

# IFSL EVENLODE INCOME\*

MONTHLY FACTSHEET all data as at 31 July 2024 unless otherwise indicated

\*Prior to 9 March 2024 the name of the fund was WS Evenlode Income



This is a marketing communication. Please refer to the prospectus and to the Key Investor Information Documents (KIIDs) before making any final investment decisions.

Evenlode has developed a glossary to assist investors to better understand commonly used terms – please see [www.evenlodeinvestment.com/funds/evenlode-uk-income-fund#Documents](http://www.evenlodeinvestment.com/funds/evenlode-uk-income-fund#Documents)

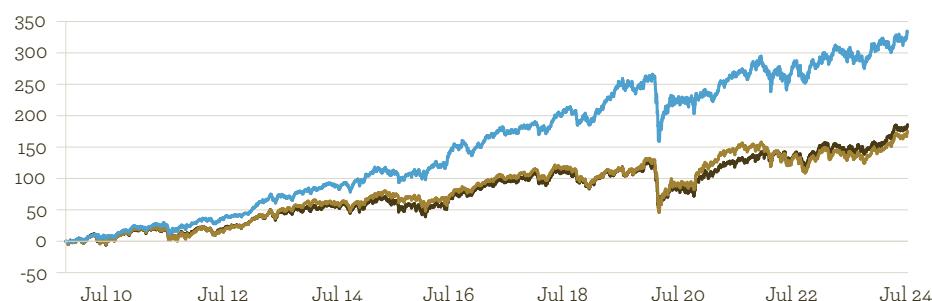
## MANAGER COMMENTARY

July has been an interesting and complicated month for global investors on all levels – geopolitical, economic, stock market and corporate. The outcome of the US election remains uncertain, and tensions in the Middle East have risen again. Meanwhile, recent data has shown signs that the US economy is cooling. Inflation has also fallen back, and the Federal Reserve is now expected to make its first interest rate cut of the cycle in September. The Bank of England made its first cut at the start of August. Market volatility also picked up in July, with US technology shares – ‘the only game in town’ since January 2023 – showing signs of fatigue. The Nasdaq Composite fell, whereas most other areas of equity markets rose, including the UK stock market.

Evenlode Income rose +3.2% compared to +3.1% for the FTSE All-Share Index and +3.6% for the IA UK All Companies sector. The most positive performers were Unilever (+10%), SGS (+21%), Smith & Nephew (+15%) and Roche (+15%). Unilever and SGS released strong results. Smith & Nephew shares were helped by news that an activist investor has taken a stake. The company also released upbeat results just after the month end, with signs that management’s strategic plan is beginning to bear fruit. Roche also released results and some very promising data for an oral weight-loss drug. The most negative performers were Diageo (-2.8%) and Reckitt (-2.4%). Reckitt shares slipped after US infant formula peer Abbot lost a court case. Though we are factoring in US litigation risk for Reckitt, we would note the c.£8bn that has been removed from the value of the company since March, compares to a potential settlement of up to £2bn if conservative assumptions are made. Reckitt refutes any liability and has also received supportive comments from the American Association of Paediatricians. Diageo continues to face a challenging industry backdrop due to softer consumer demand and post-Covid destocking. For the long-term investor, Diageo remains a well-invested global market leader, and the valuation hasn’t look this good for a decade.

At the company level, interim results season has been in full swing, with over 85% of the portfolio reporting results since the start of July. Though a few holdings are posting negative revenue growth – including Hays, PageGroup, Spectris, Diageo and Burberry – most others are growing well. So good aggregate progress is being made, with mid-single-digit organic revenue growth and high-single-digit operating profit growth on average. Cash generation remains healthy, and valuations look attractive. The free cash flow yield for the portfolio is 5.1% for this year and forecast to grow to 5.8% next year.

