

# EVENLODE INCOME

## MONTHLY FACTSHEET

all data as at 31 July 2015

**ELITE FUND**  
rated by FundCalibre.com



**EVENLODE**  
INVESTMENTS FOR LIFE

## MANAGER COMMENTARY

The month of July saw a flurry of updates from firms in the Evenlode investable universe as they reported half year numbers. Whilst we evaluate companies over a much longer timeframe than any one six month period, it has proved to be an interesting snapshot of the global economic situation.

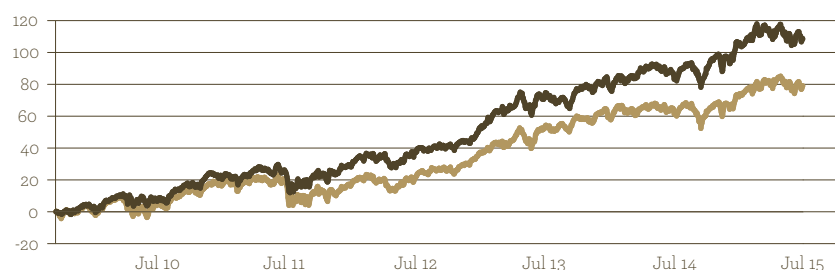
Consumer goods companies like Unilever and Reckitt Benckiser are tentatively seeing improving demand after a prolonged period of weakness, and currency effects have finally swung to being a tailwind from a prolonged headwind. It is a mixed picture though, with the foreign exchange movements constraining disposable incomes in some emerging economies in addition to more general slowdowns in some of these markets.

Pharmaceutical firms GlaxoSmithKline and AstraZeneca are seeing operational improvements following their well-known troubles with the 'patent cliff'. There is still work to do, but the innovation pipelines are filling up in their respective areas of specialism, and free cash flow continues to be generated. The technology surrounding drug discovery and delivery is moving rapidly at a time when funding models are becoming challenged. It is good to see firms adapting to the new world, rather than assuming that the old one will persist.

Industrial engineers such as Weir, Rotork and IMI form a smaller part of the portfolio. They are naturally seeing pressure on revenues and margins as they feel the impact of capital and operational expenditure reductions from basic materials producers. This will likely be a theme for some time to come. However, with diversified, cash generative business models and strong balance sheets, we feel that they will be able to get through to the other side of the cycle and represent good value adjusting for the risks involved.

Overall, we are encouraged by the resilient nature of the cash flows generated by our investee firms in the face of some tough cyclical and macroeconomic factors. Cash generation is a key part of our search for sustainable dividend growth, the core aim of the Evenlode investment approach.

## PERFORMANCE SINCE LAUNCH (%)



## CUMULATIVE PERFORMANCE

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch <sup>1</sup>
■ Fund <sup>2</sup>	6.3	-1.0	1.3	12.2	51.2	94.7	108.0
■ Sector	7.2	-0.2	3.5	9.3	47.3	72.4	79.7
Rank in sector	52/87	55/87	67/87	18/84	26/81	8/72	6/71
Quartile	3	3	4	1	2	1	1

## DISCRETE ANNUAL PERFORMANCE

	31/07/14	31/07/13	31/07/12	31/07/11	31/07/10
	31/07/15	31/07/14	31/07/13	31/07/12	31/07/11
■ Fund <sup>2</sup>	12.2	8.1	24.7	10.2	16.9
■ Sector	9.3	7.3	25.6	2.5	14.2

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. Evenlode Income B Inc

## 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 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 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.

## KEY DETAILS

IA Sector	UK Equity Income
Launch date	19 October 2009
Fund value	£310.0 million
Holdings	35
Historic yield <sup>3</sup>	3.78%
Active share	78.31%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan

3. 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.

