

# TB EVENLODE INCOME

MONTHLY FACTSHEET all data as at 31 July 2022 unless otherwise indicated



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

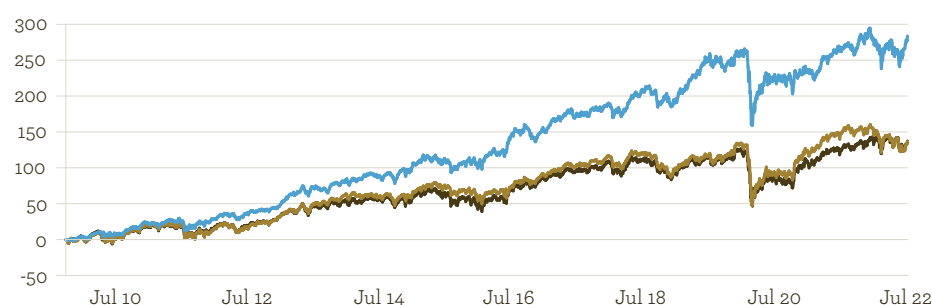
Following a difficult first six months of the year, July saw a strong recovery in global stock markets. Concerns over the global economic slowdown were mitigated by the continuation of reasonably steady operating results from the corporate sector, whilst signs of lessening input cost inflation also reduced expectations for future interest rate rises.

Evenlode Income rose +8.8% compared to a rise of +4.4% for the FTSE All-Share and +5.8% for the IA UK All Companies sector. Fund performance was helped by a reassuring results season: for companies releasing interim results during July, revenue growth averaged +16% for the January-June period, and profit growth averaged +14%. During such an extreme period for input cost inflation, we think these results are a good indicator of the financial resilience and pricing power enjoyed by the portfolio. The strongest contributors to performance were Diageo, RELX, Unilever, Bunzl and Reckitt; all were helped by solid operating results. The only negative contributor of note was Smith & Nephew, whose share price fell -9%. Smith & Nephew reiterated full year sales growth guidance, but lowered operating margin expectations from 18.5% to 17.5% due to input cost inflation and stepped-up investments.

In terms of portfolio changes a new holding in Haleon was created following its demerger from GSK. Haleon is the global market leader in consumer healthcare products with a portfolio of strong brands ranging from Sensodyne to Panadol. We also continued to build four new holdings that were introduced in June: Experian (credit checking and decision analytics), Games Workshop (fantasy miniatures for hobbyists), LVMH (global luxury goods) and Diploma (specialist industrial distribution). These companies all share several attractive characteristics: market-leading positions in their respective sectors, good growth potential over coming years, and cash generative economics. They also bring interesting diversification to the portfolio's cash flow stream. On the sell-side, we reduced the fund's holding in EMIS following the company's recommended takeover offer in June. We also finished exiting WPP and AB Inbev to make way for other opportunities where we think the combination of quality, financial strength and forward return potential look more interesting.

Looking ahead, we continue to see a broad set of opportunities, both within the existing portfolio and on the portfolio's watchlist. We look forward to updating you on fund progress and portfolio developments over the coming weeks and months.

## 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>	1.5	3.2	5.6	7.9	40.9	178.2	283.7
■ Benchmark (%) <sup>3</sup>	-1.2	-0.1	5.5	9.9	21.5	100.4	137.3
■ IA Sector (%)	-1.8	-4.2	-4.5	8.1	15.9	100.8	136.0
Rank in sector	12/253	4/252	41/250	121/239	10/230	13/202	7/180
Quartile	1	1	1	3	1	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2021	2020	2019	2018	2017
Fund <sup>2</sup>	-1.6	17.6	-7.4	24.2	0.4	15.2
Benchmark <sup>3</sup>	-0.4	18.3	-9.8	19.2	-9.5	13.1
IA Sector	-7.7	17.3	-6.0	22.2	-11.2	14.0

## 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
Launch date <sup>4</sup>	19 October 2009
Fund size	£3,340 million
No. of Holdings	43
Historic yield <sup>5</sup>	2.7%
Active share <sup>6</sup>	74.5%
Valuation point	12 noon daily
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan



