

TB EVENLODE INCOME



EVENLODE
INVESTMENTS FOR LIFE

MONTHLY FACTSHEET

all data as at 31 December 2018

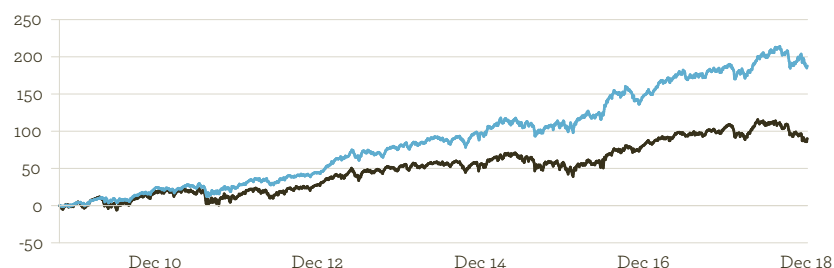
MANAGER COMMENTARY

December was an unseasonably weak month for global stock markets, with worries over trade tariffs and rising US interest rates unhelpful for sentiment. The Evenlode Income fund fell -4.3% compared to a fall of -4.7% for the IA UK All Companies sector and -3.8% for the FTSE All-Share.

The most positive contributors to Evenlode's return were Sage Group and Smith & Nephew. Sage announced the appointment of a new finance director and Smith & Nephew shares rose on no specific news. The most negative contributors were Glaxosmithkline, Reckitt, Unilever and Pepsi. Glaxo announced two significant transactions during the month: the acquisition of US biotechnology company Tesaro and the merger of its consumer healthcare business with Pfizer's equivalent subsidiary (with plans for the merged entity to ultimately be spun-off as a standalone UK-listed company). On balance we think these are positive steps for the long-term future of the company. However, borrowings will rise in the short-term due to the Tesaro acquisition, and we have trimmed the fund's position in the company to reflect this. Reckitt, Unilever and Pepsi shares fell on no specific news (though as I discussed in my December investment view, Unilever held an investor day during the month which we found very interesting).

Looking back on 2018 as a whole, it proved to be a difficult period for most financial asset classes, not least the UK stock market. Over the year, Evenlode Income rose +0.4% compared to a fall of -11.2% for the IA UK All Companies sector and -9.5% for the FTSE All-Share. Several uncertainties cloud the 2019 outlook: tighter monetary policy in the US, trade tariffs, a slowing global economy and, of more provincial concern, Brexit. More positively, there has been a significant improvement in the valuation environment over the last few months, and we continue to gradually nudge the portfolio as the opportunity set evolves. As usual, it is impossible to predict the exact short-term trajectory of the stock market, but we remain reassured by the long-term prospects of the high quality, well-diversified and financially strong companies that comprise the portfolio.

PERFORMANCE SINCE LAUNCH (%)



CUMULATIVE PERFORMANCE

| | YTD | 3 Mths | 6 Mths | 1 Yr | 3 Yrs | 5 Yrs | Launch ¹ |
|---------------------|-------|--------|--------|-------|-------|-------|---------------------|
| ■ Fund ² | 0.4 | -6.2 | -4.8 | 0.4 | 35.3 | 58.8 | 187.9 |
| ■ Benchmark | -9.5 | -10.2 | -11.0 | -9.5 | 19.5 | 22.1 | 87.4 |
| IA Sector | -11.2 | -12.5 | -13.5 | -11.2 | 12.2 | 18.4 | 89.8 |
| Rank in sector | 2/262 | 2/265 | 1/265 | 2/262 | 7/249 | 4/237 | 8/211 |
| Quartile | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

DISCRETE ANNUAL PERFORMANCE

| 12 Months to | 31/12/18 | 31/12/17 | 31/12/16 | 31/12/15 | 31/12/14 |
|---------------------|----------|----------|----------|----------|----------|
| ■ Fund ² | 0.4 | 15.2 | 17.1 | 8.4 | 8.2 |
| ■ Benchmark | -9.5 | 13.1 | 16.8 | 1.0 | 1.2 |
| IA Sector | -11.2 | 14.0 | 10.8 | 4.9 | 0.6 |

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 benchmark, the FTSE All-Share Index.

Please contact Spring Capital Partners, in the first instance.

