

TB EVENLODE INCOME



EVENLODE
INVESTMENTS FOR LIFE

MONTHLY FACTSHEET

all data as at 28 February 2021

MANAGER COMMENTARY

During February, optimism towards the global economic recovery remained high, helped by continuing government stimulus and vaccination progress. Several trends accelerated. Commodity prices rose again, as did bond yields, and the pound also continued to strengthen thanks to the UK's vaccine head-start. Reflecting these trends, Evenlode Income fell -2.2% compared to a rise of +2.0% for the FTSE All-Share and +2.9% for the IA UK All Companies Sector, with the share prices of more predictable, globally diversified companies significantly underperforming their more economically-sensitive and domestically-focused peers. As with November and December last year, there were three main drivers of this underperformance: the fund's lack of exposure to energy and mining producers, a significant underweight position in financials, and an overweight position in consumer branded goods companies.

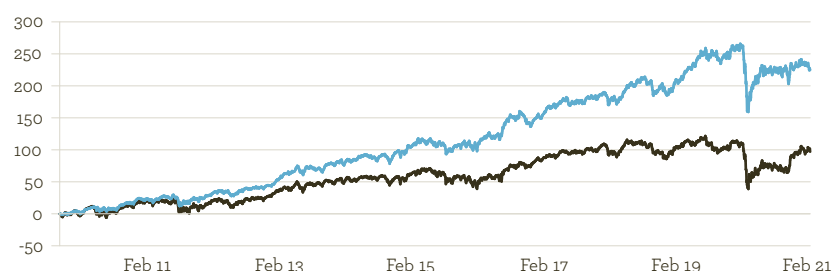
The most positive contributors were WPP, DMGT and Compass. All benefited from optimism towards re-opening. DMGT shares were also helped by the news that Cazoo, one of its investments, may float on the stock market. The most negative contributors were Unilever, GlaxoSmithKline and Relx. GSK's 2021 profit guidance was lower than expected due to Covid-disruption and investment for future growth. We think, however, that the qualities of GSK's vaccine, pharmaceutical and consumer healthcare divisions will become more obvious as the 2022 demerger approaches. Unilever and Relx's results were both impacted to some degree by the pandemic. Nevertheless, both companies produced resilient cash generation and, looking ahead, continue to offer healthy long-term growth prospects.

In terms of dividends, the fund completed its financial year at the end of February. The Covid-impacted fall in the full year dividend was -26.2% (compared to an underlying fall of -38% for the UK Market in 2020, or -44% including special dividends*). For next year, based on our estimates, Evenlode Income's dividend stream is forecast to rebound by +15% or more. After this initial rebound, we think the prospects for real dividend growth remain strong.

More generally, we feel positive on the portfolio. The underlying companies coped well during 2020, and are set to enjoy a healthy recovery as the crisis abates. At the same time, the current market rotation has led to the share prices of several very good companies held in the fund falling out of fashion, leaving them trading on attractive valuations and dividend yields (not seen, in some cases, for several years).

* Source - Link UK Dividend Monitor - Q4 2020.

PERFORMANCE SINCE LAUNCH (%)



CUMULATIVE PERFORMANCE

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch ¹
■ Fund ²	-0.6	0.7	0.6	15.6	52.3	166.5	224.9
■ Benchmark	5.1	12.0	3.5	3.8	33.0	70.7	103.7
IA Sector	6.5	15.5	8.5	8.0	37.0	85.6	122.5
Rank in sector	238/240	240/240	223/239	56/232	41/217	18/189	19/184
Quartile	4	4	4	1	1	1	1

CALENDAR YEAR PERFORMANCE

	2021 YTD	2020	2019	2018	2017	2016
■ Fund ²	-1.9	-7.4	24.2	0.4	15.2	17.1
■ Benchmark	1.2	-9.8	19.2	-9.5	13.1	16.8
IA Sector	2.0	-6.0	22.2	-11.2	14.0	10.8

Past performance is not a reliable indicator of future results.

All performance data used on this factsheet is total return, 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.

