

# TB EVENLODE INCOME

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

## MANAGER COMMENTARY

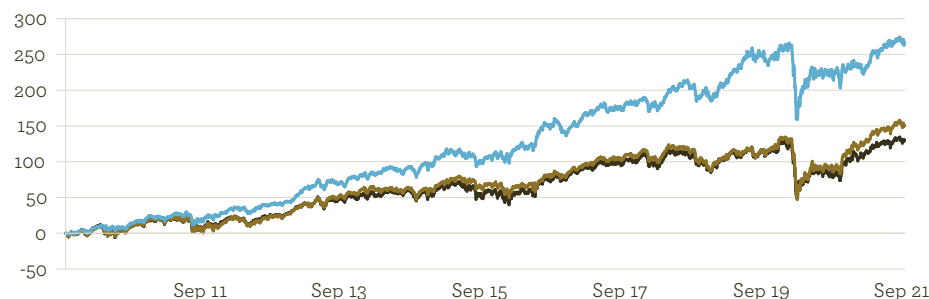
The UK stock market fell slightly in September, posting its first negative monthly return since January. The Covid situation is improving on the whole, with case rates stabilising or falling in many regions. A few clouds have gathered though, complicating the economic picture: China's slowdown and property market woes continue; global fiscal policy is tightening as furlough schemes begin to tail off; central banks are beginning to hint at tightening monetary policy over coming months; oil and gas prices have risen; and Covid-related supply chain disruptions continue.

Evenlode Income fell -0.6% during September, compared to a fall of -1.0% for the FTSE All-Share and -1.8% for the IA UK All Companies Sector. The most negative contributors to return were Bunzl, Ashmore and Moneysupermarket. Bunzl fell on no specific news. Ashmore released solid results in early September, but shares weren't helped by a souring of sentiment towards emerging market financial assets as the month progressed. For Moneysupermarket, recent developments in the UK electricity market have temporarily reduced switching volumes in the company's energy vertical. The most positive contributors to return were Reckitt, Diageo and Hays. Reckitt held an investor day to discuss its significant strategic investments in innovation, technology and customer service to drive future growth. Management reiterated 2021 guidance, and expect to deliver high-single-digit earnings growth over coming years. Diageo also released a positive trading statement, confirming a healthy outlook for profitability (with strong volume growth and premiumisation trends offsetting the recent rise in input costs). Hays shares rose on no specific company news.

We are reassured by the fundamental progress the portfolio continues to make as the world emerges from the pandemic. Input costs have risen over recent months, but the portfolio's underlying companies are well equipped to manage through this volatility, helped by their valued products and services, embedded customers and healthy levels of profitability. Looking further ahead for Evenlode Income, the holdings in the portfolio are high quality market-leading businesses with good growth prospects. The dividend recovery is also progressing as expected. The first and second quarter dividends for the fund were increased by +15.2% compared to the previous year and we continue to forecast a similar growth rate for the full year, which would translate to a 2.6% dividend yield<sup>1</sup>. From there, we think prospects for real dividend growth are healthy.

<sup>1</sup>Source: Evenlode, based on forecasts for Evenlode Income's financial year to 28 February 2022, and current unit price (30 September 2021)

## 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>	2.2	8.0	13.8	19.7	46.4	208.7	267.4
■ Benchmark (%) <sup>3</sup>	2.2	8.0	27.9	9.5	29.8	119.2	128.7
■ IA Sector (%)	2.7	8.5	32.4	15.5	38.5	140.8	150.4
Rank in sector	155/255	122/253	245/250	80/239	66/227	35/199	19/185
Quartile	3	2	4	2	2	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2020	2019	2018	2017	2016
Fund <sup>2</sup>	10.9	-7.4	24.2	0.4	15.2	17.1
Benchmark <sup>3</sup>	13.6	-9.8	19.2	-9.5	13.1	16.8
IA Sector	14.8	-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	<b>IA UK All Companies</b>
Comparator Benchmark	<b>FTSE All-Share</b>
Launch date <sup>4</sup>	<b>19 October 2009</b>
Fund size	<b>£3,570 million</b>
No. of Holdings	<b>38</b>
Historic yield <sup>5</sup>	<b>2.4%</b>
Active share <sup>6</sup>	<b>77.1%</b>
Valuation point	<b>12 noon daily</b>
Div ex dates	<b>1 Mar, Jun, Sep, Dec</b>
Div pay dates	<b>end Apr, Jul, Oct, Jan</b>



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

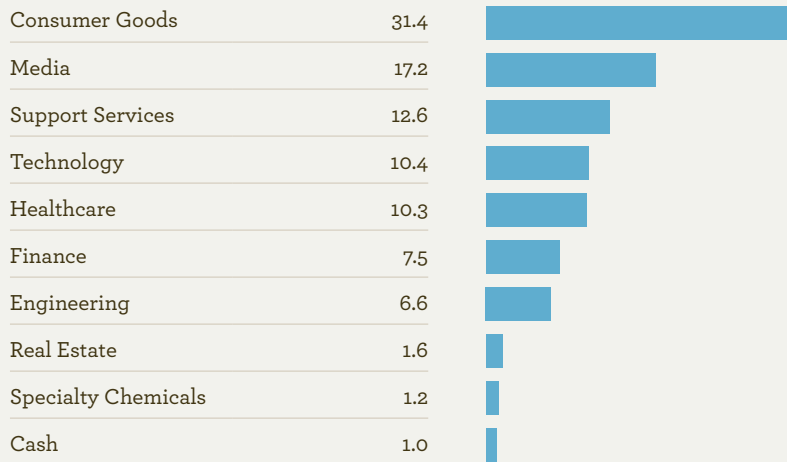
All performance data used on this factsheet is total return, GBP terms, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express. The fund's main unit was changed to B shares on 1 December 2012 to comply with RDR regulation.

