

# WS EVENLODE INCOME\*

MONTHLY FACTSHEET all data as at 29 February 2024 unless otherwise indicated

\*On 9 March 2024 the name of the fund changed to *IFSL Evenlode Income* due to a change in Authorised Corporate Director



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

February was a mixed month for investor sentiment. On the positive side, corporate earnings were reasonable and the global economy – led by the US – has been holding up better than expected. On the other hand, this more optimistic economic picture meant that market expectations for the speed and extent of interest rate cuts lessened somewhat.

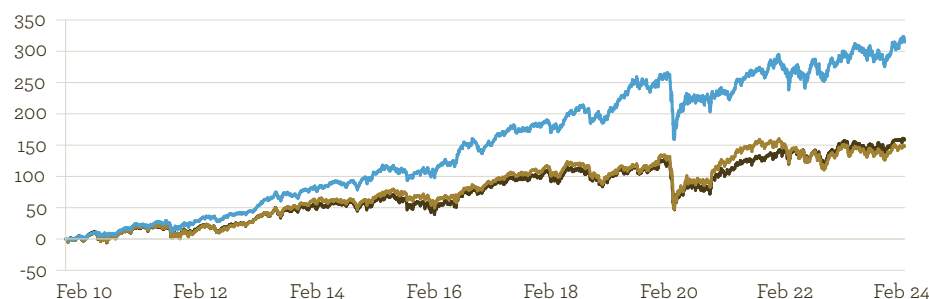
More than 90% of the portfolio companies have updated the market with results announcements since the start of the year, and we have also met with many management teams. The economic backdrop is quite difficult, but the aggregate portfolio is making reassuring progress, with organic revenue growth for 2023 averaging +6%. The outlook for profitability is also improving as input cost inflation falls back to more normal levels, and global wage inflation is easing back. Free cash flow growth is also healthy, helped by the normalisation of supply chains and inventory levels.

Evenlode Income fell -0.3% compared to a fall of -0.1% for the IA UK All Companies sector and a rise of +0.2% for the FTSE All-Share. The most positive contributors to return during the month were RELX, Diageo and GSK, which all reported results during the month. RELX delivered strong growth driven by the continued shift in business towards higher growth digital analytics and decision tools. Diageo's revenue declined slightly in the second half of 2023, but management commentary was encouraging highlighting a sequential improvement in their largest market, North America. GSK reported positive results and increased long-term sales guidance. The most negative contributors to return were Reckitt, Smith & Nephew and Savills. Reckitt reported solid sales growth in 2023 despite a slight decline in the last quarter as its main competitor in the US infant nutrition market recovered from a product recall. Smith & Nephew reported higher revenue growth and cash flow in 2023 and is making progress with operational challenges at the orthopaedics business. Savills' share price fell on no specific news.

There were no major changes to the portfolio, but we continued to trim back holdings such as Sage, Microsoft, RELX and Wolters Kluwer where share price performance has been very strong recently and added to a range of other portfolio holdings. The valuation environment is looking about as good to us as it has at any time over the last decade, other than during the Covid sell-off in 2020.

The fund completed its financial year at the end of February. The final dividend was declared on 1 March 2024, meaning that dividends for the full financial year grew by +8.9% compared to the previous year. This brings the fund's historic dividend yield up from 2.7% as at 29 February 2024 to 2.9% as at 1 March 2024, which is well covered by the portfolio's free cash flow yield of over 5%.

## PERFORMANCE SINCE LAUNCH (%)<sup>1</sup>



## CUMULATIVE PERFORMANCE

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch <sup>1</sup>
■ Fund (%) <sup>2</sup>	4.8	5.3	6.1	27.6	36.4	124.4	314.6
■ Benchmark (%) <sup>3</sup>	3.3	3.9	0.6	25.2	27.7	63.0	155.1
■ IA Sector (%)	4.4	4.1	0.1	11.2	21.7	49.8	147.4
Rank in sector	80/234	65/233	15/233	28/224	19/215	2/187	4/160
Quartile	2	2	1	1	1	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2023	2022	2021	2020	2019
Fund <sup>2</sup>	0.0	9.3	-2.8	17.7	-7.4	24.3
Benchmark <sup>3</sup>	-1.1	7.9	0.3	18.3	-9.8	19.2
IA Sector	-1.0	7.4	-9.1	17.3	-6.0	22.2

