

# TB EVENLODE INCOME

MONTHLY FACTSHEET all data as at 31 July 2023 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

July was a positive month for global stock markets. Though concerns over persistent inflation and higher interest rates linger, recent disinflationary trends have helped the mood, as did reasonably reassuring corporate results and economic data. Evenlode Income rose +1.4% during the month, compared to a rise of +2.5% for the IA UK All Companies sector and +2.6% for the FTSE All-Share.

The majority of Evenlode Income holdings released results or trading updates during July. The economic backdrop is quite tough, but results have reassured. For holdings releasing interim results thus far, organic revenue growth has averaged +9.3%, and operating profit growth +10.0%. Some companies have seen a slowdown in demand, but the portfolio's bedrock of repeat-purchase businesses provides resilience. Portfolio holdings also continue to cope well with input cost increases which are still, with a lag, working their way through the system. On the supply chain front, most management teams are now seeing a vastly improved picture, with many of the Covid-related bottlenecks returning to a more normal situation.

The most positive contributors to return were Howden, PageGroup, Unilever and Savills. Howden, PageGroup and Unilever all released updates which reassured the market, whilst Savills share price rose on no specific news. The most negative contributors to return were Compass and Smith & Nephew. Compass released a solid trading update, with organic revenue growth +21% for the most recent quarter and full year guidance reiterated, but shares fell back -8% after a strong run. Smith & Nephew released no news in July. The company released interim results in early August, at which guidance for full year revenue growth was upgraded and profit guidance reiterated.

Looking ahead, the Evenlode Income portfolio contains an interestingly diverse range of well-invested, market-leading companies. We think they offer attractive potential for compounding free cash flow and dividend growth over time. Valuations are attractive, with the portfolio's free cash flow yield of 5.0% offering healthy cover to the 2.7% dividend yield.

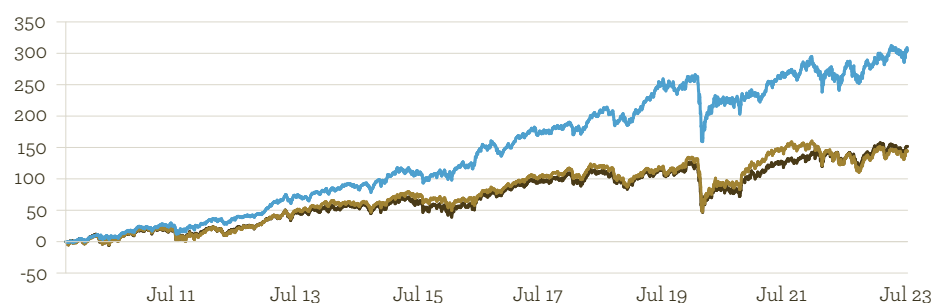
## FUND ATTRIBUTES

- ✓ 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	£3,467 million
No. of Holdings	37
Historic yield <sup>5</sup>	2.7%
Active share <sup>6</sup>	76.4%
Valuation point	12 noon daily
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan

## 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>	-1.5	5.1	5.4	27.5	31.7	135.0	304.5
■ Benchmark (%) <sup>3</sup>	-1.2	0.8	6.1	41.8	18.1	71.1	151.7
■ IA Sector (%)	-0.7	0.0	3.0	30.1	10.0	62.4	143.0
Rank in sector	177/243	6/243	115/242	134/231	7/221	5/190	4/166
Quartile	3	1	2	3	1	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2022	2021	2020	2019	2018
Fund <sup>2</sup>	6.7	-2.8	17.7	-7.4	24.3	0.4
Benchmark <sup>3</sup>	5.3	0.3	18.3	-9.8	19.2	-9.5
IA Sector	4.5	-9.1	17.3	-6.0	22.2	-11.2