## SHARE PRICES (PENCE)

Share Class	SEDOL	Price
B Inc	B40Y5R1	168.05
B Acc	B40SMR2	208.07
A Inc	B42KJH5	163.34
A Acc	B42KPP5	202.32
C Inc	BWT6GM6	168.09
C Acc	BWTN5R5	208.11

## FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

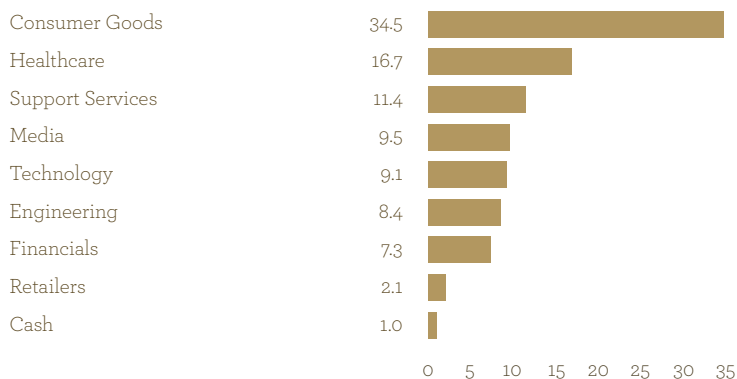
**springcapital**

Tel +44 (0)20 3195 0076 Email [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com) Visit [springcapitalpartners.com](http://springcapitalpartners.com)

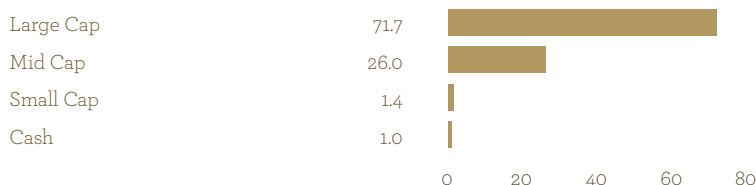
## PORTFOLIO ANALYSIS



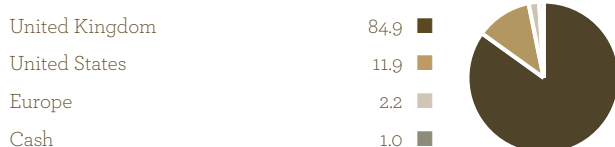
### SECTOR ALLOCATION (%)



### SIZE ALLOCATION (%)



### GEOGRAPHICAL ALLOCATION (%)



### DIVIDEND PAYMENTS

Year (to end of February)	Annual Dividend	Year-on-Year Change
2011	4.33	n/a
2012	4.67	+8.0%
2013	5.01	+7.3%
2014	5.57	+10.9%
2015	6.27	+12.6%

Rates paid per share in pence for B Income units

### TOP TWENTY HOLDINGS (%)

Unilever	7.6
AstraZeneca	6.8
Diageo	6.4
GlaxoSmithKline	6.1
Imperial Tobacco	6.0
Pearson	4.4
Sage Group	4.2
Procter & Gamble	4.1
Johnson & Johnson	3.9
British American Tobacco	3.5
Jardine Lloyd Thompson	3.4
Reckitt Benckiser	2.8
Informa	2.8
Microsoft	2.8
Smiths Group	2.6
Paypoint	2.5
IG Group	2.4
Atkins	2.4
Halfords Group	2.1
Amec Foster Wheeler	2.0
<b>Total</b>	<b>78.8</b>

### HOW TO INVEST

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.tbailey.co.uk/wise](http://www.tbailey.co.uk/wise); by telephoning the TB Wise Investor Dealing Line on 0115 988 8258 (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, Chipping Norton, Oxon OX7 5QR

01608 646 738

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

Authorised Corporate Director & Administrator:  
T. Bailey Fund Services Ltd ([www.tbailey.co.uk/wise](http://www.tbailey.co.uk/wise))

### SHARE CLASS DETAILS

	A SHARES (LEGACY)	B SHARES (CLEAN)	C SHARES (INSTITUTIONAL)
SEDOL Codes	Acc: B42KPP5 Inc: B42KJH5	Acc: B40SMR2 Inc: B40Y5R1	Acc: BWTN5R5 Inc: BWT6GM6
Minimum Lump Sum	£1000	£1000	£10 million
Initial Charge	0%	0%	0%
IFA Legacy Trail Commission	0.5% p.a.	N/A	N/A
Periodic Charge <sup>1</sup>	1.45% taken from capital	0.95% taken from capital	0.85% taken from capital
OCF	1.45% taken from capital	0.95% taken from capital	0.85% 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

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.

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