## FUND ATTRIBUTES

- ✓ Emphasis on sustainable real dividend growth
- ✓ Actively managed, with 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 Index
Launch date <sup>4</sup>	19 October 2009
Fund size	£3,349 million
No. of Holdings	37
Historic yield <sup>5</sup>	2.7%
Active share <sup>6</sup>	75.0%
Valuation point	12 noon daily
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan



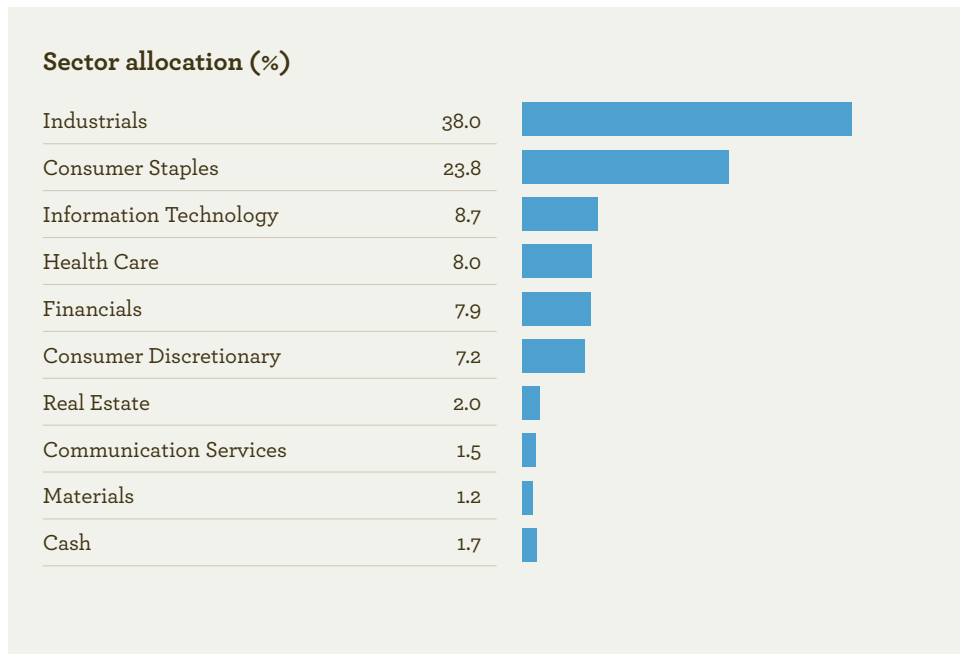
Past performance is not a reliable indicator of future results.

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. WS Evenlode Income B Acc GBP shares.
3. Comparator Benchmark is the FTSE All-Share Index (with net dividends reinvested) in GBP.
4. Evenlode Income was merged through a scheme of arrangement into WS 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.



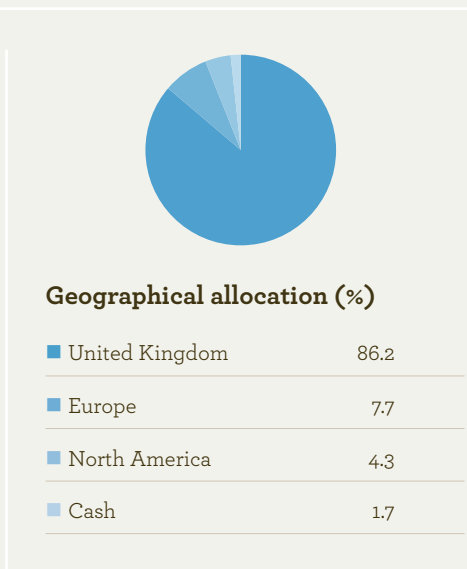
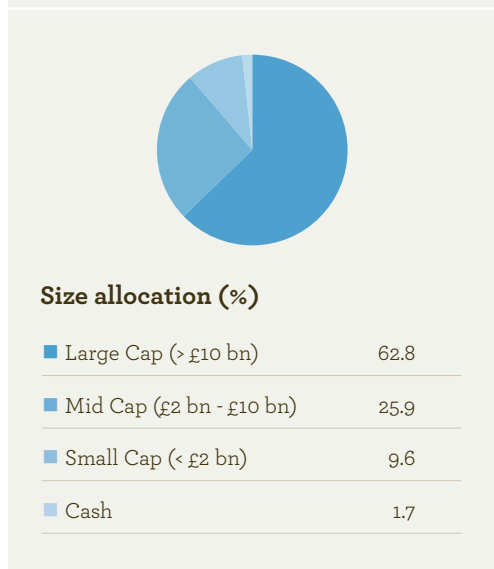
PORTFOLIO



