

# TB EVENLODE INCOME

MONTHLY FACTSHEET all data as at 31 August 2021 unless otherwise indicated

## MANAGER COMMENTARY

The UK market rose again in August, for the seventh successive calendar month. Global economic leading indicators are suggesting a slowing rate of recovery, but reopening optimism, a strong corporate results season and continuing monetary/fiscal stimulus trumped these concerns.

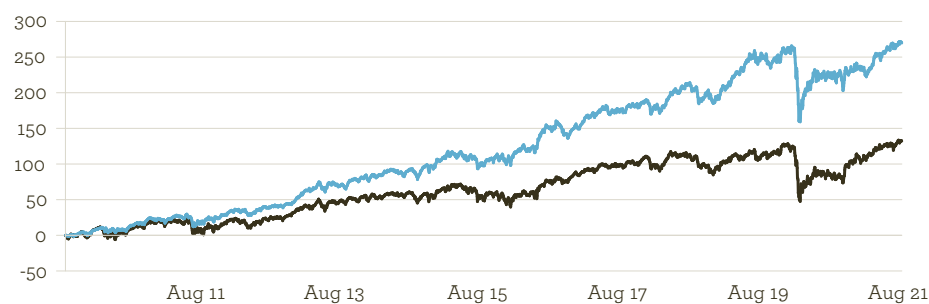
Evenlode Income rose +1.8% compared to a rise of +2.7% for the FTSE All-Share and +3.2% for the IA UK All Companies sector. The most positive contributors to return were Savills, Relx, Sage Group and Spectris. Savills released positive interim results with revenue and profit well ahead of both 2020 and pre-Covid 2019 levels. Relx, Sage Group and Spectris continued to benefit from strong results released at the end of July.

The main negative contributors to return were Hargreaves Lansdown (HL) and Smiths Group. HL released results showing continued progress, but noted that investments in the company's platform will increase in the coming year to enable current and future growth. Smiths Group announced the sale of its medical subsidiary at a lower price than market expectations (since the month end, the company has received a higher offer). This disposal will leave Smiths as a focused engineering company with strong market leadership and attractive cash generative economics.

Evenlode Income holdings have navigated through the crisis well and are now casting their eyes ahead at future opportunities. For context, the portfolio's aggregate earnings dropped -11% in 2020 and are forecast to recover by a cumulative +19% over this year and next. The dividend recovery is also underway. On 1 September, the fund went ex-dividend, declaring a second quarter rate of 1.52p per share (B Income shares) representing a rise of +15% year-on-year. Based on current forecasts, we would expect a similar growth rate for the full year distribution.

Over the last year, the fund has been somewhat 'stuck in the forgotten middle' from a performance perspective as investors have focused on deep recovery stocks on the one hand and very high-growth companies on the other. However, we are reassured by the balance of quality and valuation appeal in the portfolio. As we look ahead, we think the underlying holdings offer good potential for steady, compounding cash flow and dividend growth as the world emerges from the pandemic.

## PERFORMANCE SINCE LAUNCH (%)



## CUMULATIVE PERFORMANCE

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch <sup>1</sup>
■ Fund (%) <sup>2</sup>	4.1	13.8	14.6	19.4	48.1	216.0	269.7
■ Benchmark (%)	3.4	13.3	27.0	11.4	33.3	110.2	130.9
IA Sector (%)	4.4	14.6	32.4	16.9	41.7	136.5	155.0
Rank in sector	116/252	127/252	245/249	96/238	79/226	28/198	22/186
Quartile	2	3	4	2	2	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2020	2019	2018	2017	2016
Fund <sup>2</sup>	11.6	-7.4	24.2	0.4	15.2	17.1
Benchmark	14.7	-9.8	19.2	-9.5	13.1	16.8
IA Sector	16.9	-6.0	22.2	-11.2	14.0	10.8

## FUND ATTRIBUTES

- ✓ Emphasis on sustainable real dividend growth
- ✓ Focus on companies with high returns on capital and strong free cash-flow
- ✓ Aims to provide income and capital growth over rolling periods of 5 years
- ✓ 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

## KEY DETAILS

Sector	IA UK All Companies
Comparator Benchmark	FTSE All-Share
Launch date <sup>3</sup>	19 October 2009
Fund size	£3,639 million
No. of Holdings	38
Historic yield <sup>4</sup>	2.3%
Active share <sup>5</sup>	77.1%
Valuation point	12 noon daily
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan