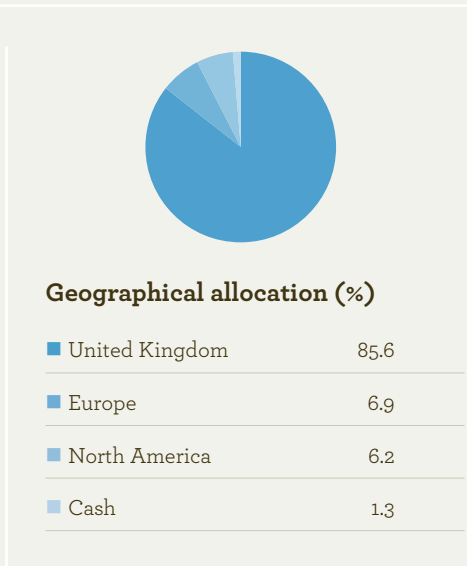
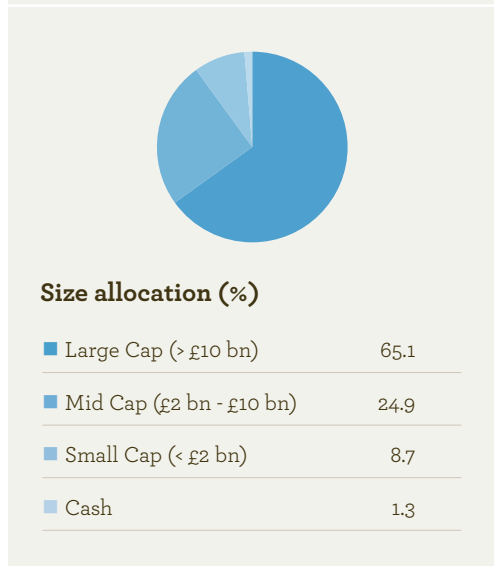
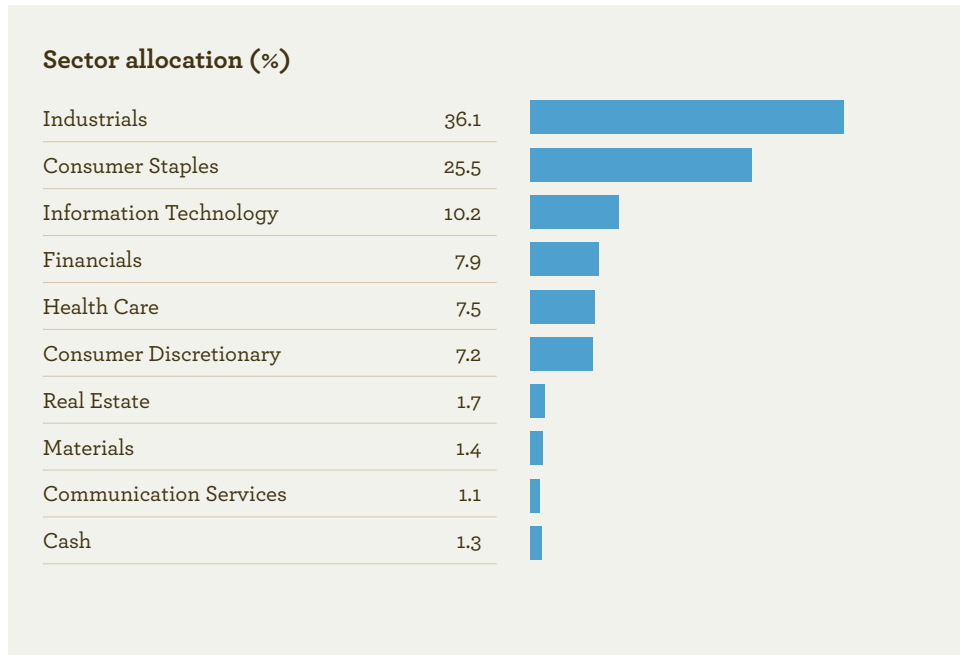
Past performance is not a reliable indicator of future results.

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.

