

TB EVENLODE INCOME



EVENLODE
INVESTMENTS FOR LIFE

MONTHLY FACTSHEET

all data as at 31 August 2020

MANAGER COMMENTARY

Global stock markets rose during August. In a quieter month for corporate results, investors are contemplating a complex investment environment. Covid-19 cases remain high and the economic impact of the pandemic is clear to see (though very varied by geography and sector). Meanwhile, progress is being made on treating the virus, and monetary policy remains extremely accommodative. The Evenlode Income fund rose +1.7% in the month compared to a rise of +2.4% for the FTSE All-Share and +3.1% for the IA UK All Companies Sector.

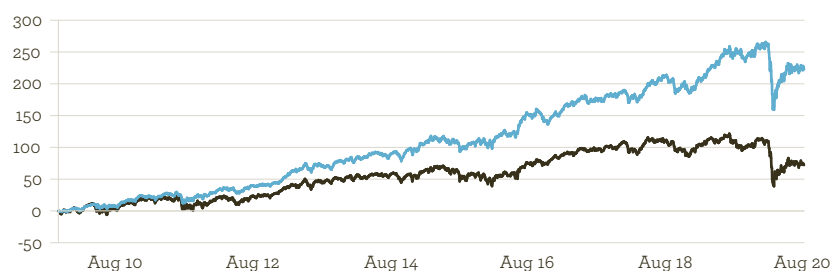
The most positive contributors to performance were Bunzl, Relx and Howden Joinery. Bunzl released strong interim results with its repeat-purchase, diversified business model driving +7% sales growth. The company will now pay the dividend it initially passed during lockdown. Relx and Howden Joinery both released their interim results at the end of July.

The most negative contributors to return were Diageo, Cisco and Unilever. Diageo and Cisco shares fell back following results that showed some pandemic impact (Diageo due to the lockdown-closure of bars and restaurants and Cisco due to some delays in decision-making from small business customers). Both companies have maintained their dividends and we continue to view their competitive positions and long-term growth prospects as attractive. Unilever shares fell back after a strong July on no specific news.

On 1 September, the fund went ex-dividend, declaring a second quarter rate of 1.32p per share (B Income shares). This is the same rate as the first quarter dividend and represents a year-on-year fall of -21.4%. The outlook remains somewhat uncertain, but at present we believe the reduction for the fund's full year (to February 2021) is likely to be towards the bottom end of the -20% to -25% range that we guided to in May.

Looking past the current year and the immediate impact of the crisis, we think the portfolio's dividend stream should recover quite strongly next year (albeit not immediately to pre-crisis levels). Longer-term, we think the prospects for free cash flow and dividend growth are healthy, given the competitive advantages, attractive economics and growth prospects enjoyed by the portfolio's holdings.

PERFORMANCE SINCE LAUNCH (%)



CUMULATIVE PERFORMANCE

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch ¹
■ Fund ²	-1.3	-0.2	-8.6	17.3	62.2	200.6	222.5
■ Benchmark	0.3	-7.6	-12.6	-8.2	17.3	77.6	81.9
IA Sector	1.4	-6.1	-8.8	-5.9	16.5	90.3	92.6
Rank in sector	215/250	38/249	106/246	17/237	9/223	13/195	10/191
Quartile	4	1	2	1	1	1	1

CALENDAR YEAR PERFORMANCE

	2020 YTD	2019	2018	2017	2016	2015
■ Fund ²	-9.8	24.3	0.4	15.2	17.1	8.4
■ Benchmark	-18.5	19.2	-9.5	13.1	16.8	1.0
IA Sector	-17.0	22.2	-11.2	14.0	10.8	4.9

Past performance is not a reliable indicator of future results.

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

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

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Fund Attributes

- ✓ Emphasis on sustainable real dividend growth
- ✓ Focus on companies with high returns on capital and strong free cash-flow
- ✓ Aims to provide income and capital growth over rolling periods of 5 years
- ✓ Low portfolio turnover, long-term holding periods
- ✓ Minimum of 80% in UK shares and up to 20% in overseas shares and/or cash
- ✓ Invests across the market-cap spectrum

What are the Risks?

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

Investor Profile

The Fund may appeal to investors who:

- ✓ 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 at least 5 years

Fund Managers



HUGH YARROW Fund Manager

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



BEN PETERS Fund Manager

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

Citywire rating is source & copyright of Citywire. Hugh Yarrow and Ben Peters have been awarded a AAA rating by Citywire for their 3 year risk-adjusted performance for the period 31/07/2017 - 31/07/2020.

Key Details

Comparator Benchmark	FTSE All-Share
Sector	IA UK All Companies
Launch date ³	19 October 2009
Fund value	£3,719 million
Holdings	39
Historic yield ⁴	3.3%
Active share ⁵	77.5%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan





PORTFOLIO ANALYSIS

TOP TWENTY HOLDINGS (%)

Unilever	9.6	Pepsico	2.6
RELX Group	6.9	Schroders	2.5
Reckitt Benckiser	6.8	Cisco Systems	2.4
Sage Group	6.1	Intertek Group	2.4
Diageo	5.4	Spectris	2.2
GlaxoSmithKline	4.6	Howdens Joinery	2.0
Bunzl	4.1	Microsoft	2.0
Smiths Group	3.3	Intel	1.9
Procter & Gamble	2.8	Ashmore Group	1.9
AstraZeneca	2.7	Moneysupermarket.Com	1.9
% of Portfolio in Top 20 Holdings	74.1		

SECTOR ALLOCATION (%)

Consumer Goods	32.9	
Technology	15.0	
Media	14.1	
Support Services	12.0	
Engineering	10.7	
Healthcare	8.7	
Finance	4.4	
Real Estate	1.1	
Cash	1.0	

SIZE ALLOCATION (%)

Large Cap	79.6	
Mid Cap	17.0	
Small Cap	2.4	
Cash	1.0	

GEOGRAPHICAL ALLOCATION (%)

United Kingdom	81.4	
United States	13.5	
Europe	4.1	
Cash	1.0	

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	£23.89
FTSE All-Share	£20.82

Source: Financial Express, date of investment 31/08/2015. FTSE All-Share figures calculated from representative tracker fund.

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Authorised Corporate Director & Administrator:
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(www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds)

SHARE CLASS DETAILS

B SHARES (CLEAN)

C SHARES (INSTITUTIONAL)

	B ACC	B INC	C ACC	C INC
SEDOL Codes	BDoB7C4	BDoB7D5	BDoB7F7	BDoB7G8
Share Price (pence)	321.72	219.24	323.42	220.40
Minimum Lump Sum	£1,000		£10 million	
Initial Charge ¹	5% ¹		5% ¹	
IFA Legacy Trail Commission	N/A		N/A	
Periodic Charge - Equivalent to OCF ²	0.87%		0.77%	
Regular Savings Option Available?	Yes - minimum £50 per month		No	

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

IMPORTANT INFORMATION

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

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