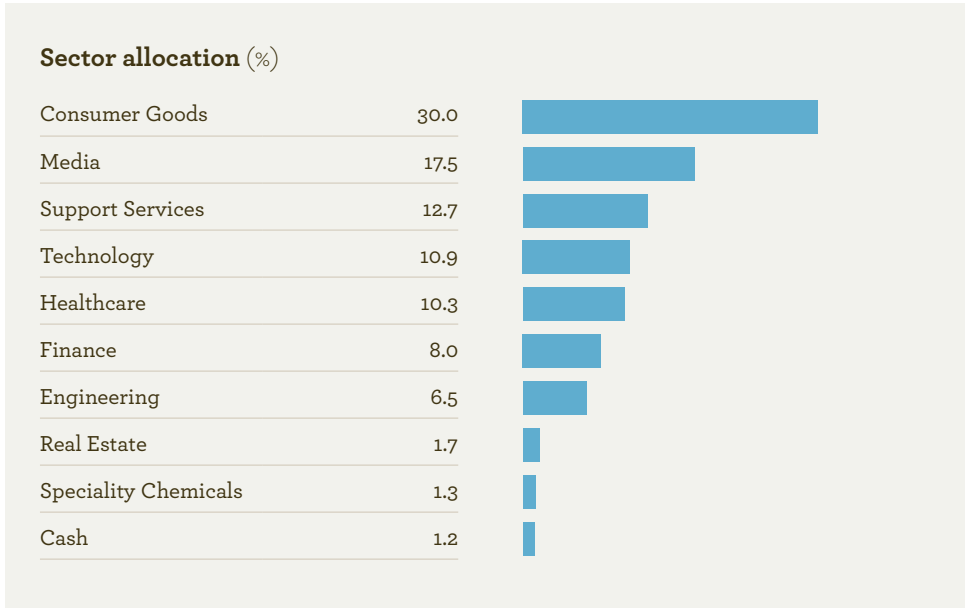
### Past performance is not a reliable indicator of future results.

All performance data used on this factsheet is total return, GBP terms, 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.
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 Inc share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.
5. Active share is calculated against the fund's Comparator Benchmark, the FTSE All-Share Index.

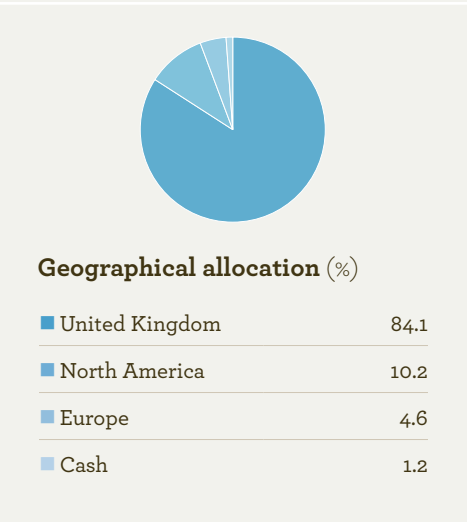
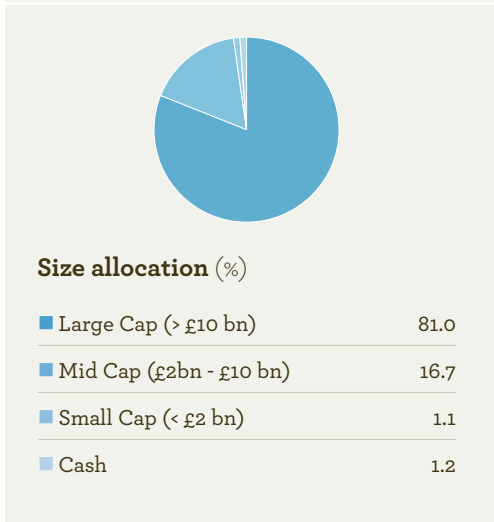


PORTFOLIO

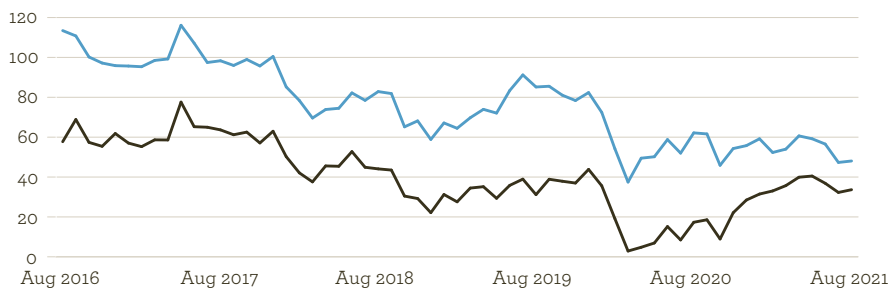


### Top 20 holdings (%)

Unilever	8.6
RELX Group	7.9
Diageo	7.6
Reckitt Benckiser	5.5
Sage Group	5.0
GlaxoSmithKline	4.9
Bunzl	4.2
Procter & Gamble	3.1
Smiths Group	3.1
Cisco Systems	2.8
Spectris	2.5
Schroders	2.4
WPP	2.4
Hays	2.3
PageGroup	2.3
PepsiCo	2.3
Ashmore Group	2.2
AstraZeneca	2.2
Hargreaves Lansdown	2.1
Microsoft	2.0
<b>Total</b>	<b>75.4</b>



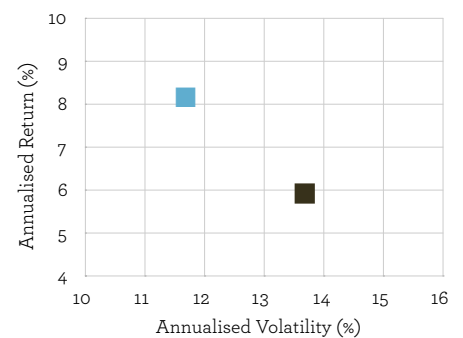
ROLLING 5 YEAR PERFORMANCE (%)



- TB Evenlode Income B Inc Shares
- FTSE All-Share Index

**Past performance is not a reliable indicator of future results.**  
 Total return, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express.  
 Rolling 5 year performance figures are run to calendar month ends.