- From launch date: 19 October 2009
- TB Evenlode Income B Inc Shares
- Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.
- 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.
- Active share is calculated against the fund's Comparator Benchmark, the FTSE All-Share Index.

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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

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

Fund Managers



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 became co-manager of TB Evenlode Income in December 2012. He is a member of the CFA Society of the UK and holds the Investment Management Certificate. He also holds a doctorate from the University of Oxford in the field of physics.

Citywire rating is source & copyright of Citywire. Hugh Yarrow and Ben Peters have been awarded ratings by Citywire for their 3 year risk-adjusted performance for the period 31/01/2018 - 31/01/2021.

Key Details

Comparator Benchmark	FTSE All-Share
Sector	IA UK All Companies
Launch date ³	19 October 2009
Fund value	£3,629 million
Holdings	39
Historic yield ⁴	3.1%
Active share ⁵	78.3%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan





PORTFOLIO ANALYSIS

TOP TWENTY HOLDINGS (%)

Unilever	8.9	Schroders	2.6
RELX Group	7.2	Hays	2.4
Diageo	6.7	Spectris	2.4
Reckitt Benckiser	5.9	WPP	2.4
Sage Group	5.0	Ashmore Group	2.3
GlaxoSmithKline	4.9	Pepsico	2.0
Bunzl	3.8	AstraZeneca	2.0
Smiths Group	3.3	Moneysupermarket.Com	2.0
Procter & Gamble	3.0	Compass Group	2.0
Cisco Systems	2.7	PageGroup	1.9
% of Portfolio in Top 20 Holdings	73.4		

SECTOR ALLOCATION (%)

Consumer Goods	29.9	
Media	16.1	
Technology	13.3	
Support Services	12.1	
Healthcare	9.4	
Engineering	7.8	
Finance	6.6	
Real Estate	1.7	
Specialty Chemicals	1.6	
Cash	1.5	

SIZE ALLOCATION (%)

Large Cap	77.6	
Mid Cap	18.4	
Small Cap	2.5	
Cash	1.5	

GEOGRAPHICAL ALLOCATION (%)

United Kingdom	83.7	
USA	12.5	
Europe	2.4	
Cash	1.5	

SHARE CLASS DETAILS

B SHARES (CLEAN)

C SHARES (INSTITUTIONAL)

	B ACC	B INC	C ACC	C INC
SEDOL Codes	BDoB7C4	BDoB7D5	BDoB7F7	BDoB7G8
Share Price (pence)	324.10	218.22	325.97	219.49
Minimum Lump Sum	£1,000		£10 million	
Initial Charge ¹	5% ¹		5% ¹	
IFA Legacy Trail Commission	N/A		N/A	
Periodic Charge - Equivalent to OCF ²	0.87%		0.77%	
Regular Savings Option Available?	Yes - minimum £50 per month		No	

- The fund remains available to existing investors with 0% initial charge
- For full information on the periodic charge please refer to section 7.1 of the full Prospectus

DIVIDENDS

ANNUAL DIVIDEND PAYMENTS

Year	Pence/share	Year-on-year change	UK CPI (Inflation)
2010	1.22	n/a	+3.0%
2011	4.33	n/a*	+4.4%
2012	4.67	+7.9%	+3.4%
2013	5.02	+7.5%	+2.8%
2014	5.57	+11.0%	+1.7%
2015	6.27	+12.6%	+0.0%
2016	6.42	+2.4%	+0.3%
2017	6.65	+3.6%	+2.3%
2018	6.93	+4.2%	+2.7%
2019	7.23	+4.3%	+1.9%
2020	7.45	+3.0%	+1.7%

B Inc Shares. Pence/share figures relate to the fund's financial year ended February of the relevant year.

*Period ended 28 February 2011 was the first full 12-month period.

INCOME GENERATED FROM £100 INVESTMENT OVER 5 YEARS

B Inc Shares	£20.34
FTSE All-Share	£18.94

Source: Financial Express, date of investment 28/02/2016. FTSE All-Share figures calculated from representative tracker fund.

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T. Bailey Fund Services Ltd
(www.tbaileys.co.uk/funds/tb-evenlode-investment-funds)

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. 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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