

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 31 December 2019

### MANAGER COMMENTARY

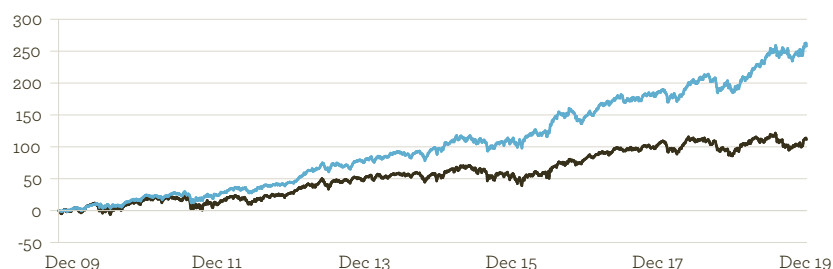
December was another positive month for the UK stock market. At home, the election of a Conservative majority government reduced political uncertainty. Overseas, news that the US and China have negotiated the outlines of a trade deal was also welcomed.

The Evenlode Income fund rose +1.4% compared to +3.3% for the FTSE All-Share and +3.8% for the IA UK All Companies Sector. The fund's underperformance was mainly due to the continued rotation within the UK market away from multinational companies and towards those with more exposure to the UK economy. This rotation started at the end of August and has occurred in tandem with a strong recovery in the pound.

In terms of individual holdings, the most positive contributors were Savills, Hays and Informa. Savills and Hays were helped by the UK election result (both companies have economically sensitive UK operations) whilst Informa continued to benefit from a reassuring November update. The only negative contributor of note was Unilever. Shares fell -5.0% after management announced that organic sales growth for 2019 will be slightly below the company's +3-4% guidance range. Unilever is currently facing some challenges in certain markets and categories, but is taking steps to address them. For the patient shareholder, we think the combination of diversification, stability, cash generation and growth potential remains attractive. Following the recent share price fall, Unilever's current dividend yield is approximately 3.4%.

The outlook for 2020 is, as normal, complex. Sentiment has improved materially towards the outlook for both the UK and global economy during 2019. However, UK political uncertainties remain, global geopolitical risk is elevated, global deflationary pressures persist, and valuations are not as attractive as they were a year ago. We continue to take a long-term view, and aim to retain a portfolio of resilient businesses that are capable of delivering an attractive and growing free cash flow and dividend stream over time. Recent market moves are allowing us to add to several holdings at more attractive valuations, and we remain open to evolving the portfolio as and when interesting opportunities present themselves.

### 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>	24.2	1.6	3.3	24.2	43.7	82.4	246.7	257.7
<span style="color: black;">■</span> Benchmark	19.2	4.2	5.5	19.2	22.0	43.8	118.3	123.3
IA Sector	22.3	7.1	8.2	22.3	23.8	43.9	129.7	132.2
Rank in sector	85/254	253/256	237/255	85/254	19/242	9/226	13/199	12/198
Quartile	2	4	4	2	1	1	1	1

### DISCRETE ANNUAL PERFORMANCE

12 Months to	31/12/19	31/12/18	31/12/17	31/12/16	31/12/15
<span style="color: blue;">■</span> Fund <sup>2</sup>	24.2	0.4	15.2	17.1	8.4
<span style="color: black;">■</span> Benchmark	19.2	-9.5	13.1	16.8	1.0
IA Sector	22.3	-11.2	14.0	10.8	4.9

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.

### 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 AA

#### 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 AA

#### 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 AA rating by Citywire for their 3 year risk-adjusted performance for the period 30/11/2016 - 30/11/2019.

### Key Details

Comparator Benchmark	FTSE All-Share
Sector	IA UK All Companies
Launch date <sup>3</sup>	19 October 2009
Fund value	£3,706.0 million
Holdings	39
Historic yield <sup>4</sup>	3.0%
Active share <sup>5</sup>	78.5%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan



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## PORTFOLIO ANALYSIS

### TOP TWENTY HOLDINGS (%)

Unilever	8.3	Compass Group	2.8
RELX Group	5.9	Cisco Systems	2.6
Reckitt Benckiser	5.2	Spectris	2.5
Sage Group	4.8	Howdens Joinery	2.5
Diageo	4.4	AstraZeneca	2.5
Smiths Group	3.9	Hays	2.5
GlaxoSmithKline	3.9	Schroders	2.5
Informa	3.6	Procter & Gamble	2.4
Bunzl	3.2	Pepsico	2.4
WPP	2.8	Smith & Nephew	2.4
<b>% of Portfolio in Top 20 Holdings</b>	<b>71.1</b>		

### SECTOR ALLOCATION (%)

Consumer Goods	27.9	
Media	18.3	
Support Services	13.2	
Technology	12.3	
Healthcare	8.8	
Engineering	8.5	
Finance	4.7	
Speciality Chemicals	2.1	
Real Estate	1.6	
Retailers	0.5	
Cash	2.1	

### SIZE ALLOCATION (%)

Large Cap	75.2	
Mid Cap	20.4	
Small Cap	2.3	
Cash	2.1	

### GEOGRAPHICAL ALLOCATION (%)

United Kingdom	82.6	
United States	13.0	
Europe	2.2	
Cash	2.1	

## 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)	339.45	235.12	356.90	247.34	358.55	248.48
Minimum Lump Sum	£1,000		£1,000		£10 million	
Initial Charge <sup>1</sup>	5% <sup>1</sup>		5% <sup>1</sup>		5% <sup>1</sup>	
IFA Legacy Trail Commission	0.5% p.a.		N/A		N/A	
Periodic Charge - Equivalent to OCF <sup>2</sup>	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	

1. The fund remains available to existing investors with 0% initial charge

2. For full information on the periodic charge please refer to section 7.2 of the full Prospectus

## 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%
2019	7.23	+4.3%	+1.9%

B Inc Shares, calculated to end of February 2019.

### 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 28/02/2014.

### Contact Us

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