## 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>	5.4	4.2	7.1	19.3	21.9	133.0	333.4
■ Benchmark (%) <sup>3</sup>	4.4	12.3	13.5	27.1	32.4	83.9	185.8
■ IA Sector (%)	5.7	11.6	13.8	11.9	26.6	73.3	176.5
Rank in sector	115/231	225/231	213/229	99/223	147/211	5/183	7/156
Quartile	2	4	4	2	3	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2023	2022	2021	2020	2019
Fund <sup>2</sup>	4.6	9.3	-2.8	17.7	-7.4	24.3
Benchmark <sup>3</sup>	10.8	7.9	0.3	18.3	-9.8	19.2
IA Sector	10.7	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	£3,285 million
No. of Holdings	38
Historic yield <sup>5</sup>	2.8%
Active share <sup>6</sup>	76.3%
Valuation point	12 noon daily
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan



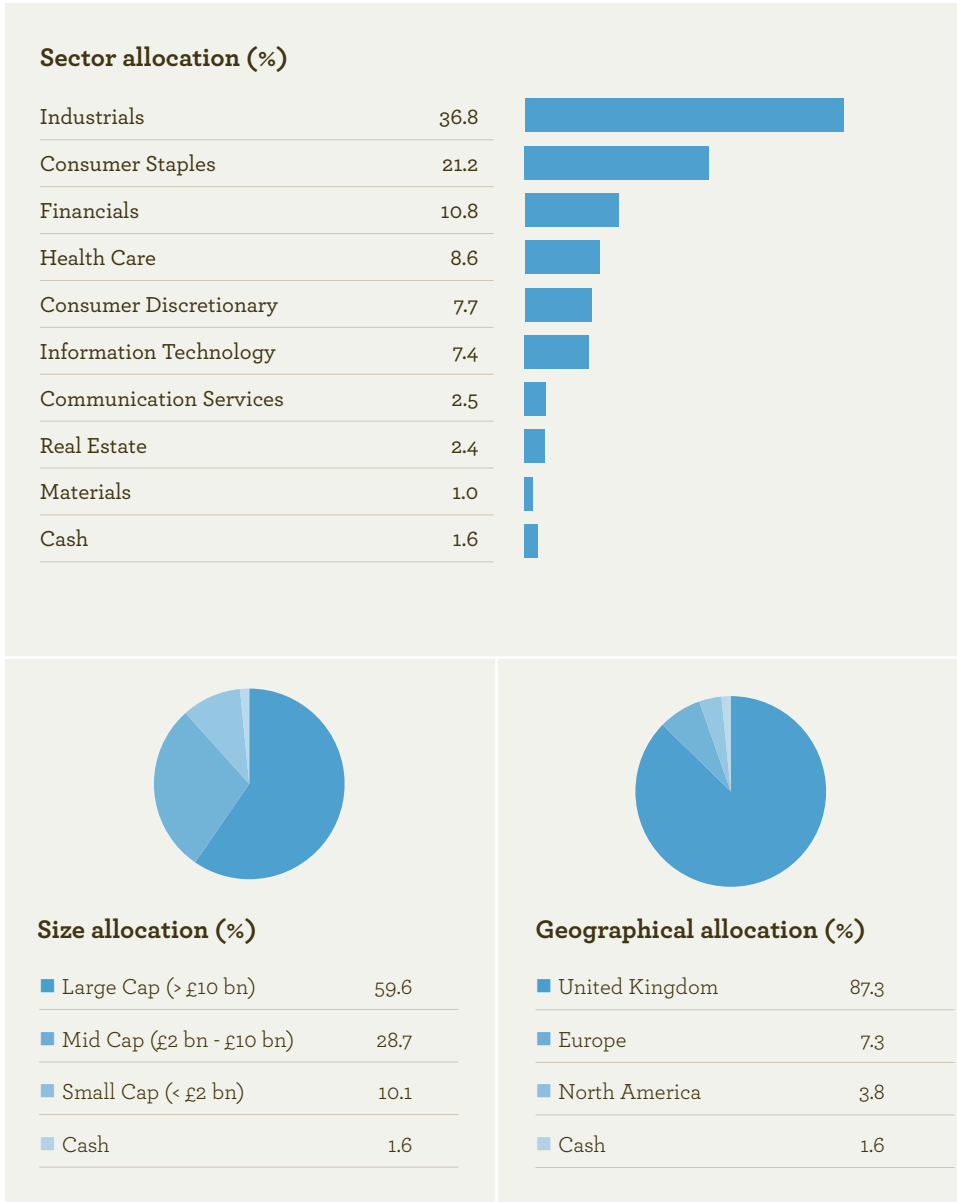
**Past performance is not a reliable indicator of future results.**