RISK RETURN (5 YEAR)



- TB Evenlode Income B Inc Shares
- FTSE All-Share Index



## INVESTMENT TEAM

The Evenlode Investment Team totals 13 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.



**HUGH YARROW**

Fund Manager

Hugh launched TB Evenlode Income in October 2009. Previously he managed several equity income funds at Rathbone Unit Trust Management. Hugh holds a first-class degree from the University of Edinburgh in Philosophy and Mathematics.



**BEN PETERS**

Fund Manager

Ben has worked on the TB Evenlode Income fund since launch in 2009, and became co-manager in December 2012. Ben has a doctorate from the University of Oxford and a first-class degree from University College London, both in the field of physics. He holds the Investment Management Certificate and level 1 of the Chartered Financial Analyst qualification.



**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

The ‘Engagement Tracker’ functionality is an important part of our process as it allows us to record and monitor our long-term engagements. Over the past month we have continued to work on initiating engagements following the AGM voting season. Often this means engaging with companies across a broad range of themes which can include anything from remuneration packages, board makeup and diversity, to issues around environmental goals such as carbon emissions and net zero targets. Additionally, we continue to provide investee companies with feedback as they work to evolve their strategy and reporting on sustainability.

### 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 July 2021. Based on 99.9% of AUM. MSCI ESG Fund ratings aim 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 July 2021. Based on 100.00% 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.

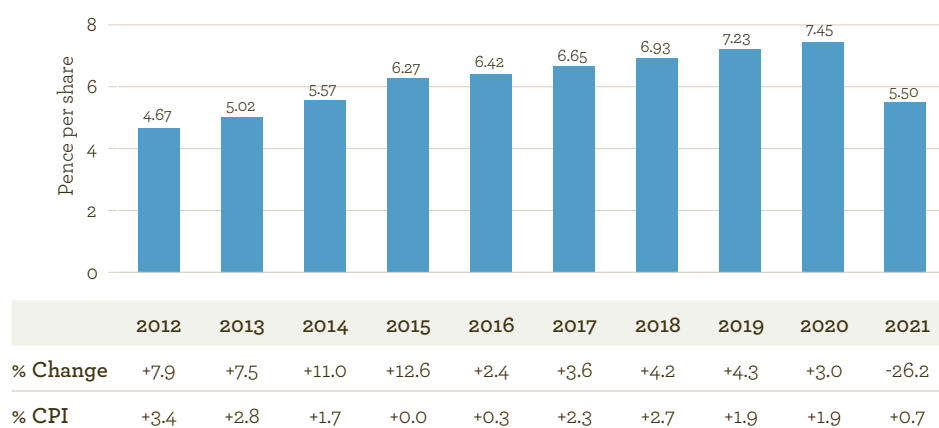


Ratings as at 31 July 2021. Based on 97.00% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## ANNUAL DIVIDEND PAYMENTS



B Inc Shares. Pence per share figures relate to the fund's financial year ended February of the relevant year.

## SHARE CLASS DETAILS

	B shares (clean)		C shares (institutional)	
	B ACC	B INC	C ACC	C INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price (pence)	368.83	245.00	371.15	246.54
Minimum lump sum	£1,000	£1,000	£10 million	£10 million
Minimum regular savings	£50 per month	£50 per month	N/A	N/A
Initial charge (%) <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>
Periodic charge (%) <sup>2</sup>	0.87	0.87	0.77	0.77
Ex ante transaction cost (%)	0.03	0.03	0.03	0.03
Latest distribution <sup>3</sup>	2.28	1.52	2.30	1.53

1. The fund remains available to existing investors with 0% initial charge.

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

3. Pence/share. XD date 1 September 2021. Latest distribution rate may be estimated.

## IMPORTANT INFORMATION

This Factsheet has been produced by Evenlode Investment Management Limited. TB Evenlode Income 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). 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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**springcapital**

Please contact Spring Capital Partners, in the first instance.  
020 3195 0076 [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com)

## Income generated from £100 investment over 5 years

B Inc Shares	£16.60
FTSE All-Share	£16.95

Source: Financial Express, date of investment 31 August 2016. FTSE All-Share figures calculated from representative tracker fund.

## 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 and the income from it 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:

- ✓ Would like the prospect of sustainable real income growth combined with some 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

## Contact Evenlode

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