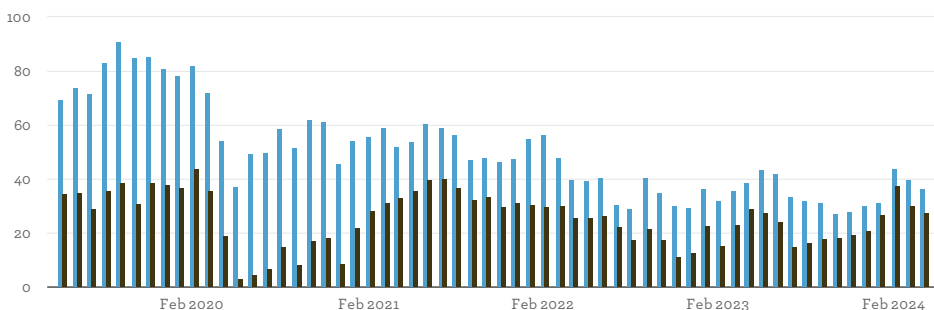
### Top 20 holdings (%)

RELX	8.7
Diageo	7.8
Unilever	7.6
Reckitt	5.9
Bunzl	4.7
Experian	4.0
Smiths Group	3.2
GSK	3.0
SGS	2.9
Intertek Group	2.9
Smith & Nephew	2.9
Howden Joinery Group	2.6
Spectris	2.6
Sage Group	2.6
Compass	2.6
London Stock Exchange Group	2.4
Roche	2.1
Hays	2.0
Page Group	2.0
Savills	2.0
<b>Total</b>	<b>74.5</b>

Investors will own shares in WS Evenlode Income, not in the underlying holdings; these are the underlying assets owned by the fund.



ROLLING 5 YEAR PERFORMANCE (%)



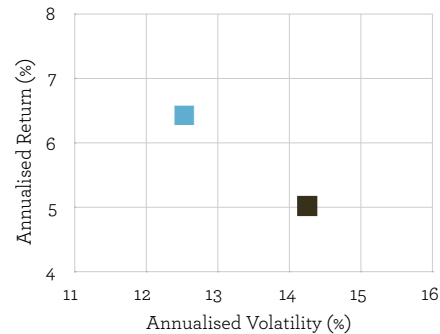
- WS Evenlode Income B Acc GBP Shares
- FTSE All-Share Index

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 YEARS)



- WS Evenlode Income B Acc GBP Shares
- FTSE All-Share Index

Annualised volatility is calculated using monthly returns.



## INVESTMENT TEAM

The Evenlode Investment Team totals 18 staff. Fund managers are supported by a team of analysts including four dedicated stewardship analysts, and the team works collegiately to challenge thinking and share ideas.



**HUGH YARROW**  
Portfolio Manager

Hugh co-founded Evenlode and is the lead Portfolio Manager of Evenlode Income, having launched the fund in October 2009.



**BEN PETERS**  
Portfolio Manager

Ben co-founded Evenlode and has been the co-Portfolio Manager on Evenlode Income since 2012. He is also Portfolio Manager on the Global Income strategy team.



**CHRIS MOORE**  
Portfolio Manager

Chris is a Portfolio Manager on Evenlode Income, is Head of Research, and joined Evenlode in 2018.



