EVENLODE

INVESTMENTS FOR LIFE

Evenlode Portfolio Emissions Report 2021

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evenlodeinvestment.com

EXECUTIVE SUMMARY

The message from the most recent United Nations Climate Change Conference, COP26, and the 6th IPCC[1] report is clear: the world is currently on a trajectory to fail the goals we set ourselves to limit global warming to 1.5°C, and doing so will have drastic consequences for human society and ecosystems. However, there is still a chance to prevent the worst outcomes through rapid action to cut greenhouse emissions.

Every year, Evenlode assesses the financed emissions embedded in its investments, to better understand the impact our investee companies have on the climate, and the risk they face from regulation and consumer pressure on climate transition. This in turn allows us to manage the systemic risk from climate change in our investment portfolios better and proactively engage with the highest emitting companies on their emission disclosure and progress in cutting their emissions.

With our 2021 report, we became the first UK asset manager to disclose our financed emissions in alignment with the PCAF standard for financial emission accounting.[2] For our 2022 report, we continued to improve our methodology and for the first time included two recently launched funds, Evenlode Global Equity and Evenlode Global Opportunities.

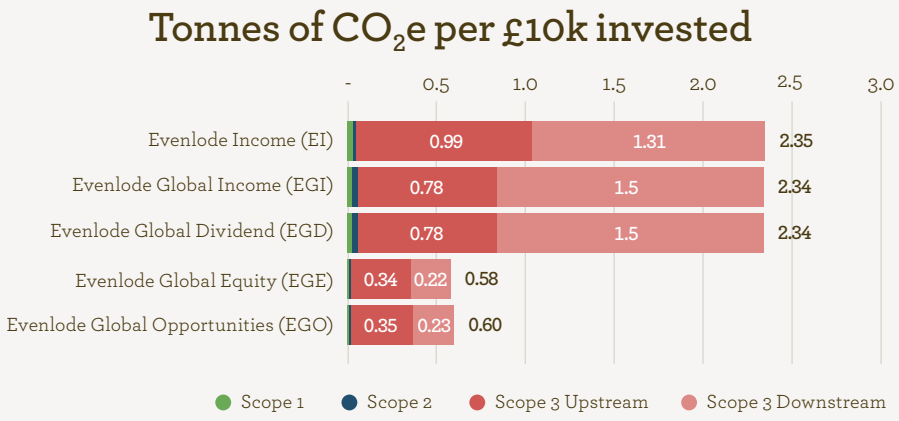
METHODOLOGY

We report the financed emissions for 100% of our investments in all five funds, based on the portfolios as at 31 December 2021. Our analysis covers scope 1, 2 and 3 emissions of our holding companies, proportional to our stake in these companies. Scope 1 and 2 are emissions from the fuel and electricity used directly by our investee companies, for example to heat and light offices and run machines and company-owned vehicles. However, the vast majority of most companies' carbon footprint lies in their supply chain and their products and services. That is covered in scope 3. By including scope 3 in our emissions analysis, we can get a much better picture of the climate risk inherent in our investment portfolios. For our analysis, we used the Carbon Disclosure Project (CDP) Full Greenhouse Gas (GHG) Emissions Dataset, which collates companies' own reports of their emissions and fills in the gaps with modelled estimates.

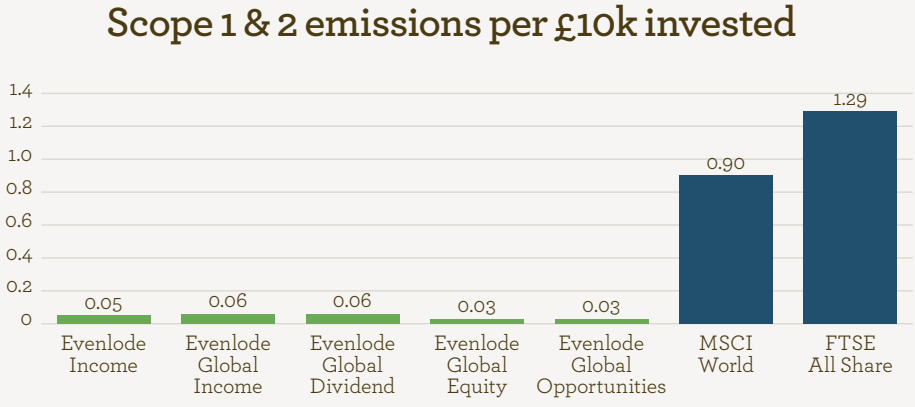
RESULTS

The emissions associated with investing £10k in one of our funds is between 0.6 and 2.4 tonnes of CO_2-equivalents, or between 25 and 56 kilogrammes for scope 1 and 2 alone. For context, average per-capita emissions for UK residents are 4.8 tonnes per year,[3] or 13 tonnes per year if imports from other countries are included.[4]

This is many times lower than the emissions associated with an equivalent £10k investment in a fund tracking the MSCI World Index or the FTSE All-Share Index, Evenlode funds' formal comparator benchmarks (this is for scope 1 and 2; Scope 3 estimates are still not widely reported for funds and indices). The difference mostly comes from Evenlode funds' low exposure to energy-intensive industries, such as the energy industry itself, utilities, materials and real estate.



Tonnes of CO_2e/£10k invested across scopes 1, 2 and 3 as at 31 December 2021. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment.



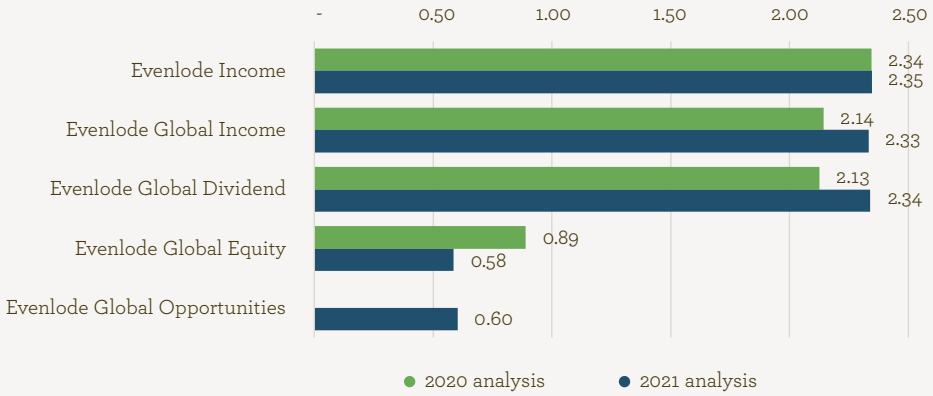
Scope 1 and 2 emissions per £10k invested. Source: CDP, Evenlode Investment, FTSE Russell,[5] MSCI.[6] Evenlode and FTSE All-Share portfolios as at 31 December 2021. MSCI World portfolio as at 29 October 2021. Index data converted from weighted average emission intensity into emissions per £10k invested based on portfolio revenue and asset value as at 31 December 2021.

1 The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.
2 Partnership for Carbon Accounting Financials (PCAF), November 2020. The Global GHG Accounting & Reporting Standard for the Financial Industry. View here
3 Our World In Data, January 2022: View here
4 Mike Berners-Lee, 2020. How Bad Are Bananas. Profile Books.
5 Provided directly by FTSE Russell, 2022.
6 MSCI, 2021. View here

EXECUTIVE SUMMARY

Compared to last year's analysis, emissions per £10k invested remained the same for the Evenlode Income fund, increased for the Evenlode Global Income and Global Dividend fund and decreased for the Evenlode Global Equity fund, due to a mix of pandemic effects, changes in sector exposure and to the underlying holding companies.

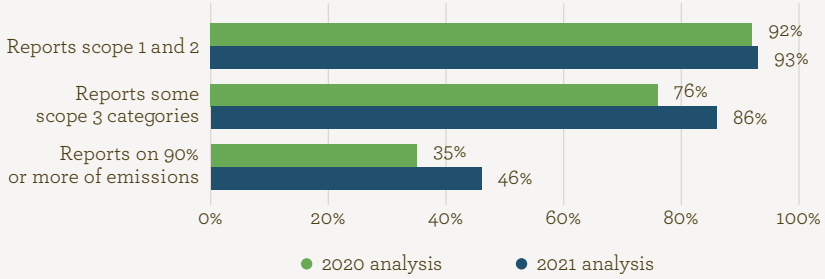
Tonnes of CO_2e per £10k invested in 2020 and 2021



Emissions per £10k invested across scopes 1, 2 and 3. Source: CDP, Evenlode Investment. 2021 analysis based on Evenlode portfolios as at 31 December 2021, using data from the CDP 2021 Full GHG Emissions Dataset. 2020 analysis based on Evenlode portfolios as at 31 December 2020, using data from the CDP 2020 Full GHG Emissions Dataset. Note: The Evenlode Global Opportunities fund was only launched in May 2021 and was therefore not included in the 2020 analysis.

There has been a steady increase in emission reporting by our portfolio companies. Most companies now report scope 1 and 2 and at least some scope 3. Overall, 83% of Evenlode's financed emissions are now reported by the company, up from 77% in 2020.

Holding companies' emission reporting by scope



Percentage of companies in Evenlode portfolios reporting across the different scopes. Source: CDP and Evenlode Investment. 2021 data based on Evenlode portfolios as at 31 December 2021, using data from the CDP 2021 Full GHG Emissions Dataset. 2020 data based on Evenlode portfolios as at 31 December 2020, using data from the CDP 2020 Full GHG Emissions Dataset.

OUTCOME

Our emissions analysis allows us to assess companies' management of climate-related risks. The outcome of the analysis is then integrated into our investment risk framework through the ESG risk score. The insights from this analysis allow us to better target our research and therefore engagements around climate risk, focusing on the biggest emitters and those companies that fail to report their full emissions. As members of the Net Zero Asset Manager (NZAM) Initiative and to fulfil our fiduciary duty, Evenlode will continue to engage proactively with portfolio companies to improve reporting and drive action to cut emissions, both through direct engagement and collective action. We believe that this will make our portfolios more resilient whilst contributing to tackling climate change.

You can find all our portfolio emission reports on the Stewardship section of our website.

INTRODUCTION

2021 has seen a lot of focus on climate change, with COP26 taking place in Glasgow and part 1 of the 6th assessment report by the IPCC stressing that the climate has already changed by 1.1°C and that current plans to reduce emissions are insufficient to meet the goal of staying below 2°C warming.[7] The message is clear: there is a rapidly closing window of opportunity to prevent the worst effects of climate change.

Some of the effects of climate change, such as sea level rise, are irreversible for centuries and already ocean levels have risen by 20cm since 1900.[8] The second part of the 6th IPCC report released in February 2022[9] has highlighted that the effects of climate change will touch every part of our lives, from the food on our table to the illnesses we will be exposed to and extreme weather events we will have to learn to withstand. At the same time, it is also becoming clear that the world is in the middle of a biodiversity crisis which is made worse by the changing of our climate. Currently acting as a sink for carbon emissions, forests and oceans could turn into sources of emissions through wildfires and ocean warming.[10]

The updated national climate targets and other voluntary commitments made at COP26 have put the world on course for somewhere between a 1.8°C and 2.4°C rise by the end of this century.[11] This is better than the 2.7°C of warming we were heading towards before COP26,[12] but still far from the 1.5°C goal that would minimise warming. And reaching the best-case scenario of 1.8°C would require governments turning the pledges into policies and strategies today and all countries cutting emissions to net zero by 2050 or soon after.[13] When it comes to the impacts on human lives, every tenth of a degree matters.

With some changes to the global climate and their knock-on effects now inevitable, countries and organisations will no longer just need to cut emissions drastically but also brace themselves for the physical climate impacts by making their physical assets and supply chains more climate resilient through adaptation measures.

Evenlode has been analysing its financed emissions, or the greenhouse gas emissions embedded in its investments, since 2019. We look at the carbon footprint – the amount of emissions expressed as carbon dioxide equivalents (CO_2e) – that are released as a result of the activities of companies in our investment portfolios, and apportion a part of these emissions to our funds based on our holdings in these companies. We do this because it gives us an idea of the impact our investee companies have on the climate, and the risks they face from regulation and consumer pressure on climate transition. This in turn allows us to manage systemic risk from climate change in our investment portfolios better and proactively engage with the highest emitting companies on their emission disclosure and progress in cutting their emissions.

In 2021, we became the first UK asset manager to disclose our financed emissions in alignment with the PCAF standard for financial emission accounting.[14] In 2022, we continued to improve our methodology and for the first time included two recently launched funds, the Evenlode Global Equity (EGE) and Evenlode Global Opportunities (EGO) Fund.

The insights from this analysis have allowed us to better target our research and engagements around climate risk, focusing on the biggest emitters and those companies that fail to report their full emissions.