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. IFSL 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 IFSL 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



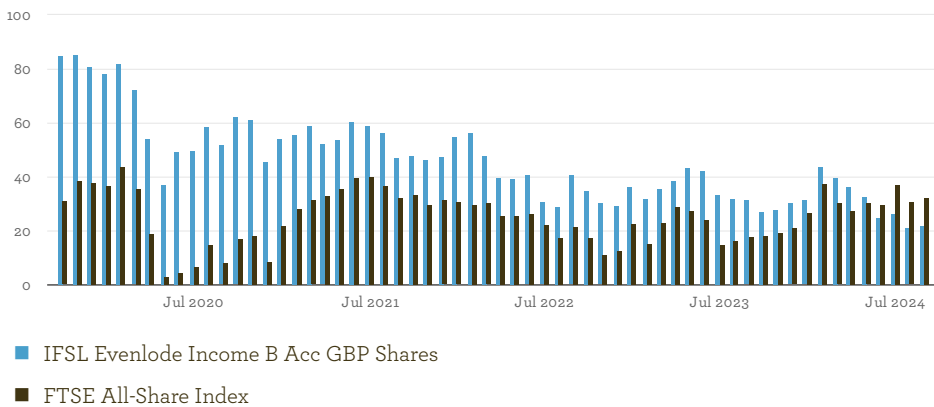
### Top 20 holdings (%)

Unilever	8.0
Diageo	6.5
RELX	6.4
Reckitt	5.1
Bunzl	4.8
Experian	4.4
Smiths Group	3.7
Smith & Nephew	3.4
Compass	3.3
London Stock Exchange Group	3.2
Intertek Group	3.2
Howden Joinery Group	3.0
Roche	2.7
GSK	2.6
Spectris	2.5
SGS	2.5
Games Workshop	2.5
Informa	2.5
Savills	2.4
Hargreaves Lansdown	2.1
<b>Total</b>	<b>74.8</b>

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

ROLLING 5 YEAR PERFORMANCE (%)

Each bar shows returns for the 5-year period ending on the relevant month-end date<sup>1</sup>

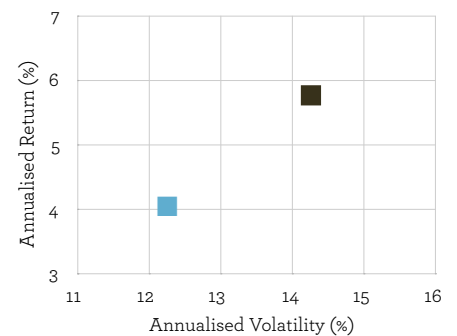


<sup>1</sup>e.g. the July 2024 bars show returns for the period 31 July 2019 to 31 July 2024

**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.

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**

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)

We believe that delivering real, durable returns over the long term can be best achieved by integrating environmental, social and governance (ESG) factors into our risk management framework as this ensures that all long-term risks are monitored and managed on an ongoing basis. In addition to reviewing ESG factors when making investment decisions, we engage with portfolio companies on a range of ESG issues (for example greenhouse gas emission reduction). However, please note that the fund does not have a sustainability objective.



**SAWAN WADHWA**

Head of Stewardship

Integration into the investment process

We strongly advocate active ownership, balancing direct and collaborative engagements. Collaboration enhances our collective influence on ESG issues, facilitates learning from like-minded investors, and often increases the likelihood of achieving positive outcomes. Direct engagement with investee companies aligns with our stewardship strategy creating positive momentum on key issues. As long-term investors, we value the relationships we have developed over the years with our investee companies through direct engagements, which are essential for driving changes that benefit both our companies and clients. This ensures our stewardship strategy remains effective and aligned with our commitment to preserving and enhancing the value of our clients' assets through long-term engagement and analysis.