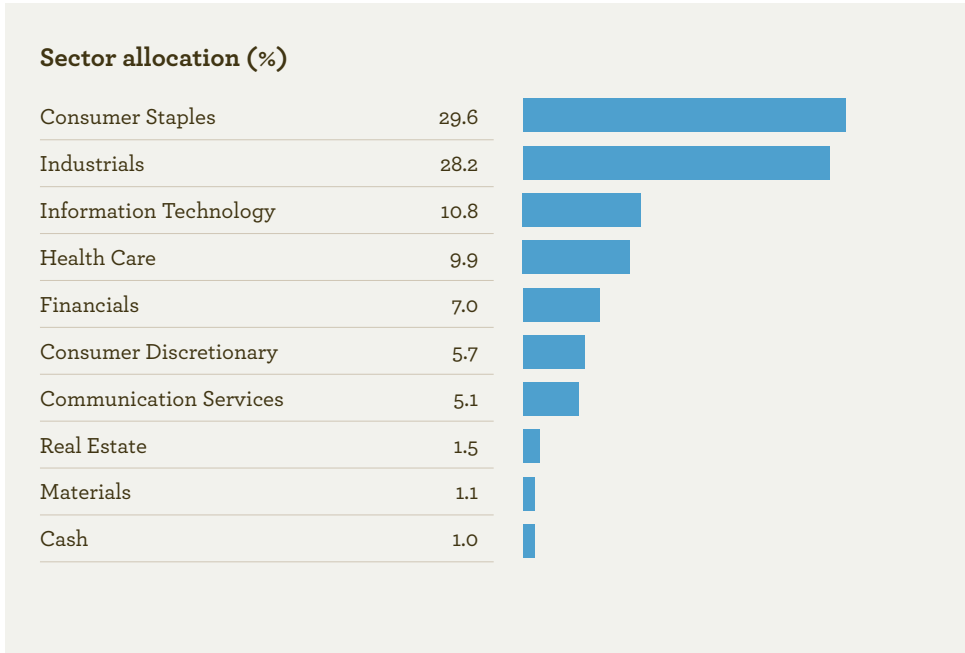
### Past performance is not a reliable indicator of future results.

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. 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.



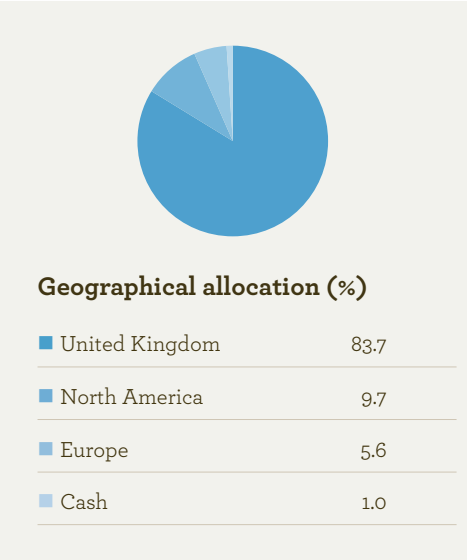
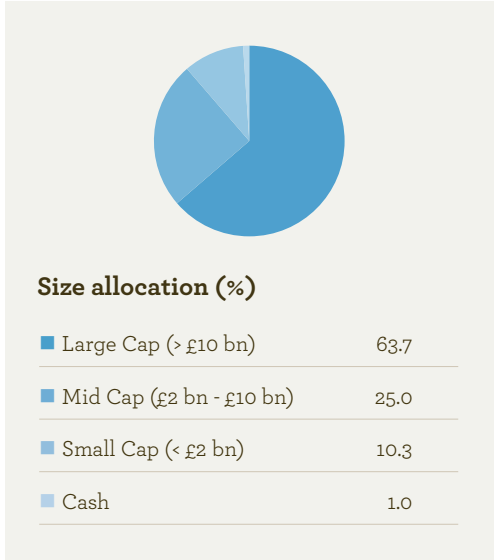
PORTFOLIO



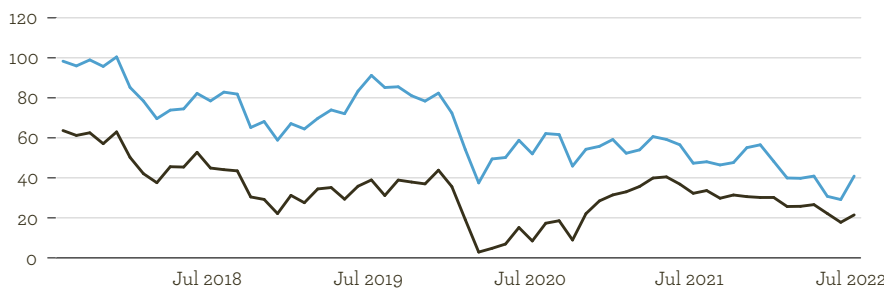
### Top 20 holdings (%)