7 IPCC, August 2021: Climate Change 2021 – The Physical Science Basis. View here
8 IPCC, August 2021: Climate Change 2021 – The Physical Science Basis. View here
9 IPCC, February 2022: Climate Change 2022 – Impacts, Adaptation and Vulnerability. View here
10 IPCC, August 2021: Climate Change 2021 – The Physical Science Basis. View here
11 IIGCC, November 2021: The Glasgow Climate Pact – keeping 1.5°C within reach. View here
12 United Nations Environment Programme, October 2021: Emissions Gap Report 2021. View here
13 Fatih Birol, IEA, November 2021: COP26 climate pledges could help limit global warming to 1.8 °C, but implementing them will be the key. View here
14 PCAF, November 2020. The Global GHG Accounting & Reporting Standard for the Financial Industry. View here

The analysis allows us to identify the top emitters for each fund by emission intensity and absolute contribution to the fund's footprint, which we prioritise for engagements. The data from this analysis also contributes to our net zero alignment assessment, which we started in 2021 as part of our net zero strategy. Following the Paris Aligned Investment Initiative's Net Zero Investment Framework,[15] we assess all portfolio companies in material sectors on their net zero targets and climate action plans, emission disclosure and progress on their emission reductions, and engage with high impact companies that are not currently aligned. Companies' emission intensity and the results of our further analysis feed into companies' ESG risk scores, which influence the maximum position size for each holding.

We also use the data to engage with companies that do not disclose their emissions. In 2021, we engaged with 50 companies across our portfolios (ca. 60% of portfolio companies) that reported less than 90% of their emissions (including scope 1, 2 and 3) according to our estimates. Of these, 20 companies (40%) responded to us and three quarters of these shared more information on their current disclosure or future disclosure plans. We also reached out to 6 companies (7% of portfolio companies) that had recently improved their emission disclosure to at least 90% of total emissions to commend them. In 2022, we will continue to engage with those companies disclosing less than 90% of emissions. To escalate our engagement with the non-responders, we will also participate in the CDP's 2022 Non-Disclosure Campaign.[16]

This report is intended to provide detail for the interested readers; for a summary, please see our Responsible Investment Report 2021. In the following pages, we will describe the methodology and main findings from our analysis. More detail of how the data was obtained and altered is set out in Appendix B. All our emission reports can be found on our Stewardship page.

15 Paris Aligned Investment Initiative, March 2021: Net Zero Investment Framework – Implementation Guide. View here

16 The Carbon Disclosure Project (CDP) runs the largest disclosure system for environmental data for investors, companies, cities, states, and regions, including on climate change, water and deforestation risks and impacts. The CDP annually engages with companies to improve disclosure and to set science-based targets. More information here

SCOPING OUT THE PROBLEM

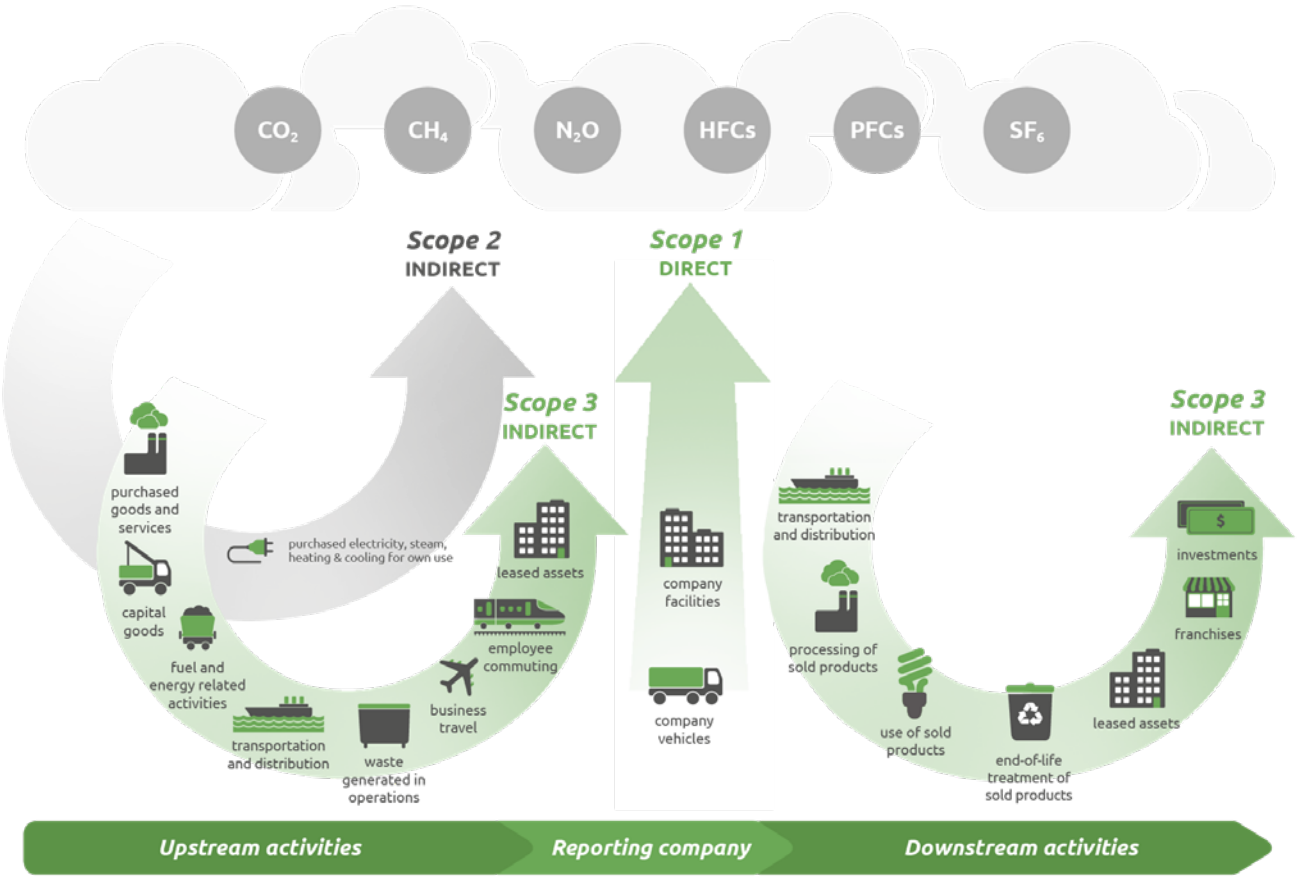
Emissions are defined as being from three different 'scopes', depending on where they are actually emitted from. Scope 1 and 2 refer to emissions occurring in companies' operations while scope 3 are indirect emissions occurring in the value chain, both upstream and downstream of its operations (see table below).

SCOPE 1	SCOPE 2	SCOPE 3	
Emissions generated directly in a company's operations from sources owned or controlled by the company. For example, burning gas or coal in a power plant or diesel or petrol in a company car.	Indirect emissions from electricity, steam, heat or cooling purchased by the company. For example, the emissions associated with the electricity that is running your computer.	Basically everything else, up and down the company's value chain, including:	
		Upstream Emissions in the supply chain.	**Downstream** Emissions that occur as a consequence of using the organisation's products and services.

Our estimates include all greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

Source: Greenhouse Gas Protocol

The Greenhouse Gas Protocol, which defines these scopes, further breaks scope 3 down into 15 categories:



Source: World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD)

SCOPING OUT THE PROBLEM

Evenlode's Scope 3 Category 15 emissions (emissions from investments) are the proportion of scope 1 and 2 emissions of our investee companies that we hold shares in.[17] PCAF released a standard for calculating portfolio emissions in November 2020, in which it requires signatories of the standard to report financed scope 1 and 2 emissions as a minimum – that is the scope 1 and 2 emissions of investee companies. However, in order to understand companies' climate impact and risk, we believe that it is important to include their scope 3 emissions in our financed emissions reporting too (see Why scope 3 is important below).

WHY SCOPE 3 IS IMPORTANT

Scope 3 emissions are harder to control and measure for companies but make up the vast majority of Evenlode portfolio companies' emissions. In particular for the low capital intensive companies we tend to invest in, scope 1 and 2 only represent a small proportion of total emissions. If we only looked at scope 1 and 2, we would only see a small part of the true picture. For example, a company might outsource parts of its operations, thereby pushing them outside of the boundaries of its scope 1 and 2 footprint, even though their suppliers might operate in a less environmentally friendly way. The other side of the coin is that companies can make a difference by choosing more climate-friendly suppliers, lower-carbon ways to transport supplies to their sites, optimising operations to minimise waste and redesigning their products so they use less energy during their lifetime for example – all of which would impact scope 3 emissions. Understanding one's scope 3 footprint also forms the basis for setting net zero targets where companies pledge to reduce their emission across scope 1, 2 and 3 emissions as much as possible by a certain date and offset the remaining emissions. Setting such targets can have a snowball effect down the supply chain because it incentivises companies to engage with their suppliers to reduce their emissions, and it means that when a company outsources certain operations, they do not disappear from the carbon picture. For achieving the aims of the Paris Agreement to limit global warming to 1.5°C, it is crucial that businesses tackle their scope 3 emissions. According to The Science-Based Targets initiative (SBTi), companies in most industries that want to align themselves with 1.5°C need to set reduction targets that would see emissions decline by 4.2% per year or to net zero by 2050. For companies where scope 3 contributes at least 40% of total emissions, these targets have to include 67% of scope 3 for near-term targets of 5-10 years and 90% for long-term targets up until 2050.[18] This applies to most companies. By understanding the scope 3 emissions of our holdings, we can meaningfully engage with them to set ambitious scope 3 emission reduction targets that are in line with 1.5°C.

17 Greenhouse Gas Protocol, 2013. Technical Guidance for Calculating Scope 3 Emissions. Category 15: Investments. View here
18 SBTi, October 2021. SBTi Corporate Net-Zero Standard. View here

SOURCES OF DATA

This year we have again used the Full Greenhouse Gas Dataset provided by the Carbon Disclosure Project (CDP). The CDP is the most comprehensive and practical source of emissions data currently available. The CDP annually requests emission data as part of their Climate Change survey from companies in the MSCI All Country World Index (ACWI) as well as the highest emitting companies not included in this index. Other companies can voluntarily report through the CDP, too. The CDP dataset provides a standardised framework for consolidating the varied corporate reporting on emissions using the Greenhouse Gas Protocol's definitions of scopes (see above) and fills in any gaps in the company's reporting with its own estimates based on company revenue breakdown by industry activity.

The CDP dataset has several advantages. Firstly, it fills in all the categories that companies have failed to report on. Secondly, it provides crucial detail by requiring companies to report emissions segregated into scope 1, 2 and the 15 different scope 3 categories, rather than in aggregated form. Thirdly, it has the advantage of providing additional quality assurance as its data teams check reported emissions, flagging those that deviate from its own estimates of the company's likely emissions and checking a subset against emissions disclosed in company reports for external consistency.

While we identified the CDP dataset as the most suitable data source available, it is nonetheless incomplete and contains the odd error. This is particularly true of scope 3 emissions, which require a high degree of judgement from reporting firms, if they report at all. The CDP uses models to fill in the gaps where companies do not report. For carbon intensive industries, a bottom-up analysis of facilities can be carried out (e.g. power plants, steel mills). However, Evenlode does not naturally invest in such businesses.

For less resource-intensive firms, the CDP uses a set of generalised linear models (GLM), a type of regression model, for each industry activity to estimate emissions, based on revenue breakdown data from Bloomberg for each company. These models are based on emissions reported by other companies in those industry categories, which use a variety of methodologies. Whilst they are a good starting point for filling in the gaps, these models are very generic and cannot take into account the individual company's circumstances, such as the country it operates in (which it only takes into account for scope 1 and 2) or whether it takes actions to reduce its environmental impact. Especially in some industries where there is a lot of variation in emissions, such as the financial services industry, the CDP-modelled data can lead to vast under- or over-estimates. Our analysis of cases where the CDP made an estimate because a company did not respond to the CDP's data request but the company disclosed (some) emissions on its website suggests that the CDP estimates tend to be higher more often than lower compared to company-reported emissions. That's why it is so critical for companies to do their own analysis and report emissions publicly, such as through the CDP.

This is also the reason why we have undertaken a data validation exercise on the CDP data in order to assess portfolio emissions in as consistent and accurate a manner as possible, and to understand where weaknesses in the data occur. The dataset's coverage increases every year and now contains over 7,300 companies, including emissions reported by companies themselves when they respond to the CDP climate survey and emissions modelled by the CDP based on revenue data. This covered almost 98% of our portfolio companies. For the

two portfolio companies which were not included in the CDP dataset, we modelled emissions based on peers for which there was data available, using revenue data for the emission reporting period to scale emissions data. Where companies did not respond to the CDP survey but reported emissions on their own website, we substituted these in after checking them. This year, the CDP did not make estimates for the scope 3 categories Downstream transportation and distribution, Processing of sold products, and End of life treatment of sold products for certain industry activity groups despite flagging the categories as relevant to the company in question, because they applied stricter statistical rules to acceptance criteria of models and the sample sizes for these three categories were too small to have confidence in the statistical accuracy of the model. In these cases, we followed the CDP's advice of extrapolating from previous year's emission estimates based on revenue for 2021 if the category in question contributed at least 1% of emissions in the previous year. In addition, we did validation checks on the top and bottom 20 companies in terms of emission intensity per revenue across the funds, since we expected anomalies and outliers to be most likely in these two groups. We paid particular attention to data that was modelled rather than reported. We looked at each individual data point, comparing it against the explanations companies gave on their methodology and weighed it against our understanding of the company and the associated industry. Where data points seemed to vastly under- or over-estimate emissions, we altered individual data points. In total, we validated emissions data for 95% of companies (79% for recalculated 2020 data) and changed data points for 75% of companies (63% for recalculated 2020 data).

More detailed methodological notes, including the changes made to data points, are included in Appendix B.