1. From launch date: 19 October 2009.
2. TB Evenlode Income B Inc Shares.
3. Comparator Benchmark is FTSE All-Share (with net dividends reinvested) in GBP.
4. Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.
5. 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.
6. Active share is calculated against the fund's Comparator Benchmark, the FTSE All-Share Index.



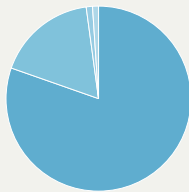
PORTFOLIO

Sector allocation (%)



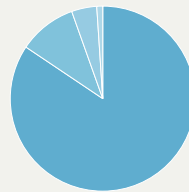
Top 20 holdings (%)

Unilever	8.9
Diageo	8.1
RELX	8.0
Reckitt Benckiser	6.0
GlaxoSmithKline	4.8
Sage Group	4.7
Bunzl	4.1
Procter & Gamble	3.3
Smiths Group	3.2
Cisco Systems	2.6
WPP	2.4
Spectris	2.4
Hays	2.4
Schroders	2.4
AstraZeneca	2.3
PepsiCo	2.3
Pagegroup	2.1
Hargreaves Lansdown	2.1
Ashmore Group	2.0
Microsoft	2.0
<b>Total</b>	<b>76.1</b>



Size allocation (%)

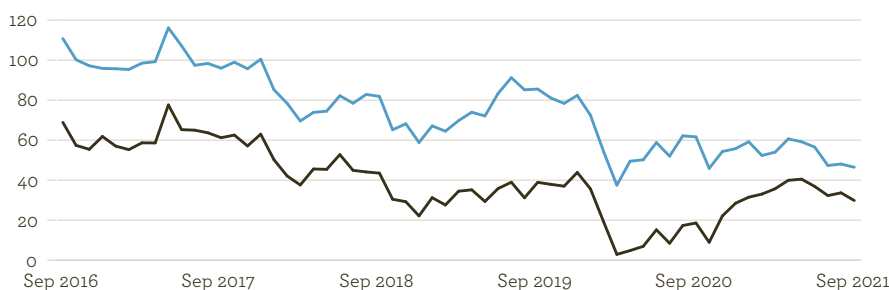
Large Cap (> £10 bn)	80.4
Mid Cap (£2bn - £10 bn)	17.5
Small Cap (< £2 bn)	1.1
Cash	1.0



Geographical allocation (%)

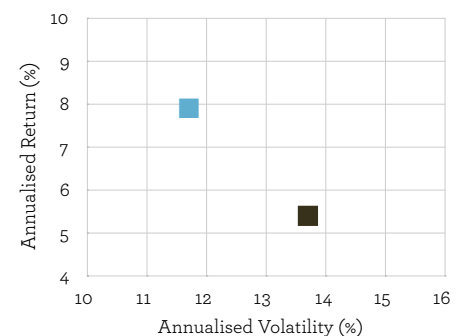
United Kingdom	84.4
North America	10.2
Europe	4.4
Cash	1.0

ROLLING 5 YEAR PERFORMANCE (%)



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

RISK RETURN (5 YEAR)



- 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.



## 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.



**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

### 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.



**CHARLIE FREITAG**

Stewardship Analyst

### Our ongoing commitment

Signatory of:



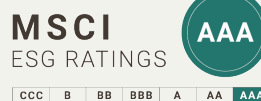
Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance 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 99.9% 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.

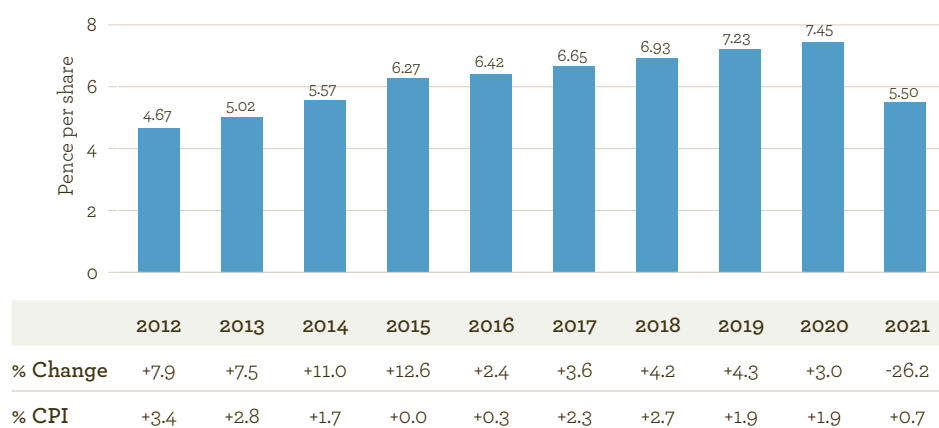


Ratings as at 30 June 2021. Based on 97.0% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition 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

Share class	B shares (clean)		C shares (institutional)	
	ACC	INC	ACC	INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price (pence)	366.57	242.00	368.91	243.54
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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## Income generated from £100 investment over 5 years

B Inc Shares	£16.77
FTSE All-Share	£16.84

Source: Financial Express, date of investment 30 September 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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