	C ACC
SEDOL codes	BMFX289	BMFX1N7
Share price	124.48p	124.58p
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 (%)	0.22	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, the TB Evenlode Investment Funds Supplementary Information Document (SID) 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 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](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.

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