



EVENLODE
INVESTMENTS FOR LIFE



Evenlode Investment

**Taskforce on Climate-related
Financial Disclosures (TCFD) Product
Report
Evenlode Global Dividend**

June 2024

Introductory Material

About this report

At Evenlode Investment Management Limited ('EIML' or 'Evenlode'), we recognise that climate change poses significant financial challenges and opportunities, in the near term and the future. To preserve and enhance the value of our clients' assets, it is important for us to assess the climate-related risks and opportunities faced by our investee companies, as well as how they are preparing for a low-carbon economy.

Evenlode Investment supports the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and commends the FCA's integration of these recommendations into its listing rules and the ESG Sourcebook's reporting requirements for financial services companies. The following product-level report is written in accordance with the TCFD framework and from the perspective of Evenlode Investment Management Limited. The disclosures and calculations in the report are based on a calendar year schedule (12 months) ending 31 December 2023, using the most up-to-date information.

In accordance with the FCA's ESG Sourcebook, EIML has made these disclosures consistent with the TCFD Recommendations and Recommended Disclosures, including Sections C and D of the TCFD 2021 Annex. The disclosures in this report, including any third-party or Group disclosures cross-referenced in it, comply with the requirements under Chapter 2.2. in the FCA's ESG Sourcebook.

Our commitment to regulatory compliance underscores our dedication to operating with transparency and integrity. Should you require further clarification or have any questions regarding the report's contents, please feel free to reach out to us.

Ben Peters
Co-Founder and Fund Manager

June 2024



Name of Product: Evenlode Global Dividend
Name of Managers: Ben Peters and Chris Elliot
Reporting Period: 1 January 2023 – 31 December 2023
Calculation Date: 31 December 2023

This TCFD Product Report refers to the Evenlode Global Dividend portfolio and is consistent with Chapter 2.3 of the FCA’s Environmental, Social and Governance Sourcebook (the “ESG Sourcebook”).

Evenlode’s approach to climate-related risks and opportunities in relation to our assets under management is disclosed in our Entity Level Climate Report in line with the TCFD’s Recommendations and Recommended Disclosures. Our approach to climate-related risks and opportunities in relation to the above portfolio is the same, in all material respects, as our general approach set out in the Entity Level Climate Report which is available on our website.

Carbon Metrics

Metric		2020	2021	2022	2023	
Absolute	Scope 1	213	285	391	416	
Financed	Scope 2	266	241	285	262	
Emissions (tonnes of CO ₂ e)	Scope 3	Upstream	4,287	7,327	14,935	8,685
		Downstream	8,334	14,116	16,486	11,816
	Total	13,100	21,970	32,097	21,178	
WACI* – Scopes 1, 2, and 3 (tonnes of CO ₂ e / million £ revenue)		-	-	811	386	
Carbon Footprint (tonnes of CO ₂ e / 10k £ invested)		0.09	0.06	2.98	1.57	

* *Weighted Average Carbon Intensity*

For more detailed discussion of portfolio emissions, please see our latest Portfolio Emissions report (<https://evenlodeinvestment.com/resources/stewardship-assets/Evenlode-Portfolio-Emissions-Report-2023.pdf>).

Climate Value at Risk / Carbon Liability

Value-at-Risk (VaR) metrics are forward looking metrics which estimate the risk of loss for investments by assessing the amount of a potential loss and the probability of occurrence for loss. Climate VaR (CVaR) performs this process with reference to climate-related risks.

We have opted not to provide a CVaR value for the portfolio at this time. This is because it would necessitate substantial additional resources and costs that we do not deem reasonably practicable. We will re-evaluate our approach to this periodically.

Temperature Alignment:

Companies that have set targets can have done so in alignment with different temperature objectives. We have chosen not to provide a temperature alignment analysis of our portfolio, as this does not factor into our investment decision-making, at this stage. However, we are working with our data team to understand investee companies' transition plans and classifications under the Net Zero Investment Framework. We shall review our approach to disclosures on temperature alignment as our understanding of the data develops.

Scenario Analysis

As a mirror portfolio, the results of scenario analysis for this portfolio are the same as for the Evenlode Global income portfolio. For readability, these results are repeated here.

Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Its purpose is not to offer a comprehensive view of the future but rather to emphasise key elements of a potential future and draw attention to the essential factors that will influence further developments.

The NGFS¹ scenarios explore a set of seven scenarios covering the following dimensions: orderly scenarios, disorderly scenarios, hot house world scenarios, and too-little-too-late scenarios. The NGFS database models the performance of different variables in these scenarios, based on projected levels of transition and physical risk.

Below, we project potential impact of three different scenarios on the portfolio. The below explains the assumptions underlying each scenario:

- *Net Zero 2050 (Orderly Transition)*: Global warming is limited to 1.5°C compared to pre-industrial averages through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050. While physical risks remain low, transition risks will be material.
- *Delayed Transition (Disorderly Transition)*: Annual emissions do not decrease until 2030 and strong policies are needed to limit warming to below 2°C compared to pre-industrial averages. This leads to both higher transition and physical risks than the Net Zero 2050 and below 2°C scenarios.
- *Hot House World (Current Policies)*: Only currently implemented policies are preserved, current commitments are not met and emissions continue to rise, leading to high physical risks and severe social and economic disruption and failure to limit temperature rise.

Our scenario analysis methodology maps portfolio assets to the most relevant model variable available under the NGFS scenario analysis model. This is in line with academic best practice as presented on the NGFS website. For further detail on our methodology, please get in touch.

¹ NGFS - Network for Greening the Financial System (<https://www.ngfs.net/ngfs-scenarios-portal/>)

Due to the nature of the assets in our portfolio, only 33% of the portfolio could be mapped to an Integrated Assessment Model (IAM) variable using NGFS mapping. Of these, the transition risks associated with the lower-warming scenarios (e.g. Delayed Transition and Net Zero 2050) appear to be potentially more impactful, with the Net Zero 2050 scenario presenting the greatest risk in the near-term.

We are taking the findings of our quantitative analysis forward internally and shall consider more comprehensive quantitative disclosures in future reports.

Important Information

This document is not intended as a recommendation to invest in any particular asset class, security or strategy. The information provided is for illustrative purposes only and should not be relied upon as a recommendation to buy or sell securities. Every effort is taken to ensure the accuracy of the data in this document, but no warranties are given.

The Evenlode Global Dividend Fund is a sub-fund of the Evenlode ICAV. The Evenlode Global Dividend Fund is authorised and regulated in the Republic of Ireland by the Central Bank of Ireland.

Full details of the funds including risk warnings and costs and charges are published in the fund prospectus and the Key Information Documents (KID), which are available on request and at www.evenlodeinvestment.com. Past performance is not a guide to future returns. The funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of investments and any income derived can go down as well as up, and investors may not get back the full amount invested. You should therefore regard your investment as medium to long term. The Evenlode funds are concentrated with typically 30-50 investments, therefore the funds carry more risk than a fund that is spread over a larger number of stocks. The funds have the ability to invest in derivatives for the purposes of efficient portfolio management, which may restrict gains in a rising market. Investment in overseas equities may be affected by exchange rates, which could cause the value of your investment to increase or diminish.

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