

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 31 August 2019

### MANAGER COMMENTARY

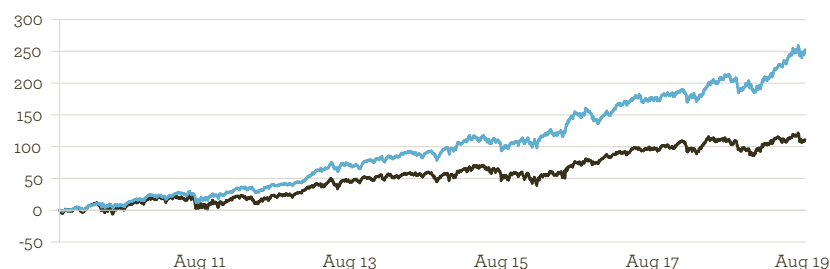
Global stock markets fell during August. In a quiet month for corporate news, investor concerns were focused on US/China trade tariffs and the impact they are having on the global economy. Meanwhile, political uncertainty rumbles on in the UK.

Evenlode Income returned -0.8% compared to -3.3% for the IA UK All Companies sector and -3.6% for the FTSE All-Share. The strongest contributors were Unilever, Pepsi and Smith & Nephew. All three companies released positive results in July and are stable, resilient businesses, which helped during a month in which concerns over the economic outlook resurfaced. Conversely, more economically sensitive businesses generally underperformed with Hays, Spectris and Ashmore the most negative contributors. Hays released full year results at the end of August. Management acknowledged a challenging economic backdrop but are still seeing good growth in many geographies and investing for the long-term. Meanwhile, cash continues to build up on the company's balance sheet. Spectris and Ashmore released no specific news.

We remain reassured by the overall portfolio's quality and free cash flow strength but continued to make some valuation-related changes at the margin of the portfolio. This included trimming positions in Burberry, Compass and Smith & Nephew and topping up the fund's positions in Hays, Page Group, Spectris, Schroders and Reckitt Benckiser.

On September 2<sup>nd</sup>, the fund went ex a second quarter dividend of 1.68p (B Income estimated). This was in-line with the first quarter dividend and +4.3% year-on-year. Looking ahead, the provision of real dividend growth over time remains a key aim for the fund, and we have been encouraged by recent dividend increases in the portfolio.

### PERFORMANCE SINCE LAUNCH (%)



### CUMULATIVE PERFORMANCE

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch <sup>1</sup>
■ Fund <sup>2</sup>	22.5	6.4	16.2	14.0	41.3	85.2	252.8
■ Benchmark	11.1	2.0	4.3	0.4	20.2	31.2	108.2
IA Sector	11.2	0.8	3.9	-3.2	17.3	29.7	111.1
Rank in sector	4/261	6/262	3/261	1/259	7/246	5/232	6/204
Quartile	1	1	1	1	1	1	1

### DISCRETE ANNUAL PERFORMANCE

12 Months to	31/08/19	31/08/18	31/08/17	31/08/16	31/08/15
■ Fund <sup>2</sup>	14.0	12.6	10.1	25.6	4.4
■ Benchmark	0.4	4.7	14.3	11.7	-2.3
IA Sector	-3.2	6.5	13.8	8.8	1.5

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.

### Fund Attributes

- ✓ Emphasis on sustainable real dividend growth
- ✓ Focus on companies with high returns on capital and strong free cash-flow
- ✓ 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 medium-to-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:

- ✓ Want a high level of income and the prospect of some capital growth
- ✓ Accept the risk associated with the volatile nature of equity investments
- ✓ Plan to hold their investment for the medium to long term

### Fund Managers



CITYWIRE AA

#### HUGH YARROW Lead Portfolio 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.



CITYWIRE AA

#### BEN PETERS Co-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 a AA rating by Citywire for their 3 year risk-adjusted performance for the period 31/07/2016 - 31/07/2019.

### Key Details

Comparator Benchmark	FTSE All-Share
Sector	IA UK All Companies
Launch date <sup>3</sup>	19 October 2009
Fund value	£3,474.0 million
Holdings	38
Historic yield <sup>4</sup>	3.0%
Active share <sup>5</sup>	75.6%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan

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## PORTFOLIO ANALYSIS

### TOP TWENTY HOLDINGS (%)

Unilever	9.2	AstraZeneca	2.8
RELX Group	6.6	Procter & Gamble	2.8
Reckitt Benckiser	5.5	Pepsico	2.8
Diageo	4.7	WPP	2.5
Sage Group	4.4	Howdens Joinery	2.3
Smiths Group	4.1	Bunzl	2.2
Informa	4.0	Euromoney Institutional Investor	2.2
GlaxoSmithKline	3.8	Spectris	2.1
Smith & Nephew	3.4	Schroders	2.0
Compass Group	3.1	Hays	1.9
<b>% of Portfolio in Top 20 Holdings</b>	<b>72.4</b>		

### SECTOR ALLOCATION (%)

Consumer Goods	30.3	
Media	19.3	
Support Services	11.4	
Engineering	10.1	
Healthcare	10.0	
Technology	9.1	
Financials	3.8	
Real Estate	1.2	
Retailers	0.5	
Cash	4.2	

### SIZE ALLOCATION (%)

Large Cap	75.5	
Mid Cap	17.9	
Small Cap	2.4	
Cash	4.2	

### GEOGRAPHICAL ALLOCATION (%)

United Kingdom	84.2	
USA	9.3	
Europe	2.4	
Cash	4.2	

## DIVIDENDS

### ANNUAL DIVIDEND PAYMENTS

Year	Pence/share	Year-on-year change	UK CPI (Inflation)
2010	3.97	n/a	+4.3%
2012	4.34	+9.3%	+3.7%
2012	4.66	+7.6%	+2.8%
2013	5.02	+7.6%	+1.7%
2014	5.57	+11.0%	+0.0%
2015	6.27	+12.4%	+0.3%
2016	6.42	+2.4%	+2.3%
2017	6.65	+3.6%	+2.7%
2018	6.93	+4.2%	+2.7%
2019	7.23	+4.3%	+1.9%

B Inc Shares, calculated to end of February 2019.

### INCOME GENERATED FROM £100 INVESTMENT OVER 5 YEARS

B Inc Shares	£26.42
FTSE All-share	£22.40

Source: FT & Financial Express, date of investment 28/02/2014.

### Contact Us

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

## SHARE CLASS DETAILS

### A SHARES (LEGACY)

### B SHARES (CLEAN)

### C SHARES (INSTITUTIONAL)

	A ACC	A INC	B ACC	B INC	C ACC	C INC
SEDOL Codes	BDoB791	BDoB7B3	BDoB7C4	BDoB7D5	BDoB7F7	BDoB7G8
Share Price (pence)	335.35	235.48	351.99	247.30	353.51	248.36
Minimum Lump Sum	£1,000		£1,000		£10 million	
Initial Charge <sup>1</sup>	5% <sup>1</sup>		5% <sup>1</sup>		5% <sup>1</sup>	
IFA Legacy Trail Commission	0.5% p.a.		N/A		N/A	
Periodic Charge - Equivalent to OCF <sup>2</sup>	1.40% taken from capital		0.90% taken from capital		0.80% taken from capital	
Regular Savings Option Available?	Yes - minimum £50 per month		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 7.2 of the full Prospectus

## 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](http://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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