METHODOLOGY

DATA SOURCE

The CDP Full GHG Emissions 2021 Dataset covering company emissions for reporting years ending between 30 June 2020 and 30 June 2021 is used.	7318 companies

DATA EXTRACTION

Emissions data and explanatory notes for the invested portfolios of the five Evenlode funds (100% of our investments) are extracted:	83 companies
Evenlode Income (EI)	37 companies
Evenlode Global Income (EGI)	36 companies
Evenlode Global Dividend (EGD)	36 companies
Evenlode Global Equity (EGE)	35 companies
Evenlode Global Opportunities (EGO)	35 companies

DATA SELECTION

Company-reported emissions are used in preference to CDP estimates, because they are assumed to be more tailored, unless the CDP provided good reasons for using their alternative estimates, and market-based scope 2 is used in preference to location-based scope 2, because they take into account the energy source (e.g. renewable energy certificates).

COMPANY EMISSIONS

Absolute company emissions from Scope 1, 2, upstream 3, downstream 3 and total scope 3 are calculated.

EMISSION INTENSITY PER REVENUE

Annual revenue data for the emission reporting period is obtained using FactSet (see Appendix A). Emissions per £1M invested are calculated by dividing total emissions by total revenue, to aid prioritisation for data validation and comparison with benchmarking indexes and other funds.

METHODOLOGY

VALIDATION

For some companies in the investment portfolios at the end of 2021, more detailed validation checks are carried out.	79 companies (95%)
Where scope 1 and 2 emissions were not reported to the CDP but the company reports these on their own website, any available data points for scope 1, 2 and 3 are manually checked and substituted in.	20 companies (24%)
For companies that were not included in the CDP dataset, company-reported emissions are used where available and the rest is modelled based on peers, scaled by revenue.	2 companies (2.4%)
For companies for which a CDP estimate for one or more of the scope 3 categories was not available despite being flagged as relevant, last year's estimate was extrapolated based on 2021 revenues.	47 companies (57%)
For the top and bottom 20 companies by emission intensity across the funds, in-depth manual checks of each data point are carried out to identify potential anomalies or outliers.	40 companies

DOUBLE COUNTING

The portfolio is examined at a high level for potential overlaps in the value chain that might result in double counting of emissions in scope 3.

ATTRIBUTION FACTOR

Each company's enterprise value including cash (EVIC) as at 31 December 2021 is obtained using FactSet (see Appendix A). The attribution factor for each holding company is calculated based on shares held in the fund for a company multiplied by the share price as at 31 December 2021 and divided by enterprise value including cash:

$$\frac{\text{Nominal shares} \times \text{share price}}{\text{enterprise value including cash (EVIC)}}$$

ABSOLUTE FINANCED EMISSIONS

The attribution factor is multiplied by the total emissions of the investee company to arrive at the fund's allocation of that company's footprint. These allocated emissions are summed across all portfolio companies to arrive at the total financed emissions of each fund.

EMISSIONS PER £10K INVESTED

£10k is divided by the net asset value of the fund and multiplied by total fund emissions. This allows us to put financed emissions in a more meaningful context for clients and compare it to benchmark indexes.

METHODOLOGY

WEIGHTED AVERAGE CARBON INTENSITY

The proportion of each holding of the fund's portfolio value (excluding cash and income from dividends) is multiplied by the holding company's emission intensity to obtain tonnes of CO_2e per £1M revenue.

RANKING

Companies are ranked by their emission intensity and also by their relative contribution to total fund emissions to help with prioritisation of engagement.

BENCHMARKING

Weighted average carbon intensity (WACI) is compared to the MSCI World Index and the FTSE All-Share Index, by converting MSCI World's and FTSE All-Share's emission intensity from USD to GBP based on the exchange rate from 31 December 2021. Emissions per £10k invested are calculated for both indexes based on total revenue and index portfolio value.

DATA QUALITY CHECK

Emissions are broken down by data source and the percentage of fund emissions that are reported by companies vs modelled is calculated. The number of companies reporting 1) no emissions, 2) scope 1 and 2 only, 3) some scope 3 emissions, and 4) at least 90% of emissions, is calculated.

CHANGES TO THE METHODOLOGY

This year, we have continued to refine the way we calculate and report our emissions. This includes disclosing the financed emissions from two newly launched funds, EGE and EGO. Unlike the three income funds which we already included in last year's report, these two funds are growth funds that do not have an income constraint but similarly look for structural growth opportunities and sustainable competitive advantages and focus on asset light companies with a good long-term industry outlook.

Furthermore, we included data for the FTSE All-Share Index, which is the comparator benchmark of the UK-focused Evenlode Income (EI) fund. We also closed the time lag between financial and emissions data by carrying out our analysis slightly later in the year so we could use more recent emissions data. In order to bring the methodologies into alignment, we recalculated our 2020 emissions. In our original 2020 analysis, we used the 2019 Full GHG Emissions CDP dataset, the most recent dataset available at the time of the analysis, which covers reporting years ending between 30 June 2018 and 30 June 2019. When we recalculated the 2020 emissions for this report, we used the 2020 CDP dataset which covers reporting years ending between 30 June 2019 and 30 June 2020, bringing the date of the emission data closer to the portfolio year end date, which is 31 December 2020 for the 2020 portfolio emissions data. Since companies have been reducing their emissions over time and national grids have generally been decarbonising, this meant that our total financed emissions for 2020 came down by 18% relative to our original 2020 emissions report, and weighted average emission intensity and emissions per £10k invested were reduced by 6% and 5% respectively. We believe that the updated figures represent a more accurate picture of our financed emissions.

The 2020 emissions presented in this report represent the baseline we will measure future emissions against. To set out clearly under what conditions we will recalculate our baseline going forward, we have established a baseline recalculation policy (see below).

There are still areas where we look to further improve our methodology in the future. This includes disclosing data quality scores in alignment with the PCAF standard. However, as these were still being incorporated into the CDP dataset at the time of writing, we were not able to include them this year.

EVENLODE'S RECALCULATION POLICY

Evenlode will recalculate its baseline emissions when we identify significant opportunities to improve our methodology, such as closing the time lag between financial and emission data (as we did in our 2022 analysis), or if the changing best practice guidance requires methodological changes to the way we calculate financed emissions, such as a change to the recommended attribution factor (as in our 2021 analysis). The threshold for this shall be a potential change of at least 5% to our reported financed emissions or wherever we identify serious inconsistencies or errors.

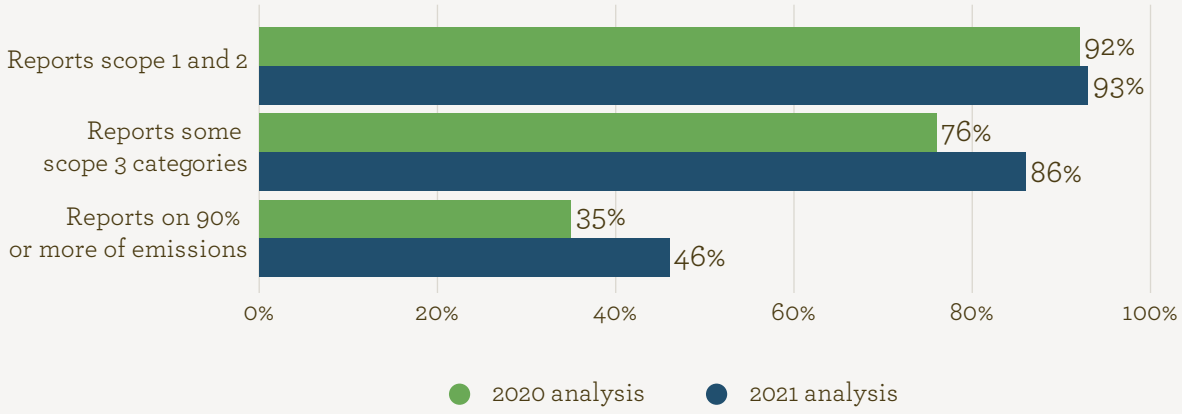
DATA QUALITY

There has been a steady increase in emission reporting by our portfolio companies. While progress on scope 1 and 2 reporting has stalled, scope 3 reporting has increased from 2020 to 2021. An additional seven companies now report at least some scope 3 emissions, nine companies have caught up to their peers reporting on 90% or more of their total emissions (a 33% increase relative to last year), and 7 more are now reporting all their emissions (a 56% increase vs. 2020). Those seven are Compass, eBay, Heineken, L'Oréal, Sage Group, SGS and WPP. The improvement in reporting was particularly big for Sage which leaped from only reporting scope 1 and 2 and Business travel (ca. 11% of total emissions) to all of scope 3 (100%). Another positive example is KLA which reported only scope 1 and 2 (ca. 1% of total emissions) in 2020 but also reported almost all of its scope 3 (97%) in 2021.

Overall, 83% of Evenlode's financed emissions are now reported by the company, up from 77% in 2020. This is higher than the percentage of companies reporting at least 90% because the main contributors to Evenlode's financed emissions in absolute terms tend to be better at reporting their emissions.

This increase in disclosure makes our analysis more robust, as emission estimates reported by the company are much more tailored than modelled emissions and therefore carry less uncertainty. Overall, almost half of all companies in the portfolio now report on at least 90% of their emissions. We will continue to engage with the other half in 2022.

Holding companies' emission reporting by scope



Percentage of companies in Evenlode portfolios reporting across the different scopes. Source: CDP, Evenlode Investment. 2021 data based on Evenlode portfolios as at 31 December 2021, using data from the CDP 2021 Full GHG Emissions Dataset. 2020 data based on Evenlode portfolios as at 31 December 2020, using data from the CDP 2020 Full GHG Emissions Dataset.

Fund	Scope 1 (%)	Scope 2 (%)	Scope 3 (%)	Total emissions (%)
Evenlode Income (EI)	100.0	100.0	80.2	80.6
Evenlode Global Income (EGI)	96.0	83.3	87.8	87.8
Evenlode Global Dividend (EGD)	96.1	83.7	87.8	87.8
Evenlode Global Equity (EGE)	99.3	92.6	68.9	70.0
Evenlode Global Opportunities (EGO)	99.3	92.7	69.0	70.2
Weighted average*	**98.7**	**94.4**	**82.7**	**83.0**

Percentage of emissions reported by the company to the CDP or in their own reports rather than modelled by the CDP or Evenlode, by scope and fund. *Calculated based on each fund's percentage of Evenlode's total financed emissions. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2021.

DATA QUALITY

Within the EI fund, which has at least 80% invested in UK-listed equities, all companies now report their scope 1 and 2 emissions. This is probably in part due to the fact that the Streamline Energy & Carbon Reporting (SECR) policy in the UK requires large UK-incorporated companies with over 40,000 kWh annual energy consumption to report on energy consumption and emissions from scope 1 and 2 electricity, gas and transport fuel as well as emission intensity (e.g. per revenue, floor space or tonnes produced) at a minimum. It applies for financial years on or after 1 April 2019 and thus is relevant for all reporting years covered in our 2021 emissions analysis for those companies affected by this regulation. The other funds, which have less of a UK focus, are lagging behind in terms of emission disclosure. Reporting is lowest for the EGE and the EGO fund where around 17% of emissions come from Nintendo, which does not report any of its emissions.

It is important to stress that emission footprints are only estimates which try to approximate the 'true' emissions. They are never perfect but provide a good-enough indicator that we can work with. We can be fairly confident in scope 1 and 2 estimates.

Upstream scope 3 is more difficult to estimate, but uncertainty is biggest for downstream scope 3, in particular use phase estimates, as they rely on many assumptions about exactly how products are used. This is why we report scope 3 emissions segregated into upstream and downstream. Despite the uncertainty about the exact figure, these estimates still give us an important indication of what companies should focus on to improve their climate impact. A company for which the majority of emissions comes from Purchased goods and services (i.e. upstream scope 3) and that purchases a lot of animal products could for example focus on switching to plant-based proteins which have a lower footprint.

WHY SCOPE 3 ESTIMATES ARE MORE UNCERTAIN

Scope 3 has substantially more uncertainty attached to it than scope 1 and 2, meaning we should think of these estimates as ballpark figures rather than precise information, for two reasons:

- While the number of companies reporting emissions is increasing, few report across all scope 3 categories at present. We therefore frequently have to rely on modelling for scope 3 emissions, which has a larger uncertainty associated with it.
- Estimating scope 3 emissions is more complex than for scope 1 and 2 as it requires collecting data on activities in the supply chain, which often crosses borders and can, depending on the company, be very long. Only some companies can and want to afford collecting data directly from suppliers, and often this reaches only tier 1 suppliers. Others resort to environmentally-extended input-output models which make estimates based on the amount of money spent and the broad sector that each supplier falls into or the amount of material acquired. This approach covers the entirety of the supply chain but is very generic. Looking downstream of the company's own operations, estimating the emissions occurring during the use of companies' products and services requires many assumptions to be made. For example, regarding the useful life of a product, how frequently it is used, using which countries electricity grid, and how it is disposed of, rotting in a landfill or being refurbished or recycled. Therefore, downstream scope 3 emissions are even less certain than upstream emissions.

