

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 31 January 2020

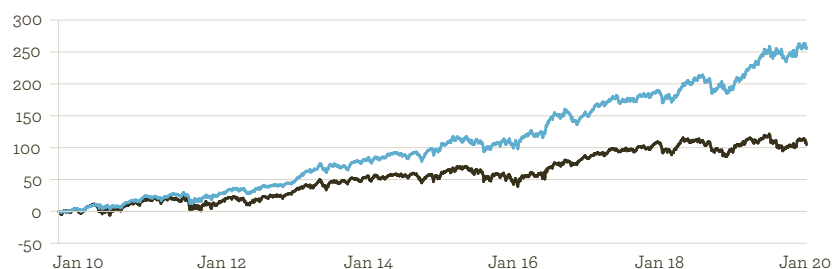
### MANAGER COMMENTARY

Global stock markets started the year positively, but then sold off in the second half of January as concerns grew over the coronavirus's potential impact on the global economy.

Evenlode Income returned -0.8% compared to -3.3% for the FTSE All-Share and -2.3% for the IA UK All Companies Sector. The strongest contributors to the fund were Unilever, Intel and Relx. Unilever shares recovered after a weak December. The company released full year results reporting sales growth of +2.9%, earnings growth of +8.1%, healthy cash generation and a strategic review of its slow-growth tea business. Intel shares also benefited from good results. The company (a new holding in October) is in our view well positioned to take advantage of the increasing digitalisation of the global economy over the long-term. Relx announced an acquisition for its legal analytics division. The most negative contributors to return were Informa, Diageo and Hays. As global businesses with exposure to Asia, both Informa and Diageo shares were impacted by coronavirus concerns. Diageo also released interim results at the end of the month. Results were reassuring but the company slightly reduced full year sales guidance (from the middle to the bottom of the company's medium-term +4-6% target growth range) citing global economic volatility. Specialist recruiter Hays reported a -4% fall in sales over the last three months, which was driven by specific issues in three of its key markets (UK election uncertainty, Australian wildfires and a slowdown in the German engineering sector).

We made no major changes to the portfolio in January, but added several holdings (including Informa, Diageo, Sage, Intel, Euromoney and Bunzl) and trimmed several others (including Smith & Nephew and Howden Joinery). All these changes were made for valuation reasons. We remain mindful of both the patchy economic backdrop and the not-particularly-attractive valuation environment, but are reassured by the portfolio's steady cash generative qualities, diversification and long-term growth prospects.

### PERFORMANCE SINCE LAUNCH (%)



### CUMULATIVE PERFORMANCE

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch <sup>1</sup>
■ Fund <sup>2</sup>	-0.8	3.1	-0.1	19.6	41.5	72.4	248.2	254.9
■ Benchmark	-3.2	2.2	0.1	10.7	18.4	35.6	119.0	116.1
IA Sector	-2.3	4.9	3.8	13.3	20.2	36.7	130.1	126.7
Rank in sector	37/255	152/255	208/253	42/252	18/243	14/226	13/198	12/196
Quartile	1	3	4	1	1	1	1	1

### DISCRETE ANNUAL PERFORMANCE

12 Months to	31/01/20	31/01/19	31/01/18	31/01/17	31/01/16
■ Fund <sup>2</sup>	19.6	4.9	12.8	20.1	1.4
■ Benchmark	10.7	-3.8	11.3	20.1	-4.6
IA Sector	13.3	-5.6	12.4	17.6	-3.3

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



#### 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 AA rating by Citywire for their 3 year risk-adjusted performance for the period 31/12/2016 - 31/12/2019.

### Key Details

Comparator Benchmark	FTSE All-Share
Sector	IA UK All Companies
Launch date <sup>3</sup>	19 October 2009
Fund value	£3,757.0 million
Holdings	39
Historic yield <sup>4</sup>	3.0%
Active share <sup>5</sup>	78.6%
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	9.0	WPP	2.6
RELX Group	6.4	Cisco Systems	2.5
Reckitt Benckiser	5.4	Pepsico	2.5
Sage Group	5.0	AstraZeneca	2.5
Diageo	4.5	Howdens Joinery	2.4
GlaxoSmithKline	4.0	Procter & Gamble	2.4
Smiths Group	3.9	Schroders	2.3
Informa	3.4	Ashmore Group	2.3
Compass Group	3.0	Spectris	2.3
Bunzl	3.0	Smith & Nephew	2.1
<b>% of Portfolio in Top 20 Holdings</b>	<b>71.5</b>		

### SECTOR ALLOCATION (%)

Consumer Goods	28.3
Media	18.4
Technology	13.6
Support Services	12.7
Healthcare	8.5
Engineering	8.1
Finance	4.7
Speciality Chemicals	1.9
Real Estate	1.7
Retailers	0.4
Cash	1.5

### SIZE ALLOCATION (%)

Large Cap	76.7
Mid Cap	19.4
Small Cap	2.4
Cash	1.5

### GEOGRAPHICAL ALLOCATION (%)

United Kingdom	83.7
United States	12.6
Europe	2.2
Cash	1.5

## 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)	336.69	233.21	354.15	245.43	355.81	246.59
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	

- 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

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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## 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	£27.39
FTSE All-share	£20.55

Source: FT & Financial Express, date of investment 28/02/2014.

### Contact Us

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