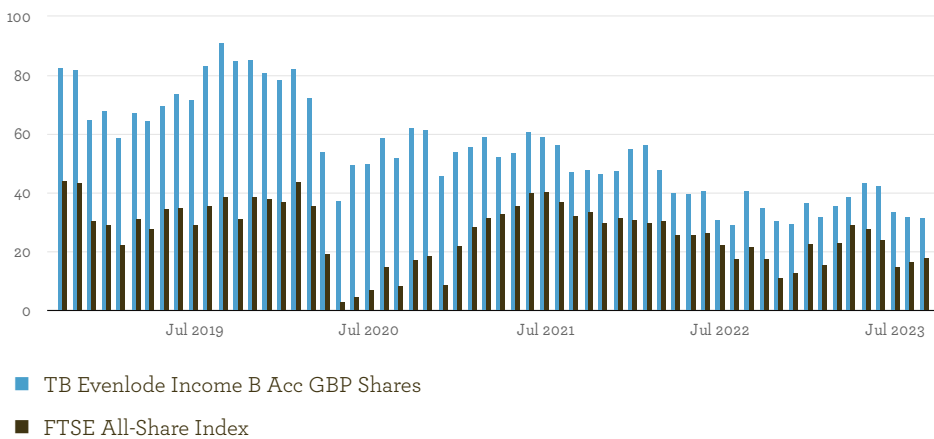
1. From launch date 19 October 2009.
2. TB Evenlode Income B Acc GBP shares.
3. Comparator Benchmark is the FTSE All-Share Index (with net dividends reinvested) in GBP.
4. Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend 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



ROLLING 5 YEAR PERFORMANCE (%)

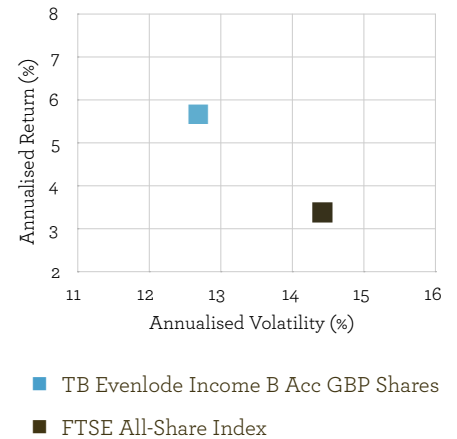


Past performance is not a reliable indicator of future results.

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)



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**

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)

### Integration into the investment process

Over the last 12-18 months, we have been redefining our stewardship strategy which has led to further evolution of our purpose statement. Our objective as a team is to preserve and enhance the value of our clients' assets through long-term engagement and analysis, and we will continue to employ careful thought, stewardship, and expertise in our investment approach focusing on consistent long-term performance. However, we have now explicitly emphasised the importance of both preserving and enhancing value, which we believe can be achieved through the lens of managing long-term risk through engagement and rigorous ESG analysis. Engaging with companies directly addresses the 'enhancing value' component of this process. To address the 'preserving value' element, we meticulously consider environmental, social, and governance (ESG) factors as potential risks within our investment and risk management frameworks. Although we use the term ESG to distinguish these factors from other investment considerations, we firmly believe that they form an integral part of a comprehensive investment case for any business.



**SAWAN KUMAR**

Head of Stewardship

### 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.

### Investment & Stewardship Policy



### Direct - Listed Equity Active fundamental - Incorporation



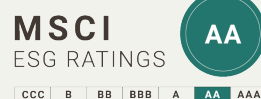
### Direct - Listed Equity Active fundamental - Voting



### Recent publications for download

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

### MSCI Rating



Data as at 31 May 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 May 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 31 May 2023. Based on 98.8% 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)	
	B ACC	B INC	C ACC	C INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price	403.34p	253.56p	406.68p	255.65p
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	0.09%	0.09%	0.09%	0.09%
Latest distribution <sup>3</sup>	2.64	1.67	2.66	1.68

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 2023. 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.

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## Income generated from £100 investment over 5 years

B Inc Shares

£15.07

Source: Financial Express, date of investment 31 July 2018.

## 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

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