Another point to note is that when we include scope 3 emissions there can be overlaps between the different companies in our investment portfolios. If we add up all of the scope 1 emissions then there shouldn't be any double counting, as there is no overlap of one company's direct operations with another's. Providing we ignore electricity producers (we don't invest in any at Evenlode), then adding up a portfolio's scope 2 emissions shouldn't have any overlap either. But by their very nature, one company's scope 3 emissions are the scope 1 and 2 emissions of their suppliers and customers, and their suppliers' supplier and customers' customers. If one company is a supplier to another, say Microsoft supplying Henkel's IT infrastructure, then the carbon associated with Henkel running their Windows computers and other equipment would be included in Henkel's scope 2 (using electricity), and also in Microsoft's scope 3 (use of sold products). This kind of double counting cannot be avoided but it can be made transparent by reporting scope 1, 2 and 3 emissions separately. Our analysis also suggests that Evenlode's portfolios are sufficiently small that there is minimal overlap in the emissions between portfolio companies. Whilst some undoubtedly supply others (like the Microsoft/Henkel example above), the overlap and therefore overestimation due to double counting is likely to be immaterial.

ATTRIBUTION FACTOR

Last year we joined PCAF, an industry-led initiative that aims to standardise the way financial institutions measure and disclose GHG emissions from their loans and investment. This has been endorsed by the UN-convened Net Asset Owner Alliance, the UK's Financial Conduct Authority, the CDP and the Science-Based Targets Initiative, among others. It provides an additional level of granularity to enable consistent implementation of the TCFD framework.[19] The PCAF standard[20] sets out how portfolio companies' emissions should be attributed to a fund based on equity ownership.

In general, financed emissions are allocated based on an attribution factor which defines how much of a company's total emissions an investment portfolio is responsible for:

$$\text{Financed emissions} = \sum \text{attribution factor} \times \text{company emissions}$$

When we started our annual emissions analysis in 2019, we followed the TCFD's recommendation to use market capitalisation as the denominator of the attribution factor:

$$\text{Financed emissions} = \sum \frac{\text{current value of investment}}{\text{market capitalisation}} \times \text{company emissions}$$

PCAF instead recommend calculating the attribution factor based on total equity and debt to include other providers of capital.

$$\text{Financed emissions} = \sum \frac{\text{outstanding amount}}{\text{total equity + debt}} \times \text{company emissions}$$

For listed equity, PCAF recommend using enterprise value including cash (EVIC) which aligns with recommendations by the EU Technical Expert Group on Sustainable Finance (EU TEG) and allows comparison with other asset classes, such as business loans. This includes the market capitalisation of ordinary and preferred shares, the book value of debt and minorities interests. The FactSet code used to obtain EVIC and revenue data is outlined in Appendix A for full transparency. The attribution factor based on EVIC is slightly smaller than if it based on market cap alone (following the original TCFD methodology). But since Evenlode tend to not invest in companies with high debt ratios, the difference is not large.

$$\text{Attribution factor for listed equity} = \sum \frac{\text{nominal shares} \times \text{share price}}{\text{enterprise value including cash (EVIC)}}$$

[19] TCFD, June 2017. Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, pp 43-44. View here
[20] PCAF, November 2020. The Global GHG Accounting & Reporting Standard for the Financial Industry. View here

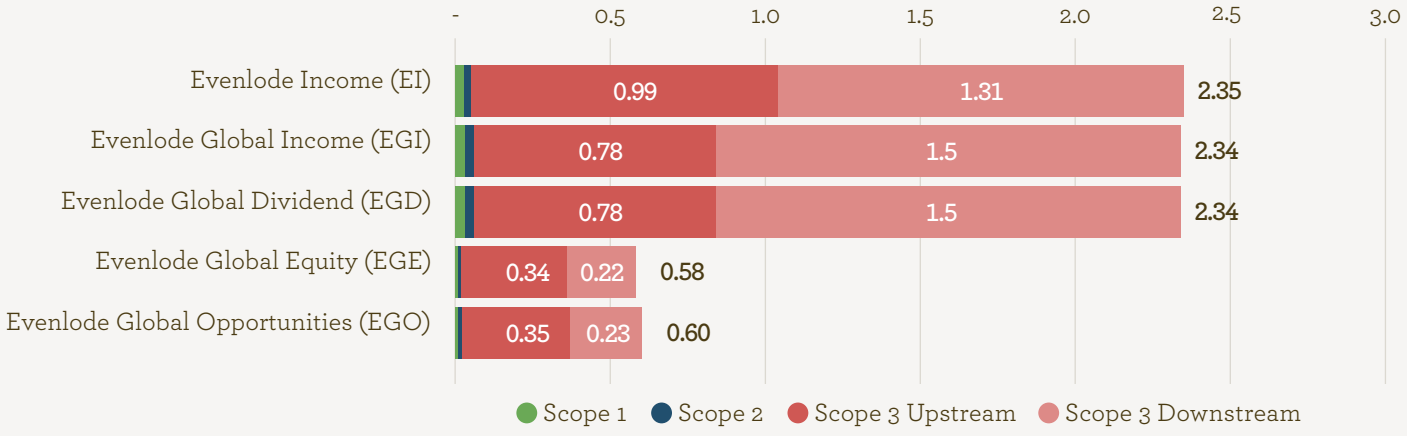
RESULTS – THE IMPACT OF YOUR INVESTMENT

The chart and table below summarise the emissions associated with an investment of £10k in each of the Evenlode funds. For context, according to Our World In Data, the average UK resident was responsible for 4.85 tonnes of CO_2e in 2020.[21] This is based on emissions produced in the UK; if you take into account imported and exported goods, the per-capita emissions are ca. 13 tonnes per annum.[22]

The EGD fund is a mirror of the EGI fund, and the EGO fund is a mirror of the EGE fund so although the two mirror funds are smaller overall, they have the same proportions of scopes and the same emissions per £10k invested as the funds they are mirroring. The similarity between EI and EGI/EGD fund can be explained by the uniform investment process and significant overlap – about a third of the portfolio companies are the same.

The EGE and EGO funds, our growth funds, have about a fourth of the emissions per £10k invested compared to the three income funds. This can be partly explained by sector distribution. EGE and EGO have a higher exposure to services companies, predominantly found in the technology and finance sectors (e.g. Mastercard, Amadeus, Accenture, Microsoft, Alphabet, Electronic Arts, RELX), which are generally emission-light, and a lower exposure to those that produce physical products, such as the consumer staples and healthcare sectors, which have larger footprints especially in scope 3. Nintendo appears a notable exception, as the only high-emissions IT company in EGE/EGO, however the Japanese company manufactures games systems, so straddles the line between products and services. Nintendo was a small position at only 1.7% of net asset value for EGE at the end of 2021. In addition, the top ten highest emitting companies per £10k invested have lower weightings in the EGE/EGO portfolio than for EGI/EGD, having position sizes of less than 4% in contrast to four top emission intensive companies with a position size of over 4% in the EGI/EGD funds.

Tonnes of CO_2e per £10k invested



Fund	Scope 1	Scope 2	Scope 3 Upstream	Scope 3 Downstream	Total
Evenlode Income (EI)	0.03	0.02	0.99	1.31	2.35
Evenlode Global Income (EGI)	0.03	0.03	0.78	1.50	2.33
Evenlode Global Dividend (EGD)	0.03	0.03	0.78	1.50	2.34
Evenlode Global Equity (EGE)	0.01	0.01	0.34	0.22	0.58
Evenlode Global Opportunities (EGO)	0.01	0.01	0.35	0.23	0.60

Tonnes of CO_2e/£10k invested across scopes 1, 2 and 3. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2021.

21 Our World In Data, January 2022: View here.
22 Mike Berners-Lee, 2020. How Bad Are Bananas. Profile Books.

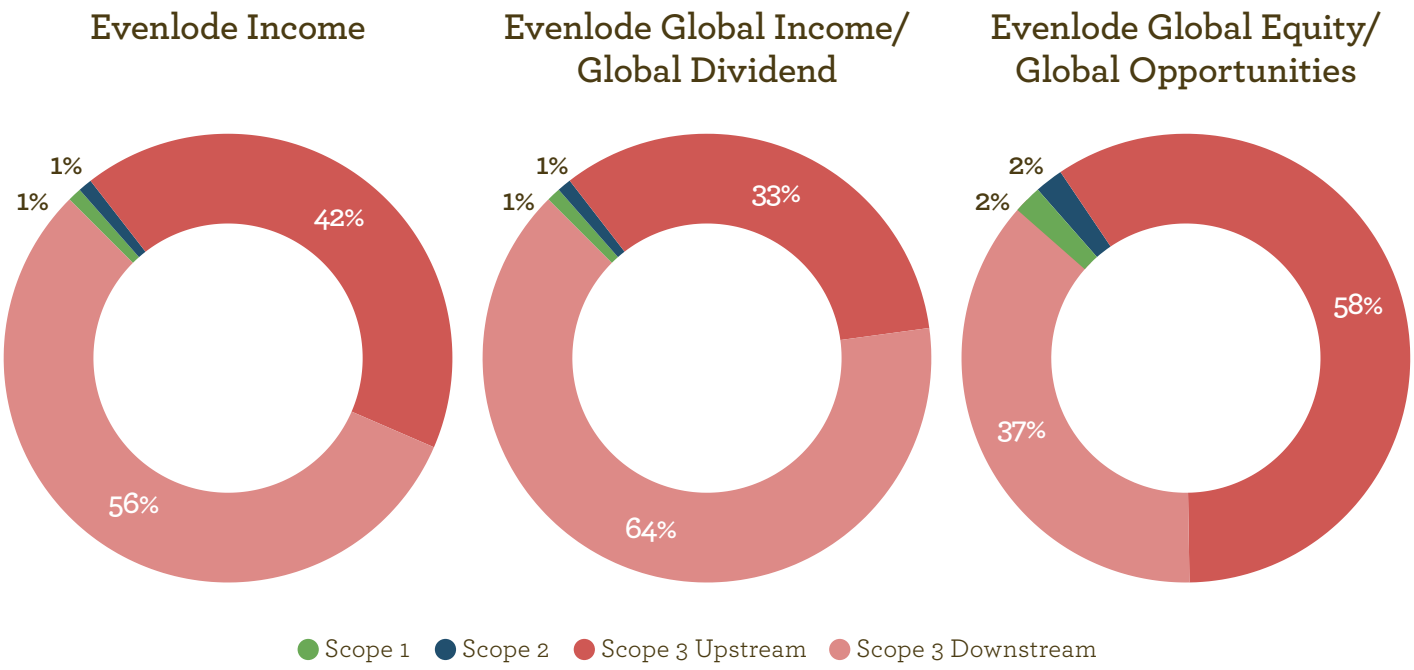
RESULTS – THE IMPACT OF YOUR INVESTMENT

To make comparison with other funds easier, we summarise the emissions per million dollars invested below.

Fund	Scope 1	Scope 2	Scope 3 Upstream	Scope 3 Downstream	Total
Evenlode Income (EI)	2.3	1.2	73.0	96.6	173.2
Evenlode Global Income (EGI)	2.2	1.9	57.5	110.5	172.2
Evenlode Global Dividend (EGD)	2.2	1.9	57.6	111.0	172.7
Evenlode Global Equity (EGE)	1.0	0.9	25.3	16.1	43.2
Evenlode Global Opportunities (EGO)	1.0	0.9	25.8	16.8	44.5

Tonnes of CO_2e/$1M invested as at 31 December 2021. Data sources as above, converted at the exchange rate as at 31 December 2021.

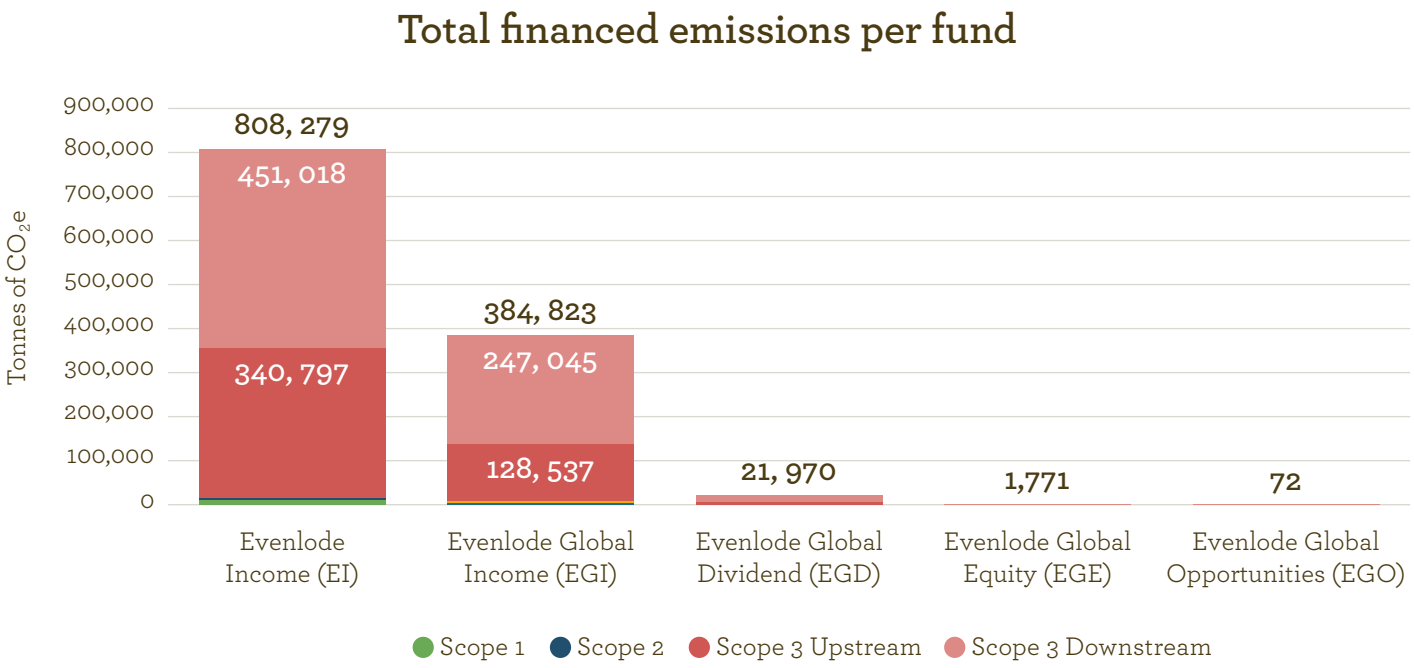
For all three funds, the emissions from scope 3 vastly outstrip emissions from scope 1 and 2 – reflecting the low exposure to industrial firms within the funds.



Breakdown of fund emissions by scope. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2021.

RESULTS – THE IMPACT OF EVENLODE'S FUNDS

We now turn to the bigger picture; the total emissions financed through Evenlode's funds. They are summarised in the figure and table below. The EI fund contributes the most with 66% of total emissions because of its bigger size and slightly higher emission intensity per invested amount. As relatively recent additions to the Evenlode range of funds, the EGE and EGO funds contribute less than 0.2% together. Again, the disproportionate contribution of scope 3 emissions is visible.



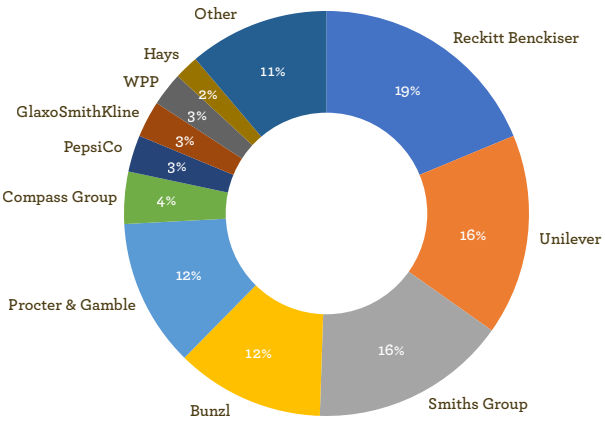
Fund	Scope 1	Scope 2	Scope 3 Upstream	Scope 3 Downstream	Total	% Evenlode total financed emissions
Evenlode Income (EI)	10,679	5,785	340,797	451,018	808,279	66.4
Evenlode Global Income (EGI)	4,998	4,242	128,537	247,045	384,823	31.6
Evenlode Global Dividend (EGD)	285	241	7,327	14,116	21,970	1.81
Evenlode Global Equity (EGE)	40	37	1,036	659	1,771	0.15
Evenlode Global Opportunities (EGO)	2	1	42	27	72	0.01
Total	**16,003**	**10,307**	**477,739**	**712,866**	**1,216,915**	**100**

Total financed emissions by scope in tonnes of CO_2e. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2021.

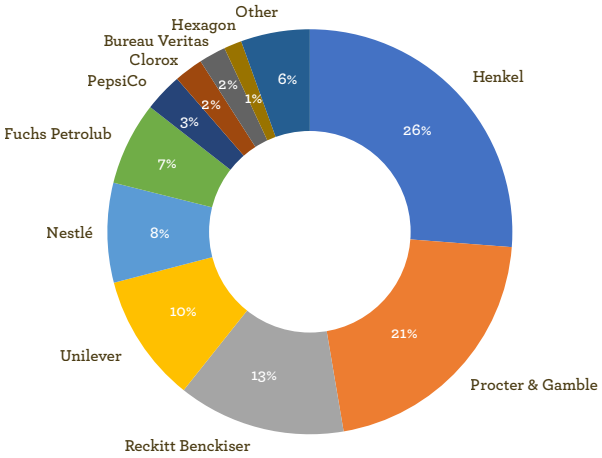
RESULTS – TOP EMITTERS

A few companies contribute disproportionately to each fund's emissions because of their position size in the portfolio and their relatively higher emission intensity. The graphs opposite show the percentage breakdown of total fund emissions by company, with the top ten contributors being named.

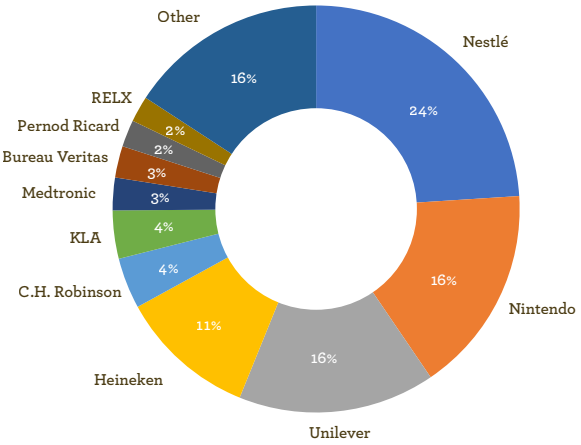
Evenlode Income



Evenlode Global Income/ Global Dividend



Evenlode Global Equity/ Global Opportunities



Total fund emissions across scopes 1,2 and 3 broken down by each company's contribution. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2021.

RESULTS – TOP EMITTERS

However, a better way to target our engagement is possibly to look at the companies with the highest emission intensity in terms of emissions per revenue, as this indicates how climate-friendly companies are operating independently of their overall size and position size in the portfolio. Due to data licensing restrictions, we are not able to show individual companies' emission intensities in this report but the top ten are listed below.

The top ten most emission intensity companies across scopes 1, 2 and 3

Rank	Evenlode Income	Evenlode Global Income/ Global Dividend	Evenlode Global Equity/ Global Opportunities
1	Procter & Gamble	Procter & Gamble	Nintendo
2	Smiths Group	Hexagon	Nestlé
3	Reckitt	Reckitt	Unilever
4	Victrex	Henkel	KLA
5	Unilever	Nestlé	Heineken
6	PepsiCo	Unilever	Thermo Fisher
7	AB InBev	Fuchs Petrolub	L'Oréal
8	Bunzl	PepsiCo	Pernod Ricard
9	Rotork	Clorox	Bureau Veritas
10	Cisco	Cisco	Cooper

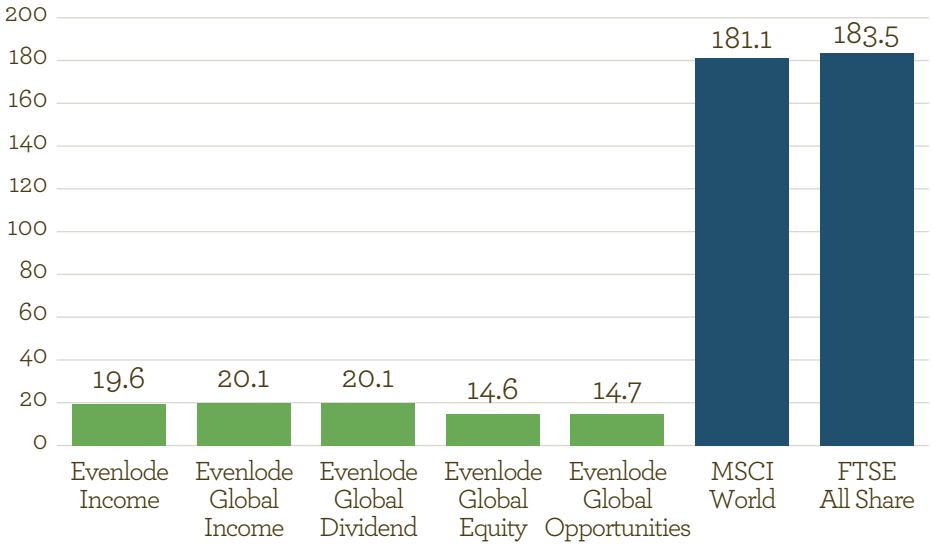
The ten companies with the highest tonnes of CO_2e/£M revenue across scopes 1, 2 and 3 per portfolio. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2021.

RESULTS – HOW EVENLODE FUNDS COMPARE TO THEIR BENCHMARKS

Due to the nature of our investment process, the funds naturally have low exposure to energy-intensive industries such as the energy industry itself, utilities, materials and real estate. This explains why the funds have a lower weighted emission intensity across scope 1 and 2 compared to the MSCI World Index, EGI's comparator benchmark, which contains a much broader coverage of sectors (see chart opposite). Scope 3 data is not available for the benchmark indices, so we are comparing only across scope 1 and 2.

Ca. 13% of the MSCI World Index and 19% of the FTSE All-Share Index were comprised of energy, materials, utilities and real estate at the end of 2021, sectors that have high scope 1 and 2 emissions. In contrast, none of the funds have exposure to energy and utilities, and materials and real estate make up less than 3% of the EI and EGI/EGD funds, and none of the EGE/EGO funds. Instead, the majority of holdings are consumer goods, industrials, IT, healthcare and services, which have lower scope 1 and 2 emissions relative to their revenue.[23]

Scope 1 & 2 emissions per £1M of revenue



Weighted average emission intensity across scopes 1 and 2. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment, FTSE Russell,[24] MSCI.[25] Evenlode portfolios as at 31 December 2021. FTSE All-Share portfolios as at 31 December 2021 and converted to GBP using that day's exchange rate. MSCI World portfolio as at 29 October 2021 and converted to GBP using that day's exchange rate.

To make comparison with other funds easier, we summarise the emissions per million dollars revenue below.

Fund	Tonnes of CO_2e per £1M revenue		Tonnes of CO_2e per $1M revenue	
	Scope 1 & 2	Scope 1, 2 & 3	Scope 1 & 2	Scope 1, 2 & 3
Evenlode Income (EI)	19.6	814.5	14.44	601.33
Evenlode Global Income (EGI)	20.1	847.3	14.85	625.57
Evenlode Global Dividend (EGD)	20.1	849.8	14.87	627.41
Evenlode Global Equity (EGE)	14.6	295.0	10.75	217.81
Evenlode Global Opportunities (EGO)	14.7	299.3	10.86	220.99
MSCI World Index	181.1	n/a	132.10	n/a
FTSE All-Share Index	183.5	n/a	135.45	n/a

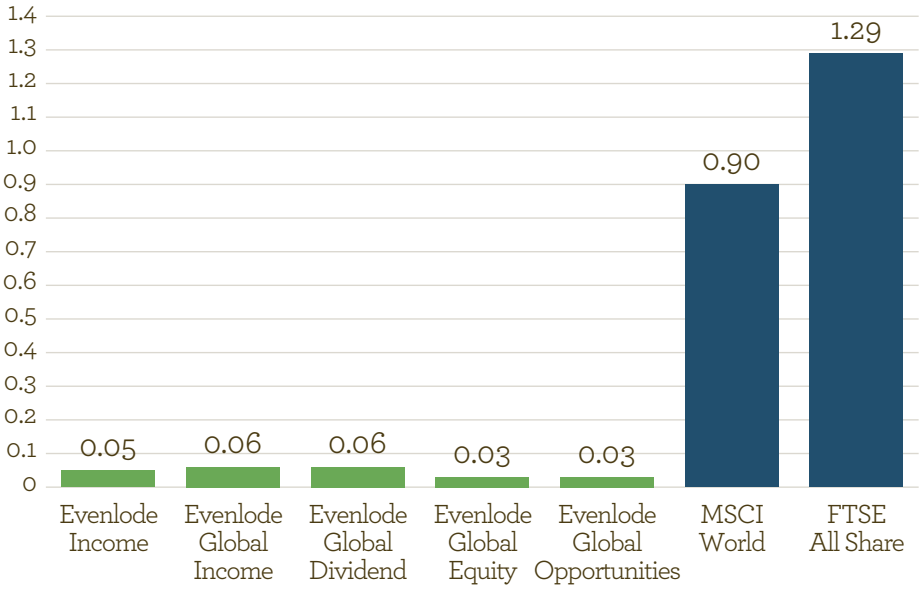
Tonnes of CO_2e per 1M in revenue in GBP and USD. Data sources as above, Evenlode data converted into USD at the exchange rate as at 31 December 2021.

23 Based on GICS sector classification for FTSE All Share, MSCI World and Evenlode portfolios as at 31 December 2021.
24 Provided directly by FTSE Russell, 2022.
25 MSCI, 2021. View here.

RESULTS – HOW EVENLODE FUNDS COMPARE TO THEIR BENCHMARKS

In addition to emissions per unit of revenue, which is often reported by fund managers, we also show emissions per £10k invested for a better sense of the footprint your investments might have if invested in a fund tracking the MSCI World Index compared to an investment in one of the Evenlode funds.

Scope 1 & 2 emissions per £10k invested



Scope 1 and 2 emissions per £10k invested 1. Source: CDP 2021 Full GHG Emissions Dataset, Evenlode Investment, FTSE Russell,[26] MSCI.[27] Evenlode and FTSE All-Share portfolios as at 31 December 2021. MSCI World portfolio as at 29 October 2021. Index data converted from weighted average emission intensity into emissions per £10k invested based on portfolio revenue and asset value as at 31 December 2021.

Tonnes of CO_2e per $1M invested

This can also be converted to emissions per million dollars invested to aid comparison with international funds.

Fund	Scope 1	Scope 2	Scope 3 Upstream	Scope 3 Downstream	Total
Evenlode Income (EI)	2.3	1.2	73.0	96.6	173.2
Evenlode Global Income (EGI)	2.2	1.9	57.5	110.5	172.2
Evenlode Global Dividend (EGD)	2.2	1.9	57.6	111.0	172.7
Evenlode Global Equity (EGE)	1.0	0.9	25.3	16.1	43.2
Evenlode Global Opportunities (EGO)	1.0	0.9	25.8	16.8	44.5
MSCI World Index	66.7		-	-	-
FTSE All-Share Index	94.9		-	-	-

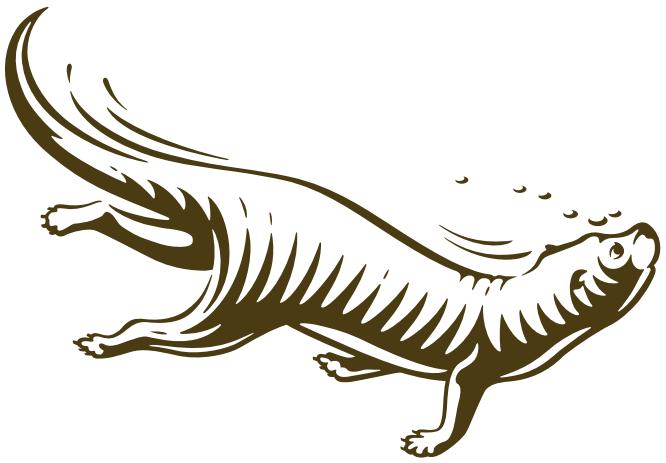
Data as above, Evenlode data converted into USD based on the exchange rate on 31 December 2021.

26 Provided directly by FTSE Russell, 2022.
27 MSCI, 2021. View here.

RESULTS – HOW EVENLODE FUNDS COMPARE TO THEIR BENCHMARKS

Despite the focus on lower-carbon sectors, some of Evenlode's holding companies have substantial emissions from the inputs from their supply chains and, especially in the case of consumer goods and technology, high downstream emissions from products with a significant contribution from the energy consumed when the products are used ('use phase emissions'). These lead to substantially larger scope 3 than scope 1 and 2 emissions. Both Reckitt, the top contributor to EI's emissions, and Procter & Gamble, the top contributor for EGI's and EGD's footprint, for example make consumer goods products such as laundry detergents and shampoos that require heating water and running washing machines, with the associated emissions. Other high emitters like Siemens Healthineers manufacture MRI, CT and X-Ray scanners which require a huge amount of electricity to run in hospitals, explaining their high downstream scope 3 footprint.

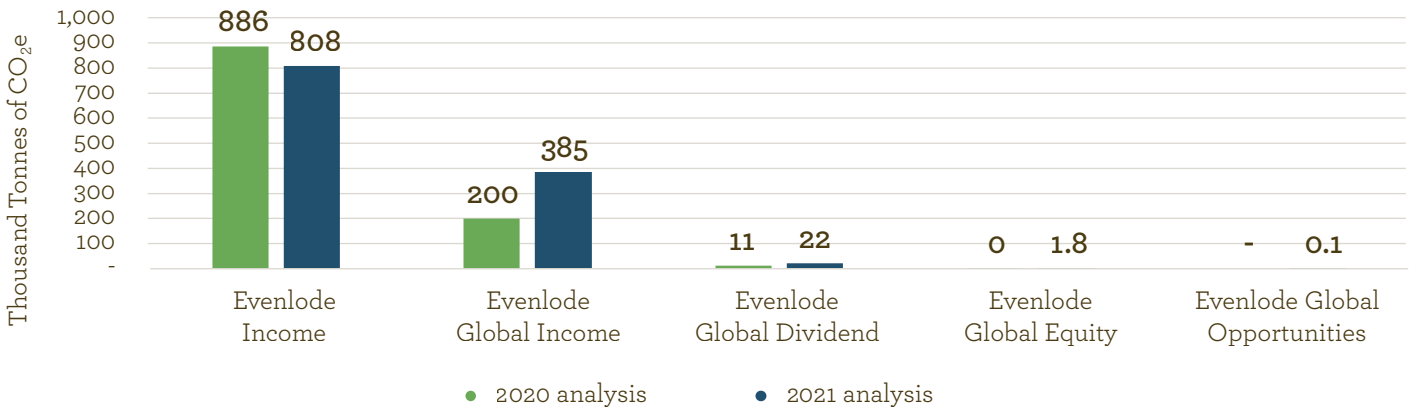
MSCI and FTSE do not provide scope 3 emission intensities for their indices, so we are not able to make a meaningful comparison for Evenlode's scope 3 emission intensities. However, it is clear that scope 3 accounts for the vast majority of the emissions in our portfolios (see the figures above). The companies in the Evenlode portfolios need to grapple with their supply chains if total carbon emissions are to be reduced, which in many ways is harder than reducing operational emissions over which companies have more direct influence (see Why scope 3 is important).



RESULTS – COMPARISON WITH LAST YEAR

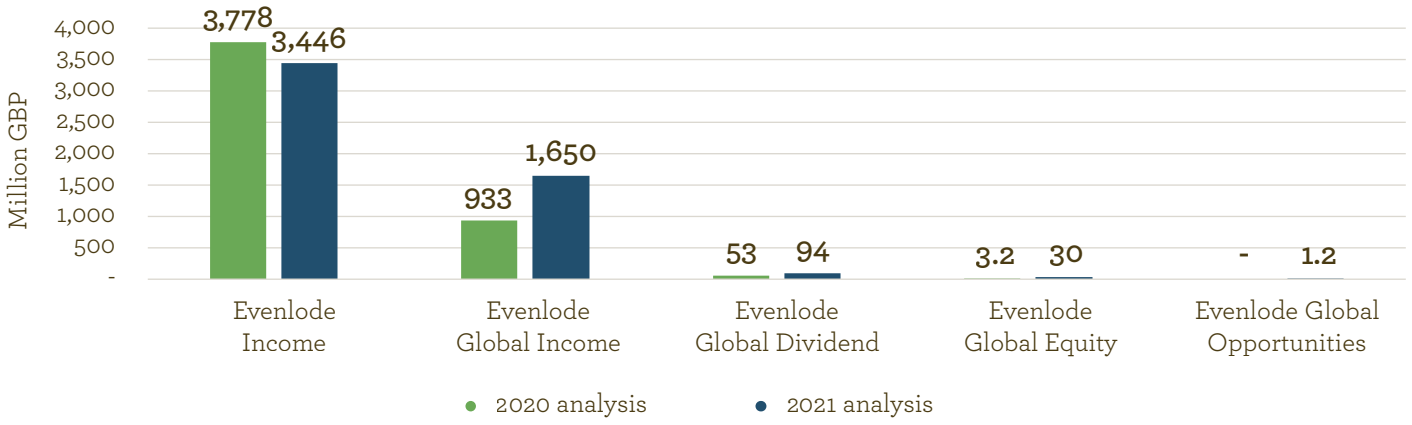
Total financed emissions decreased by 9% from 2020 to 2021 for the EI fund due to a corresponding 9% decrease in the net asset value of the fund, while the footprint of a £10k investment stayed the same. For the other funds, the trends are more interesting. Total financed emissions increased by 92% for the EGI fund, by 93% for the EGD fund and by 522% for the EGE fund, largely due to an increase in net asset values of 77%, 76% and 844%, respectively. However, underlying this is a 9% and 10% increase in emissions per £10k invested for the EGI and EGD funds, respectively, meaning that emissions increased further than due to the increase in net asset value alone, and a 35% drop in emissions per £10k invested for the EGE fund, which counteracted the increase in emissions due to the net asset value increase. Emissions per £1M revenue follow a similar pattern.

Total financed emissions in 2020 and 2021



Financed emissions in thousand tonnes of CO_2e by fund in 2020 and 2021. Source: CDP and Evenlode Investment. 2021 analysis based on Evenlode portfolios as at 31 December 2021, using data from the CDP 2021 Full GHG Emissions Dataset. 2020 analysis based on Evenlode portfolios as at 31 December 2020, using data from the CDP 2020 Full GHG Emissions Dataset. Note: The EGO fund was only launched in May 2021 and was therefore not included in the 2020 analysis.

Net asset value 2020 and 2021



Net asset value in £M by fund in 2020 and 2021 as at 31 December 2020 and 2021, respectively. Source: Evenlode Investment.

RESULTS – COMPARISON WITH LAST YEAR

There are several factors contributing to this. The increase in emission intensity for EGI can be partly explained by changes in sector exposure. The exposure to consumer goods companies, which have a very large scope 3 footprint, increased from 21% to 28% for the EGI/EGD fund as the fund initiated a holding in Clorox and the position sizes for companies like Nestlé, P&G, Unilever and Reckitt increased. This was further compounded by Unilever and Reckitt having an increased emission intensity relative to 2020. As these companies are consistently among the most emission-intensive companies in our portfolios, both in terms of emissions per invested amount and per revenue, and this drove up the fund's emission intensity. In parallel, exposure to IT companies which generally have low- to mid-range emission intensities decreased from 28% to 21% for EGI and EGD as the position size for holdings such as Adecco, Oracle, Capgemini, eBay and Western Union dropped, and the fund exited from Intel and IBM.

EGE, on the other hand, decreased its exposure to the high-emission consumer goods sector from 18% to 15% through reduced position sizes in Heineken and Unilever, among others. At the same time, it increased its exposure to industrials from 13% to 19% by investing in Experian and Verisk, both with very low emission intensity, and increasing position holdings in Wolters Kluwer, RELX and SGS which all have low- to mid-range emission intensities. The fund also exited from IT companies Hexagon and Intel, the fourth and ninth most emission intensive companies in terms of tCO_2e/£10k invested in 2020, and reduced the position size for Nintendo, the company with the highest emissions per £10k invested and per £1M revenue, by 33%. Conversely, new holdings like IT companies AVEVA and Broadridge and industrials Experian and Verisk have a low emission intensity relative to the fund, reducing overall fund emission intensity. In addition, the percentage of cash holdings increased from 0.1% to 1.5%. As cash has an emission intensity of zero for the purposes of our financed emissions, this in effect reduces the overall emission intensity of the fund.

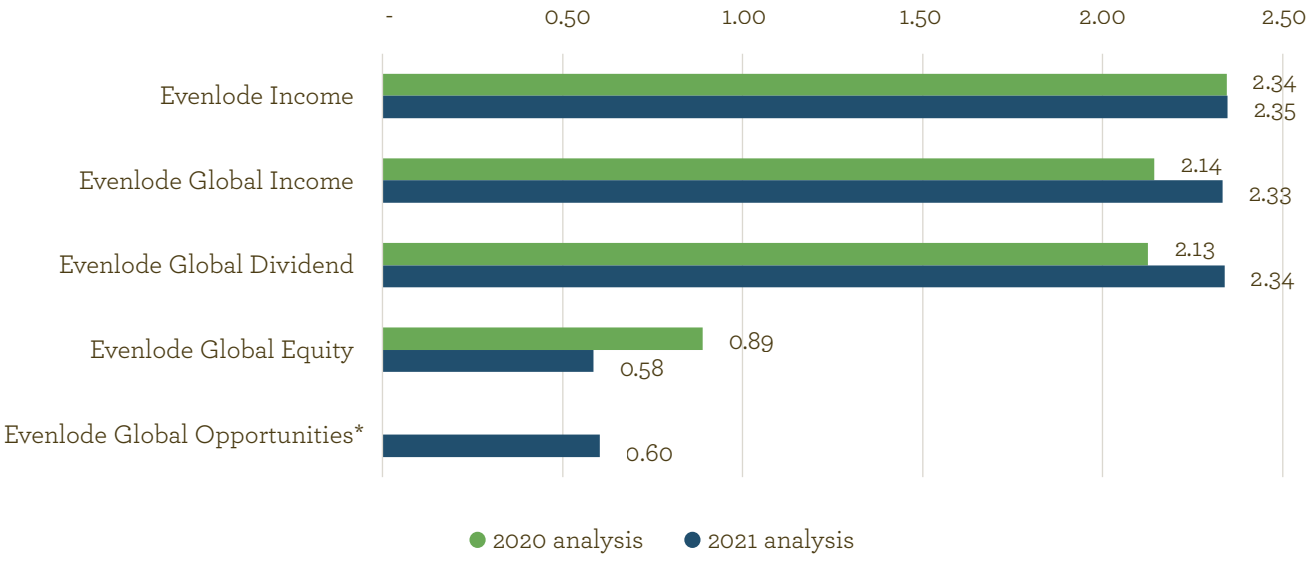
There was also a clearer trend towards reducing emission intensity for EGE than with the other funds. With the exception of Unilever, Nintendo, Marsh & McLennan, and Thermo Fisher, the emissions per £10k invested in 89% of portfolio companies reduced or stayed stable, and for those for which it increased, either position size was reduced, or, in the case of Marsh & McLennan, the emission intensity was relatively low to start with.