**CHARLOTTE LAMB**  
Investment Analyst

Charlotte is an Investment Analyst on Evenlode Income and joined Evenlode in 2019.



**LEON CYRIL**  
Investment Analyst

Leon is an Investment Analyst on Evenlode Income and joined Evenlode in 2020.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

### Integration into the investment process



**SAWAN WADHWA**  
Head of Stewardship

We undertake an annual net zero assessment analysis on all our portfolio companies. The final figures for 2023 are currently being finalised, however, in 2022, we observed an increase of 10% in companies in the 'aligning' category under the Net Zero Investment Framework (from approximately 24% of our AUM to 32%). This shift indicated that a larger proportion of companies had set science-based interim and longer-term targets approved by the SBTi, covered a larger proportion of their overall GHG emissions, reported more of their own emissions, and, for the high-impact companies (as categorized by the NACE classification), disclosed a credible transition plan. We are hoping for this positive direction of travel to continue and look forward to sharing the results of our updated assessment in the coming months.



**BETHAN ROSE**  
Sustainable Investment 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.

### Policy Governance and Strategy



### Direct - Listed Equity Active fundamental



### Confidence Building Measures



**REBEKAH NASH**  
Governance Analyst



**LILY POSTLETHWAITE**  
Stewardship Analyst

### Recent publications for download

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

### MSCI Rating



Data as at 31 December 2023. Based on 99.5% 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 December 2023. 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.

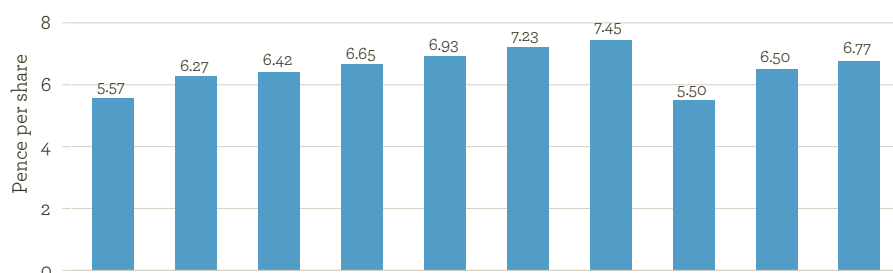


Ratings as at 30 November 2023. Based on 98.3% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## ANNUAL DIVIDEND PAYMENTS



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
% Change	+11.0	+12.6	+2.4	+3.6	+4.2	+4.3	+3.0	-26.2	+18.3	+4.0
% CPI	+1.7	+0.0	+0.3	+2.3	+2.7	+1.9	+1.7	+0.4	+6.2	+10.4

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)	
	B ACC	B INC	C ACC	C INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price	413.39p	256.36p	417.06p	258.63p
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%	5.00%	5.00%	5.00%
Periodic charge <sup>2</sup>	0.88%	0.88%	0.78%	0.78%
Ex ante transaction cost	0.12%	0.12%	0.12%	0.12%
Latest distribution <sup>3</sup>	3.80	2.36	3.83	2.39

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 March 2024. Latest distribution rate may be estimated.

## IMPORTANT INFORMATION

This Factsheet has been produced by Evenlode Investment Management Limited. WS Evenlode Income is a sub-fund of the WS Evenlode Investment Funds ICVC. Full details of the WS Evenlode Investment Funds, including risk warnings, are published in the WS Evenlode Investment Funds Prospectus and the WS Evenlode Investment Funds Key Investor Information Documents (KIIDs) which are available on request and at [www.evenlodeinvestment.com](http://www.evenlodeinvestment.com). The WS 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, WS Evenlode Income 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. Waystone Fund Services (UK) 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 **£14.43**

Source: Financial Express, date of investment 28 February 2019.

## 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 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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+44 (0)1608 695200

Calls are recorded  
[www.evenlodeinvestment.com](http://www.evenlodeinvestment.com)

Authorised Corporate Director & Administrator:

Waystone Fund Services (UK) Limited

From 9 March 2024:  
Investment Fund Services Limited  
([www.ifslfunds.com](http://www.ifslfunds.com))



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