RELX	8.5
Unilever	8.4
Diageo	7.9
Reckitt Benckiser	6.7
Bunzl	4.5
Sage Group	3.7
GlaxoSmithKline	3.6
Procter & Gamble	3.4
Smiths Group	3.3
Compass Group	2.8
PepsiCo	2.5
Euromoney Inst. Investor	2.4
Spectris	2.2
London Stock Exchange Group	2.1
Microsoft	2.1
AstraZeneca	2.0
Smith & Nephew	2.0
Hays	2.0
Wolters Kluwer	1.9
Schroders	1.9
<b>Total</b>	<b>73.9</b>

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



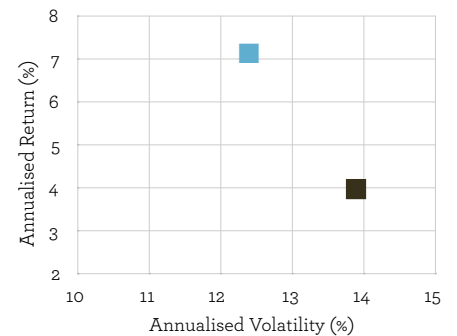
ROLLING 5 YEAR PERFORMANCE (%)



- TB Evenlode Income B Inc 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 YEAR)



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



## 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**

Fund Manager

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

We use active engagement to move portfolio companies along their net zero journey. This is where we can have the biggest impact and can contribute to real decarbonisation in the economy. Engagement is a core component of our approach to integrating sustainability and we consider this to be a value-add for both parties. We engage with all investee companies to gather information on the firm's approach to a range of environmental, social and governance matters, which inform our view on the risks and opportunities that the company faces. Discussing challenges with companies enables us to understand their business context and obtain more information about their mitigation of and resilience to the risks that we perceive.

### Our ongoing commitment

Signatory of:



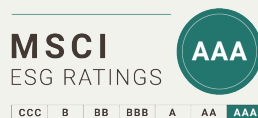
Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance 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 30 June 2022. Based on 98.0% 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 May 2022. 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.

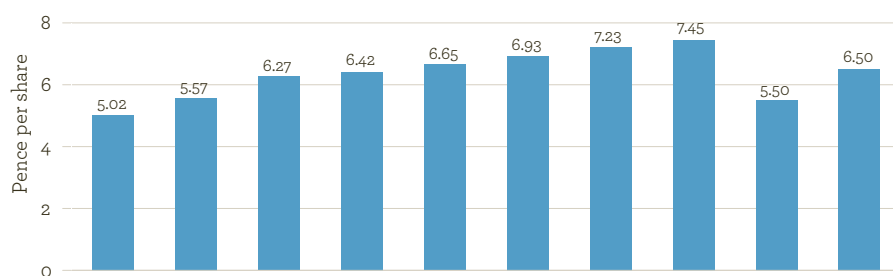


Ratings as at 31 March 2022. Based on 98.9% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## ANNUAL DIVIDEND PAYMENTS



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
% Change	+7.5	+11.0	+12.6	+2.4	+3.6	+4.2	+4.3	+3.0	-26.2	+18.3
% CPI	+2.8	+1.7	+0.0	+0.3	+2.3	+2.7	+1.9	+1.7	+0.4	+6.2

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	382.77p	247.44p	385.55p	249.21p
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>	0.87%	0.87%	0.77%	0.77%
Ex ante transaction cost	0.05%	0.05%	0.05%	0.05%
Latest distribution <sup>3</sup>	2.45	1.59	2.46	1.60

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 June 2022. 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 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 between 30 and 50 investments, TB 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. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 190293.

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Please contact Spring Capital Partners.

+44 (0)20 3307 8086 [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com)

## Income generated from £100 investment over 5 years

B Inc Shares

£16.51

Source: Financial Express, date of investment 31 July 2017.

## 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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Calls are recorded

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

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T. Bailey Fund Services Ltd  
([www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds))