

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 30 April 2020

## MANAGER COMMENTARY

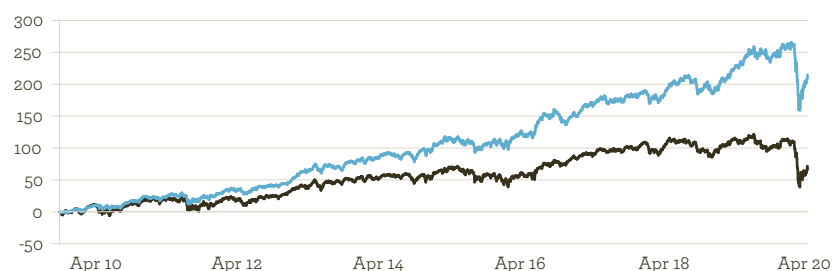
Global stock markets recovered somewhat in April. Investor sentiment was helped by the huge monetary and fiscal response to the crisis from governments and central banks around the world, signs of declining infection rates in many countries, and the beginnings of lockdown easing in several European nations. The Evenlode Income fund returned +8.6% compared to +4.9% for the FTSE All-Share and +10.3% for the IA UK All Companies Sector.

The strongest contributors during the month were Reckitt, Glaxosmithkline, Astrazeneca and Relx. All three companies are well placed to weather the downturn given their repeat-purchase business models (and, in the case of the first three holdings, their exposure to health and hygiene markets). They all released reassuring updates in April. There were no major negative contributors. The only negative contributor of note was specialist recruiter Hays, whose share price fell -5.8% during the month. Though Hays already had a net cash balance sheet, management decided to issue just under 15% more shares in the company (a placing in which the Evenlode Income fund participated). This leaves the company in a strong position to weather the current downturn in recruitment markets, with a net cash position of c.£235m. We think the company will emerge in good shape once things begin to return to a semblance of normality, with a strengthened competitive position.

There have been a great number of results over recent weeks, with all companies in the portfolio having released at least one update since the end of February. Clearly operating conditions are incredibly challenging at the moment, the outlook is uncertain and, as previously discussed, some companies have chosen to pass dividends in the short-term. However, we have been impressed with how quickly companies have adjusted and adapted to the crisis. The bedrock of resilient cash generation from many holdings within the portfolio (particularly those operating in the consumer branded goods, healthcare and technology sectors) is also a comfort.

We made no major changes to the portfolio, but have continued to use cash inflows to add to a variety of holdings that we believe have an attractive combination of quality, valuation appeal, and good potential for long-term free cash flow growth.

## PERFORMANCE SINCE LAUNCH (%)



## CUMULATIVE PERFORMANCE

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch <sup>1</sup>
<span style="color:blue">■</span> Fund <sup>2</sup>	-12.0	-11.3	-8.6	-4.3	17.3	49.5	186.0	214.8
<span style="color:black">■</span> Benchmark	-21.4	-18.8	-17.0	-16.7	-7.5	4.8	63.4	75.4
IA Sector	-20.5	-18.5	-14.6	-14.6	-7.2	6.3	71.9	84.6
Rank in sector	16/254	18/254	37/253	18/251	12/242	7/226	6/198	7/194
Quartile	1	1	1	1	1	1	1	1

## DISCRETE ANNUAL PERFORMANCE

12 Months to	31/03/20	31/03/19	31/03/18	31/03/17	31/03/16
<span style="color:blue">■</span> Fund <sup>2</sup>	-7.7	13.5	4.1	20.3	4.8
<span style="color:black">■</span> Benchmark	-18.5	6.4	1.3	22.0	-3.9
IA Sector	-19.2	2.9	2.7	18.0	-2.4

All performance data used on this factsheet is total return, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express. The fund's main unit was changed to B shares on 1 December 2012 to comply with RDR regulation.

- From launch date: 19 October 2009
- TB Evenlode Income B Inc Shares
- Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.
- The historic yield reflects distributions over the past 12 months as a percentage of the price of the B Inc share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.
- Active share is calculated against the fund's Comparator Benchmark, the FTSE All-Share Index.

Please contact Spring Capital Partners, in the first instance.

**springcapital**

Tel +44 (0)20 3195 0076  
Email [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com)  
Website [springcapitalpartners.com](http://springcapitalpartners.com)

## Fund Attributes

- ✓ Emphasis on sustainable real dividend growth
- ✓ Focus on companies with high returns on capital and strong free cash-flow
- ✓ Low portfolio turnover, long-term holding periods
- ✓ Minimum of 80% in UK shares and up to 20% in overseas shares and/or cash
- ✓ Invests across the market-cap spectrum

## What are the Risks?

As a focused equity portfolio of typically less than 40 investments, the fund can involve higher risk and higher volatility. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. You should therefore regard your investment as long term. Details on the risk factors are included in the fund's prospectus, available on our website.

## Investor Profile

The Fund may appeal to investors who:

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

## Fund Managers



CITYWIRE AAA

### HUGH YARROW Fund Manager

Hugh launched TB Evenlode Income in October 2009. Previously he managed several equity income funds at Rathbone Unit Trust Management. Hugh holds a first-class degree from the University of Edinburgh in Philosophy and Mathematics.



CITYWIRE AAA

### BEN PETERS Fund Manager

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

Citywire rating is source & copyright of Citywire. Hugh Yarrow and Ben Peters have been awarded a AAA rating by Citywire for their 3 year risk-adjusted performance for the period 31/03/2017 - 31/03/2020.

## Key Details

Comparator Benchmark	FTSE All-Share
Sector	IA UK All Companies
Launch date <sup>3</sup>	19 October 2009
Fund value	£3,531.0 million
Holdings	40
Historic yield <sup>4</sup>	3.5%
Active share <sup>5</sup>	76.0%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan





## PORTFOLIO ANALYSIS

### TOP TWENTY HOLDINGS (%)

Unilever	9.4	Pepsico	2.6
RELX Group	6.7	Procter & Gamble	2.5
Reckitt Benckiser	6.2	Spectris	2.4
Diageo	5.8	Intel	2.4
Sage Group	5.1	Compass Group	2.3
GlaxoSmithKline	4.5	Schroders	2.1
Bunzl	3.1	Howdens Joinery	2.1
Smiths Group	3.1	Informa	2.0
AstraZeneca	3.0	Roche	2.0
Cisco Systems	2.6	Smith & Nephew	2.0
<b>% of Portfolio in Top 20 Holdings</b>	<b>71.9</b>		

### SECTOR ALLOCATION (%)

Consumer Goods	30.1	
Media	15.0	
Technology	14.4	
Healthcare	11.4	
Support Services	11.2	
Engineering	8.6	
Finance	3.9	
Speciality Chemicals	1.9	
Real Estate	1.4	
Retailers	0.3	
Cash	1.7	

### SIZE ALLOCATION (%)

Large Cap	79.1	
Mid Cap	17.3	
Small Cap	1.9	
Cash	1.7	

### GEOGRAPHICAL ALLOCATION (%)

United Kingdom	80.8	
USA	13.5	
Europe	4.0	
Cash	1.7	

## SHARE CLASS DETAILS

### B SHARES (CLEAN)

### C SHARES (INSTITUTIONAL)

	<b>B ACC</b>	<b>B INC</b>	<b>C ACC</b>	<b>C INC</b>
SEDOL Codes	BDoB7C4	BDoB7D5	BDoB7F7	BDoB7G8
Share Price (pence)	314.01	215.27	315.57	216.34
Minimum Lump Sum	£1,000		£10 million	
Initial Charge <sup>1</sup>	5% <sup>1</sup>		5% <sup>1</sup>	
IFA Legacy Trail Commission	N/A		N/A	
Periodic Charge - Equivalent to OCF <sup>2</sup>	0.87%		0.77%	
Regular Savings Option Available?	Yes - minimum £50 per month		No	

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

## DIVIDENDS

### ANNUAL DIVIDEND PAYMENTS

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

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

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

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

B Inc Shares	£20.29
FTSE All-share	£17.69

Source: FT & Financial Express, date of investment 01/05/2015.

## Contact Us

The Long Barn, Chalford Park Barns, Oxford Road, Chipping Norton, Oxon OX7 5QR

+44 (0)1608 695 200

[www.evenlodeinvestment.com](http://www.evenlodeinvestment.com)

Authorised Corporate Director & Administrator:

T. Bailey Fund Services Ltd

([www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds))

## IMPORTANT INFORMATION

This Factsheet has been produced by Evenlode Investment Management Limited. TB Evenlode Income is a sub-fund of the TB Evenlode Investment Funds ICVC. Full details of the TB Evenlode Investment Funds, including risk warnings, are published in the TB Evenlode Investment Funds Prospectus, the TB Evenlode Investment Funds Supplementary Information Document (SID) and the TB Evenlode Investment Funds Key Investor Information Documents (KIIDs) which are available on request and at [www.evenlodeinvestment.com](http://www.evenlodeinvestment.com). Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Evenlode Investment Management Limited is authorised and regulated by the Financial Conduct Authority, No. 767844. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 190293.

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