The vast majority of portfolio companies have emission years ending in the second half of the calendar year with 61% ending in Q4. As the 2021 analysis draws on emissions data for reporting years ending mid-2020 to mid-2021, 2021 emissions were affected both by the dip in global emissions in Q2 2020 due to the Covid-19 pandemic and the upswing in emissions in H2.[28] In contrast, the emissions data used in the 2020 analysis is to a large extent before the beginning of the pandemic. Consumer goods companies that produce cleaning products, such as Reckitt, Henkel and Unilever, saw increased production volumes during the pandemic and drops in their EVIC at the same time, leading to an increase in emissions per £10k invested. As EGI has large position sizes in these companies and they have a high emission intensity generally, this would have contributed to the increase in the fund's emission intensity. On the other hand, IT companies, to which EGE has large exposure, such as Accenture, Alphabet, Microsoft, KLA and Intuit, both experienced a drop in emissions due to working from home and reduced travel and an increase in their EVIC, leading to decreased emission intensities.

28 Nature, January 2021. COVID curbed carbon emissions in 2020 — but not by much. View here

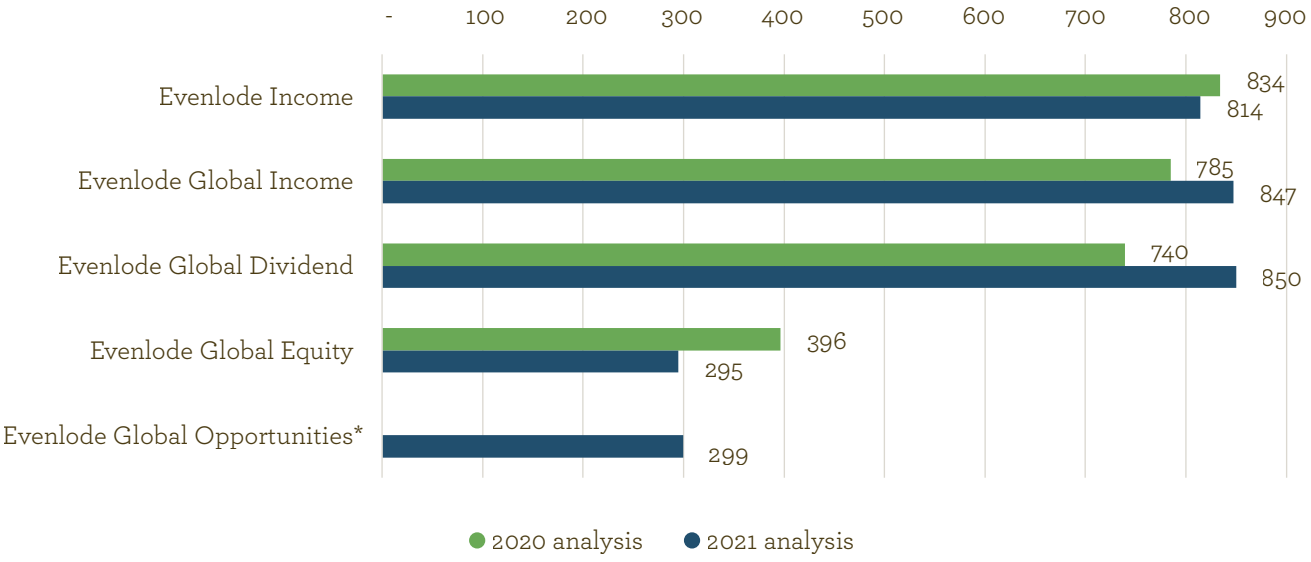
RESULTS – COMPARISON WITH LAST YEAR

Tonnes of CO_2e per £10k invested in 2020 and 2021



Emissions per £10k invested across scopes 1, 2 and 3 as at 31 December 2020 and 2021, respectively. Source: CDP and Evenlode Investment, data as above.

Tonnes of CO_2e per £M revenue in 2020 and 2021



Weighted average emission intensity across scopes 1, 2 and 3, as at 31 December 2020 and 2021, respectively. Source: CDP and Evenlode Investment, data as above.

*We calculated total emissions for the EGO fund for the first time this year, so we can't make a comparison to last year.

CONCLUSION

In 2019, we started measuring and reporting our financed emissions for the first time. Since then, we have continued to refine our methodology to align with the evolving best practice guidance. Under pressure from investors, regulators and civil society, companies are improving their emission disclosures, making our analysis more robust over time.

Our best estimate of the portfolio footprint for the income funds is around 2.3 tonnes of CO_2e per £10k invested for scope 1, 2 and 3 or around 50 kilogrammes for scope 1 and 2 alone. That is around 18 times lower than the MSCI World Index at ca. 0.9 tonnes and 26 times lower than the FTSE All-Share Index at 1.3 tonnes per £10k invested. The growth funds are even less emission intensive at ca. 0.6 tonnes of CO_2e per £10k invested for scope 1, 2 and 3 and ca. 25kg for scope 1 and 2 alone.

However, there is still some way to go until the funds are fully aligned with the goals of the Paris agreement to limit warming to 1.5°C. As a member of the Net Zero Asset Manager Initiative and to fulfil our fiduciary duty to our clients, Evenlode will continue to engage proactively with portfolio companies to improve reporting and drive action to cut emissions, both through direct engagement and collective action.

APPENDIX A: FACTSET FORMULAS

Revenue

1. As revenue is reported by companies in the reporting currency, the reporting currency was determined using the formula:
   =FDS($F5,"FF_CURN_DOC(ANN_R,0)")
   where F5 is the Sedol or ticker.

2. Revenue data was derived for the full year, two half years, and four quarters most closely preceding the emission reporting year end, and of these the annual period most closely matching the emission reporting period was used. All revenue data was obtained from FactSet in the reporting currency, as FactSet converts revenue data into the listing currency using today's exchange rate otherwise.

3. The FactSet code for annual revenue based on full year data used is:
   =FDS($F5,"FF_SALES(ANN_R,"&$S5&",,,,"&$K5&")")
   where F5 is the Sedol or ticker, S5 is the nearest year and K5 is the reporting currency.
   The FactSet code for annual revenue based on semi-annual data is:
   =FDS($F5,"FF_SALES(SEMI_R,"&$Y5&",,,,"&$K5&")")+FDS($F5,"FF_SALES(SEMI_R,"&$Y5-1&",,,,"&$K5&")")
   where F5 is the Sedol or ticker, Y5 is the nearest half year and K5 is the reporting currency.
   The FactSet code for annual revenue based on quarterly data is:
   =FDS($F5,"FF_SALES(QTR_R,"&$AG5&",,,,"&$K5&")")+ =FDS($F5,"FF_SALES(QTR_R,"&$AG5-1&",,,,"&$K5&")")+=FDS($F5,"FF_SALES(QTR_R,"&$AG5-3&",,,,"&$K5&")")+=FDS($F5,"FF_SALES(QTR_R,"&$AG5-3&",,,,"&$K5&")")
   where F5 is the Sedol or ticker, AG5 is the nearest quarter and K5 is the reporting currency.

4. Revenue figures were converted into GBP using the exchange rate based on the formula:
   =FDS("","P_EXCH_RATE("&$K5&",GBP,"&$J5&")")
   Where K5 is the reporting currency and J5 is the final date of the year-long revenue reporting period.

Enterprise Value Including Cash (EVIC)

Since FactSet does not currently have a formula for EVIC that matches the PCAF definition, we built a custom FactSet formula in Excel based on the definition that EVIC = market cap of ordinary and preferred shares (excluding non-traded and diluted shares) + book value of debt (including both short-term and long-term debt) + minority interests. We retrieved market cap data in the listing currency and debt and minority interest data in the reporting currency and then convert this into GBP using the exchange rate on the portfolio date since FactSet reports all data in the listing currency unless otherwise specified and uses today's exchange rate in cases where the listing currency is different from the reporting currency. EVIC was calculated as the sum the market cap, debt and minority interests, which were determined as follows.

Market cap

1. We determine the listing currency using the formula:
   =FDS($B5,"P_CURRENCY(""ISO"")")
   where B5 is the Sedol or ticker.

2. For market cap, we used the formula
   =FDS($B5,"FREF_MARKET_VALUE_COMPANY("&C1&",,,"&J5&",,0,,""LEGACY"")")
   where B5 is the Sedol or ticker, C1 is the portfolio date and J5 is the listing currency. The result is in millions by default and includes ordinary and preferred shares but excludes non-traded and diluted shares as per PCAF recommendation.

3. We determined the exchange rate from the listing currency to GBP with the formula
   =FDS("","P_EXCH_RATE("&J5&",GBP,"&C1&")")
   where J5 is the listing currency and C1 is the portfolio date, and multiplied this by the market cap in the listing currency to arrive at market cap in GBP.

APPENDIX A: FACTSET FORMULAS

Total debt

1. We determined the reporting currency using the formula:
   =FDS($B5,"FF_CURN_DOC(ANN_R,0)")
   where B5 is the Sedol or ticker.

2. We derived debt data using the formula:
   =FDS($B5,"FF_DEBT(ANN_R,"&$C$1&",,,,"&L5&")")
   where B5 is the Sedol or ticker, C1 is the portfolio date and L5 is the reporting currency. The result is in millions by default and matches the sum of short-term and long-term debt from the standardised balance sheet.

3. To convert total debt into GBP, w determined the exchange rate from the reporting currency to GBP with the formula:
   =FDS("","P_EXCH_RATE("&L5&",GBP,"&C1&")")
   where L5 is the reporting currency and C1 is the portfolio date, and multiplied this by the debt.

Minority interests

1. To get minority interests in millions, we used the formula:
   IFNA(FDS($B5,"FF_MIN_INT_ACCUM(ANN_R,"&C1&",,,,"&$L5&")"),0)
   where B5 is the Sedol or ticker, C1 is the portfolio date and L5 is the reporting currency. We used the IFNA Excel formula which enters zero for all companies for which minority interests are not reported and an #N/A is returned.

2. We multiplied this figure by the same exchange rate as for debt to convert minority interests from the reporting currency to GBP.

APPENDIX B: DATA VALIDATION NOTES

In the process of validating the CDP data, we made several alterations to individual data points from 62 companies (75% of companies across funds). We outline these alterations below.

EI – Evenlode Income
EGI/EGD – Evenlode Global Income/Evenlode Global Dividend
EGE/EGO – Evenlode Global Equity/ Evenlode Global Opportunities
Alteration A – Emissions reported by company outside of CDP substituted in
Alteration B – CDP estimate substituted by company-reported figure from CDP Survey
Alteration C – CDP estimate removed
Alteration D – Data point(s) modelled

EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
	✔	✔	Accenture			✔		Removed CDP estimate *for Capital goods* and *Upstream transportation and distribution* because company convincingly argues that these are not relevant as it provides services and solutions rather than goods and as it leases almost all of their office facilities.
	✔		Adecco		✔	✔		Retained company-reported figure for *Purchased goods and services* even though it only includes paper, IT equipment and toners since the CDP estimate is based on revenue and Adecco has high pass through costs but the industry group it is in includes not just HR companies so the CDP estimate is likely a large overestimate. Removed CDP estimates for *Capital goods* and *Upstream transportation and distribution* since company states that they are not relevant to HR solutions provider.
		✔	Alphabet		✔	✔		Removed CDP estimate for *Purchased goods and services* since this category is included in Alphabet's figure for *Capital goods* and *Other (Upstream).*
		✔	Amadeus		✔	✔		Carried over scope 2 (market-based) reported by company to the CDP which CDP had overwritten with their own estimate. Removed CDP estimates for *Upstream transport and distribution* as deemed not relevant by company.
✔			Anheuser-Busch InBev					
		✔	Aon			✔		Removed CDP estimate for *Upstream transportation and distribution* since deemed not relevant by the company.

APPENDIX B: DATA VALIDATION NOTES

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
✔			Ashmore	✔		✔	✔	Substituted in Ashmore's scope 1 and 2 and scope 3 for *Business travel* and *Waste* reported for 2019/20 in 2020 Sustainability Report in. Modelled *Investments* figure based on 2019 CDP dataset figure since no figure in 2021 dataset. Removed CDP estimate for *Fuel-and-energy-related activities* because it is too high at 468% of the CDP-estimated scope 1 and 2 and 3390% of the reported scope 1 and 2.
✔			AstraZeneca		✔			Substituted in company-reported figure for *Employee commuting* instead of CDP estimate.
		✔	AVEVA			✔		Removed CDP estimate for *Upstream transportation and distribution* since deemed not relevant by the company.
		✔	Booking Holdings			✔		Removed CDP estimate for *Capital goods*, *Fuel-and-energy-related activities*, and *Upstream transportation and distribution* because deemed not relevant by company and since *Fuel-and-energy-related activities* is also 146% of scope 1 and 2.
		✔	Broadridge					CDP substituted in its own estimate for *Purchased goods and services* because Broadridge only reports emissions from purchased paper and envelopes.
✔			Bunzl					
✔			Burberry		✔			Substituted in company-reported figures for *Upstream transportation and distribution*, *Waste* and *Business travel* which CDP had replaced with its own estimate for no clear reason, and company-reported figures for *Downstream transportation and distribution*, *Use of sold products* and *Franchises* where CDP had replaced reported figure with zero because there was no year-on-year change in company figures.
	✔	✔	Bureau Veritas					

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
	✔	✔	C.H. Robinson		✔	✔		Removed CDP estimate for *Fuel-and-energy-related activities* because it is too high at 646% of scope 1 and 2. Removed CDP estimate for *Upstream transportation and distribution* since emissions from this category are included in compare-reported figure for *Downstream transport and distribution* category.
	✔		Capgemini			✔		Removed CDP estimate for *Capital goods* and *Upstream transportation and distribution* since Capgemini argues that these are not relevant for a technology and consulting services company with little ownership of capital goods and provider of services.
✔	✔		Cisco		✔			Substituted in compare-reported figure for *Business travel* because CDP estimate was more than 4 times lower and was made only because company figure had not changed from previous year. Substituted in company-reported *Employee commuting* figure which CDP overwrote with own estimate because company figure is based on outdated data (from FY2018) but CDP estimate is similar to reported figure.
	✔		Clorox					
		✔	CME Group				✔	Substituted in scope 1, 2 and *Business travel* figures for 2019 from 2020 Corporate Citizenship & Sustainability Report, scaled up for 2020 based on revenue. Scaled down CDP estimate for *Fuel-and-energy-related activities* based on new scope 2 figure. Scaled CDP estimate for *Downstream transportation and distribution* from 2020 CDP dataset since estimate not available in 2021 dataset.
✔			Compass Group					
✔		✔	Diageo		✔			Substituted in company-reported figure for *Upstream transportation and distribution* which CDP had overwritten with zero because no year-on-year change to company figure since an old figure is better than no figure.
	✔		eBay		✔			Substituted in company-reported figure for *Downstream transportation and distribution* which CDP had removed because it only includes US delivery since a partial figure is better than no figure.