**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.



**REBEKAH NASH**

Governance Analyst

Policy Governance and Strategy



Direct - Listed Equity Active fundamental



Confidence Building Measures



**LILY POSTLETHWAITE**

Stewardship Analyst

Recent publications for download

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

MSCI Rating



Data as at 30 June 2024. Based on 100.0% 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 2024. 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.

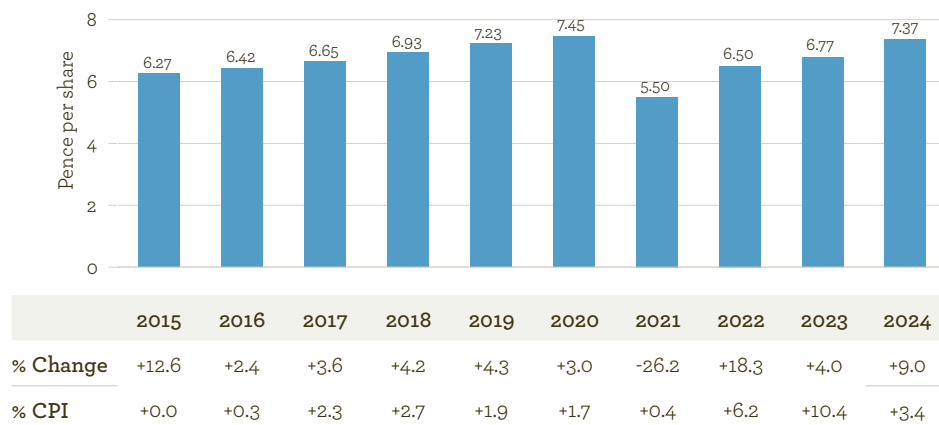


Ratings as at 31 May 2024. Based on 99.3% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## ANNUAL DIVIDEND PAYMENTS



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
Share class	B ACC	B INC	C ACC	C INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price	432.17p	263.74p	436.19p	266.20p
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	0.06%	0.06%	0.06%	0.06%
Latest distribution <sup>3</sup>	2.82	1.73	2.82	1.75

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 2024. Latest distribution rate may be estimated.

## IMPORTANT INFORMATION

This Factsheet has been produced by Evenlode Investment Management Limited. IFSL Evenlode Income is a sub-fund of the IFSL Evenlode Investment Funds ICVC. Full details of the IFSL Evenlode Investment Funds, including risk warnings, are published in the IFSL Evenlode Investment Funds Prospectus and the IFSL Evenlode Investment Funds Key Investor Information Documents (KIIDs) which are available on request and at [www.evenlodeinvestment.com](http://www.evenlodeinvestment.com). The IFSL 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, IFSL 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. Investment Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 464193.

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## Income generated from £100 investment over 5 years

B Inc Shares **£13.50**

Source: Financial Express, date of investment 31 July 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

## Authorised Corporate Director

Investment Fund Services Limited (IFSL)  
([www.ifslfunds.com/sponsor/evenlode](http://www.ifslfunds.com/sponsor/evenlode))

Phone (UK) - 0808 1789321  
Phone (Overseas) - +44 1204 803932  
Email - [ifslclientsupport@ifslfunds.com](mailto:ifslclientsupport@ifslfunds.com)

## Contact Evenlode

The Long Barn  
Chalford Park Barns  
Oxford Road  
Chipping Norton  
Oxfordshire  
OX7 5QR  
United Kingdom

Phone - +44 (0)1608 695200  
Calls are recorded  
Email - [evenlode@evenlodeinvestment.com](mailto:evenlode@evenlodeinvestment.com)  
[www.evenlodeinvestment.com](http://www.evenlodeinvestment.com)



Please contact Spring Capital Partners.  
+44 (0)20 3307 8086 [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com)