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

Investor Profile

The Fund may appeal to investors who:

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

Fund Managers



CITYWIRE / AAA

HUGH YARROW Lead Portfolio Manager

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



CITYWIRE / AAA

BEN PETERS Co-manager

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

Citywire rating is source & copyright of Citywire. Hugh Yarrow and Ben Peters have been awarded a AAA rating by Citywire for their 3 year risk-adjusted performance for the period 31/12/2015 - 31/12/2018.

Key Details

| | |
|-----------------------------|------------------------|
| Benchmark | FTSE All-Share |
| Sector | IA UK All Companies |
| Launch date ³ | 19 October 2009 |
| Fund value | £2,519.0 million |
| Holdings | 39 |
| Historic yield ⁴ | 3.5% |
| Active share ⁵ | 78.1% |
| Div ex dates | 1 Mar, Jun, Sep, Dec |
| Div pay dates | end Apr, Jul, Oct, Jan |





PORTFOLIO ANALYSIS

TOP TWENTY HOLDINGS (%)

| | | | |
|-------------------|-----|----------------------------------|-----|
| Unilever | 8.8 | Procter & Gamble | 2.8 |
| Diageo | 7.9 | Pepsico | 2.8 |
| RELX Group | 6.0 | Informa | 2.4 |
| Sage Group | 4.9 | Spectris | 2.3 |
| Compass Group | 4.9 | Ashmore Group | 2.2 |
| Smith & Nephew | 4.2 | Johnson & Johnson | 1.8 |
| Reckitt Benckiser | 4.1 | Euromoney Institutional Investor | 1.8 |
| Smiths Group | 3.8 | Daily Mail & General Trust | 1.8 |
| GlaxoSmithKline | 3.4 | Howdens Joinery | 1.7 |
| AstraZeneca | 3.2 | Victrex | 1.6 |

SECTOR ALLOCATION (%)

| | |
|----------------------|------|
| Consumer Goods | 28.9 |
| Media | 15.1 |
| Healthcare | 13.8 |
| Technology | 11.6 |
| Support Services | 10.1 |
| Engineering | 9.6 |
| Financials | 3.6 |
| Speciality Chemicals | 1.6 |
| Retailers | 1.0 |
| Real Estate | 1.0 |
| Cash | 3.7 |

SIZE ALLOCATION (%)

| | |
|-----------|------|
| Large Cap | 73.5 |
| Mid Cap | 20.6 |
| Small Cap | 2.2 |
| Cash | 3.7 |

GEOGRAPHICAL ALLOCATION (%)

| | |
|----------------|------|
| United Kingdom | 80.8 |
| United States | 12.0 |
| Europe | 3.5 |
| Cash | 3.7 |

DIVIDENDS

ANNUAL DIVIDEND PAYMENTS

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

B Inc Shares, calculated to end of February 2018.

INCOME GENERATED FROM £100 INVESTMENT OVER 5 YEARS

| | |
|----------------|--------|
| B Inc Shares | £26.42 |
| FTSE All-share | £22.40 |

Source: FT & Financial Express, date of investment 28/02/2013.

Contact Us

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Authorised Corporate Director & Administrator:
T. Bailey Fund Services Ltd
(www.tbaileys.co.uk/funds/tb-evenlode-investment-funds)

SHARE CLASS DETAILS

A SHARES (LEGACY)

B SHARES (CLEAN)

C SHARES (INSTITUTIONAL)

| | A ACC | A INC | B ACC | B INC | C ACC | C INC |
|--|-----------------------------|---------|-----------------------------|---------|--------------------------|---------|
| SEDOL Codes | BDoB791 | BDoB7B3 | BDoB7C4 | BDoB7D5 | BDoB7F7 | BDoB7G8 |
| Share Price (pence) | 274.55 | 196.36 | 287.23 | 205.53 | 288.29 | 206.28 |
| Minimum Lump Sum | £1,000 | | £1,000 | | £10 million | |
| Initial Charge ¹ | 5% ¹ | | 5% ¹ | | 5% ¹ | |
| IFA Legacy Trail Commission | 0.5% p.a. | | N/A | | N/A | |
| Periodic Charge - Equivalent to OCF ² | 1.40% taken from capital | | 0.90% taken from capital | | 0.80% taken from capital | |
| Regular Savings Option Available? | Yes - minimum £50 per month | | Yes - minimum £50 per month | | No | |

- The fund remains available to existing investors with 0% initial charge
- For full information on the periodic charge please refer to section 7.2 of the full Prospectus

IMPORTANT INFORMATION

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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