APPENDIX B: DATA VALIDATION NOTES

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Alteration D – Data point(s) modelled

EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
		✔	Electronic Arts					
✔			EMIS	✔			✔	Substituted in scope 1 and 2 reported in Annual Report 2020. Company is not included in 2021 CDP dataset so modelled scope 3 emissions based on Sage Group as the closest analogue.
	✔		EssilorLuxottica	✔				Substituted in scope 1 and 2 and Downstream transportation and distribution reported in 2020 Sustainability Report.
✔			Euromoney				✔	Modelled *Downstream transport and distribution* and *End of life treatment of sold products* from CDP estimate in 2020 dataset since no CDP estimate available in 2021 dataset.
		✔	Experian		✔			Substituted in company-reported figure for *Employee commuting* which CDP had replaced due to the inclusion of homeworking.
	✔		Fuchs Petrolub				✔	Modelled emissions based on CDP estimates for Fuchs Petrolub in 2019 dataset since company is not in 2020 and 2021 dataset.
✔	✔		GalxoSmithKline					
✔			Hargreaves Landsdown				✔	Modelled *Purchased goods and services*, *Fuel-and-energy-related activities*, *Upstream transportation and distribution*, *Waste* and *Investments* based on CDP estimate in 2020 dataset since estimates not available for these in 2021 dataset.
✔			Hays					
		✔	Heineken		✔			Substituted in company-reported figure for *End of life treatment of sold products*.
	✔		Henkel			✔		Removed CDP estimate for *Fuel-and-energy-related activities* because it is too high at 213% of scope 1 & 2.
	✔		Hexagon	✔			✔	Substituted in scope 1 and 2 and *Business travel* reported in Sustainability Report 2020. Modelled *End of life treatment of sold products* based on CDP estimate from 2020 CDP dataset since estimate not available in 2021 dataset.

APPENDIX B: DATA VALIDATION NOTES

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
✔			Howden Joinery	✔			✔	Substituted in scope 1 and 2 from Sustainability Matters 2020 report. Modelled *Downstream transportation and distribution* based on CDP estimate in 2020 CDP dataset since estimate not available in 2020 dataset.
✔			Informa					
		✔	Intercontinental Exchange	✔				Substituted in scope 1 and 2 and *Fuel-and-energy-related activities*, *Waste*, *Business travel*, and *Employee commuting* reported on company website.
✔			Intertek					
		✔	Intuit			✔	✔	Removed CDP estimate for *Capital goods* and *Upstream transport and distribution* since deemed not relevant by the company. Modelled Fuel-and-energy-related activities based on CDP estimate in 2020 CDP dataset since company states it is relevant but no estimate was made by CDP in 2021 dataset.
		✔	Jack Henry	✔			✔	Substituted in scope 1 and 2 for FY2020 reported in Sustainability Report 2020, scaled to FY2021.
	✔		John Wiley	✔			✔	Substituted in scope 1 and 2, *Business travel*, *Upstream transportation and distribution*, and *Upstream leased assets* reported for FY2020 on company website, scaled to FY2021. Modelled *Downstream transportation and distribution* and End of life based on CDP estimate in 2020 dataset since estimate not available in 2021 dataset.
		✔	KLA		✔		✔	Substituted in company-reported figure for *Employee commuting* which CDP had overwritten with a much higher estimate because KLA included emissions from homeworking. Modelled *Downstream transport and distribution* and *End of life treatment of sold products* emissions based on CDP estimate in 2020 dataset because estimate not available in 2021 dataset.
✔			London Stock Exchange		✔			Substituted in company-reported figure for *Employee commuting* which CDP had overwritten because company included emissions from homeworking.
		✔	L'Oréal					

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
	✔	✔	LVMH		✔		✔	Substituted in company-reported figure for *Fuel-and-energy-related activities* and *Employee commuting* because CDP overwrote this with their own estimate because no year-on-year change to company figures. Modelled *Capital goods* based on CDP estimate from 2020 dataset because estimate not available in 2021 dataset.
		✔	Marsh & McLennan			✔		Removed CDP estimate for *Upstream transport and distribution* since deemed not relevant by the company as insurance and consultancy business.
		✔	Mastercard		✔			Substituted in company-reported figure for *Upstream transportation and distribution* of zero since emissions for this are included in Purchased goods.
	✔	✔	Medtronic		✔		✔	Modelled *End of life treatment of sold products* from CDP estimate in 2020 dataset because no CDP estimate available in 2021 dataset.
✔	✔	✔	Microsoft		✔			Substituted in company-reported figure for *Waste* which CDP had removed because it only landfill and incinerated waste included, not recycling or compost, as an incomplete estimate is better than none.
✔			Moneysupermarket					
	✔	✔	Nestlé					
		✔	Nintendo			✔		Removed CDP estimate for *Fuel-and-energy-related activities* because it was 24x the scope 1 and 2 reported by Nintendo.
	✔		Omnicom					
	✔		Oracle			✔		Removed CDP estimate for *Use of sold products* since company argues that this category is not relevant as all emissions resulting from the use of their cloud offerings are included in their Scope 2 emissions. Retained CDP figure for *Employee commuting* even though it is 855 times higher than company figure because it only includes bus shuttle service for offices in Redwood Shores and Santa Clara, California, and not individual employee commuting.

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
✔			PageGroup			✔		Removed CDP estimate for *Purchased goods and services*, *Capital goods* and for *Upstream transportation and distribution* because company states that these are not relevant as 80% of costs are the result of direct employee salaries. Removing *Purchased goods and services* probably underestimates true emissions but is closer to the truth than the CDP's current figure. Also removed CDP's estimate for PageGroup's *Fuel-and-energy-related activities* as it's 135% of scope 1 and 2.
✔	✔		PepsiCo					
		✔	Pernod Ricard				✔	Modelled *Waste* based on company-reported 2020 figure since company entered zero in 2021 dataset without explanation.
✔	✔		Procter & Gamble		✔			Substituted in company-reported figure for *Employee commuting* because CDP had entered zero because no year-on-year change.
	✔		Publicis Groupe			✔		Removed CDP estimate for *Upstream transport and distribution* because company argued that it is not relevant as an intellectual services company.
	✔		Quest Diagonistics			✔	✔	Removed CDP estimate for *Capital goods* because company states that these emissions are included in the Scope 1, Scope 2, and Scope 3 data reported elsewhere. Modelled *Fuel-and-energy-related activities* based on CDP estimate in 2020 dataset because estimate not available in 2021 dataset.
✔	✔		Reckitt			✔		Removed CDP estimate for *Fuel-and-energy-related activities* because it was too high at 180% of scope 1 and 2.
✔	✔	✔	RELX				✔	Modelled *Downstream transportation and distribution* based on CDP estimate in 2020 dataset because estimate not available in 2021 dataset.

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
✔	✔		Roche Holding	✔			✔	Substituted in scope 1 and 2 and *Business travel* reported in Annual Report 2020 and several scope 3 categories (*Purchased goods and services, Capital goods, Fuel-and-energy-related activities, Upstream transportation and distribution, Waste, Business travel, Use of sold products*) reported in Annual Report 2021 scaled down for 2020. Modelled *Downstream transportation and distribution* and *End of life treatment of sold products* based on CDP estimate in 2020 dataset because estimate not available in 2021 dataset.
✔			Rotork					Modelled *Downstream transportation and distribution* based on CDP estimate in 2020 dataset since estimate not available in 2021 dataset.
✔	✔		Sage Group		✔			Substituted in company-reported figure for *Employee commuting* which the CDP had replaced by their own estimate because company figure includes emissions from homeworking.
	✔		Sanofi		✔			Substituted in scope 2 which was reported by company to CDP in 2021 CDP Climate Change survey but did not end up in 2021 dataset. Changed accounting year end from 31 December 2020 (stated in CDP dataset) to 30 September 2020 since this is the period for which Sanofi are reporting data according to section C0.2 in CDP Climate Change Survey. This affects revenue data.
✔			Savills	✔			✔	Substituted in scope 2 reported in Annual Report 2020. Scaled down *Fuel-and-energy-related activities* based on new scope 2 figure.
✔			Schroders					
✔		✔	SGS			✔		Removed CDP estimate for *Upstream transportation and distribution* since this in included in company figure for *Purchased goods and services*.
	✔		Siemens Healthineers	✔			✔	Substituted in FY2020 figures reported in 2021 Sustainability Report for Scope 1, Scope 2, *Purchased goods and services, Upstream transportation and distribution, Business travel* and *Use of sold products*. Modelled *End of life treatment of sold products* based on CDP estimates for Siemens AG in 2020 dataset because estimate not available in 2021 dataset for both Siemens Healthineers and Siemens AG and Siemens Healthineers was not included separately in 2020 dataset.

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
✔			Smith & Nephew				✔	Modelled *Downstream transportation and distribution* and End of life based on CDP estimate in 2020 dataset because estimate not available in 2021 dataset.
✔			Smiths Plc		✔		✔	Substituted in company-reported figure for *Employee commuting* which CDP replaced with own estimate because no year-on-year change. Modelled *Downstream transport and distribution* and *End of life treatment of sold products* based on CDP estimate in 2020 dataset since estimate not available in 2021 dataset.
	✔		Sonic Healthcare	✔			✔	Sonic Healthcare only reports scope 1 and 2 emissions for Australia and UK, not globally. Scaled up scope 1 and 2 based on revenue split. Modelled *Fuel-and-energy-related activities* based on CDP estimate in 2020 dataset because estimate not available in 2021 dataset.
✔			Spectris					
		✔	Cooper	✔			✔	Substituted in scope 1 and 2 reported in 2020 ESG Report. Modelled *Downstream transportation and distribution* and *End of life treatment of sold products* based on CPD estimate in 2020 dataset since estimate not available in 2021 dataset.
		✔	Thermo Fisher				✔	Modelled *Downstream transportation and distribution* and End of life based on CDP estimate in 2020 dataset since estimate not available in 2021 dataset.
✔	✔	✔	Unilever					
		✔	Verisk Analytics			✔		Removed CDP estimate for *Upstream* and *Downstream transportation and distribution* since deemed not relevant by the company as they do not have raw materials and capital goods or physical products. Removed CDP estimate for Fuel-and-energy-related activities because too high at 154% of scope 1 and 2. Retained CDP estimate for *Purchased goods and services* even though company argues this is irrelevant as we expect this category to be proportionally large as emissions from other categories are so low.

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EI	EGI/ EGD	EGE/ EGO	Company	Alterations				Notes for report
				A	B	C	D	
✔			Victrex				✔	Modelled *Processing of sold products* and *End of life treatment of sold products* from CDP estimate in 2020 dataset since estimate not available in 2021 dataset.
		✔	Visa			✔		Removed CDP estimates for *Upstream* and *Downstream transportation and distribution* since company states that it does not produce goods and would require transportation.
	✔		Western Union				✔	Modelled *Downstream transportation and distribution* based on CDP estimate in 2020 dataset since estimate not available in 2021 dataset.
✔	✔	✔	Wolters Kluwer				✔	Modelled *Purchased goods and services*, *Capital goods*, *Upstream* and *Downstream transportation and distribution*, *Waste*, and *Employee commuting* based on CDP estimates in 2020 dataset because "Estimate not available" in 2021 dataset. Changed reporting year from 31 December 2019 to 31 December 2020 after checking with the CDP since this was likely an input error.
✔	✔		WPP					

FURTHER INFORMATION

EVENLODE

INVESTMENTS FOR LIFE

Interested in investing in the Evenlode funds? Get in touch:

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Visit evenlodeinvestment.com/funds/how-to-invest

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 information purposes only and should not be relied upon as a recommendation to buy or sell securities.

For full information on the Evenlode funds, including risks and costs, please refer to the Key Investor Information Documents, Annual & Interim Reports and the Prospectuses, which are available on the Evenlode Investment Management website (www.evenlodeinvestment.com). Recent performance information is shown on monthly factsheets, also available on the website.

The Evenlode 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 medium to long term. The Evenlode funds are concentrated with typically less than 40 investments, therefore the funds carry more risk than a fund that is spread over a large number of stocks. Investment in overseas equities may be affected by 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 in this document, but no warranties are given. Evenlode Investment Management Limited is authorised and regulated by the Financial Conduct Authority. No 767844.

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