

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 30 June 2020

### MANAGER COMMENTARY

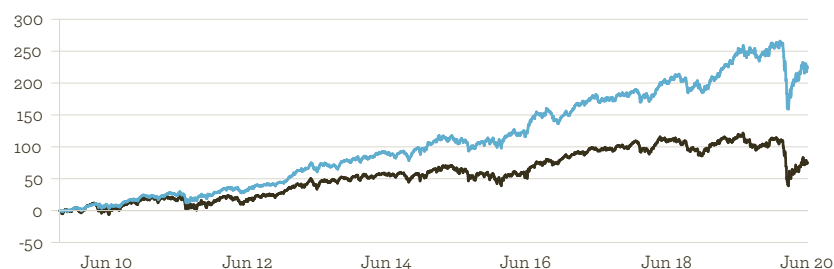
After a strong recovery in April and May from the lows of March, stock markets had a quieter June. The Evenlode Income fund fell -0.7% compared to a rise of +0.5% IA UK All Companies Sector and +1.5% for the FTSE All-Share. Investors are still chewing over several uncertain factors: the degree to which the global economy may recover as lockdowns ease; the possible side-effects of the huge fiscal and monetary crisis-response; the possibility that some regions may need to re-apply lockdown measures, and the progress being made on vaccines and anti-viral treatments.

The fund's most negative contributors were Diageo and Smith & Nephew. Though both companies have been significantly impacted by lockdown restrictions we continue to like their competitive positions, long-term growth prospects and cash generative business models. Since the month end, Smith & Nephew released a reassuring trading update, noting that elective surgery volumes have been recovering over the last few weeks in most regions.

The fund's most positive performers were Bunzl and Smiths Group. Bunzl now expects organic revenue to grow at +6% for the first half of 2020, accompanied by an increase in operating margin. Given Bunzl's exposure to lockdown-impacted sectors such as retail and leisure, this performance has been more resilient than expected. The company has been helped by its repeat-purchase business model and strong growth in its grocery, healthcare, cleaning and hygiene businesses. Smiths Group has also proved resilient through lockdown, growing revenue by +1% over the last four months.

We made no significant changes to the portfolio but have at the margin continued to 'nudge' towards resilient companies for which valuations and dividends are attractive. There has been a trickle of news flow from companies over the last few weeks, but at a much lower level than the previous two months. In general, we continue to be impressed with the overall resilience of cash generation, and how Evenlode Income holdings are adapting to the 'new normal'. There is a sense that (though the short-term impact of the crisis on financial results is clear) market-leading companies will emerge with their competitive positions intact and in many cases strengthened.

### PERFORMANCE SINCE LAUNCH (%)



### CUMULATIVE PERFORMANCE

|   | 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    | -9.3   | -6.2   | 18.8   | 58.8  | 209.4  | 224.6               |
| <span style="color: black;">■</span> Benchmark        | 10.2    | -17.5  | -13.0  | -4.6   | 15.2  | 91.8   | 84.2                |
| IA Sector   | 14.2    | -17.7  | -11.0  | -5.1   | 11.5  | 97.3   | 91.0                |
| Rank in sector  | 147/249 | 21/249 | 51/247 | 10/237 | 6/224 | 11/197 | 8/193               |
| Quartile  | 3       | 1      | 1      | 1      | 1     | 1      | 1                   |

### CALENDAR YEAR PERFORMANCE

|   | 2020 YTD | 2019 | 2018  | 2017 | 2016 | 2015 |
|---|----------|------|-------|------|------|------|
| <span style="color: blue;">■</span> Fund <sup>2</sup> | -9.3     | 24.3 | 0.4   | 15.2 | 17.1 | 8.4  |
| <span style="color: black;">■</span> Benchmark        | -17.6    | 19.2 | -9.5  | 13.1 | 16.8 | 1.0  |
| IA Sector   | -18.5    | 22.2 | -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.

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 31/05/2017 - 31/05/2020.

### Key Details

|                             |                        |
|-----------------------------|------------------------|
| Comparator Benchmark        | FTSE All-Share         |
| Sector                      | IA UK All Companies    |
| Launch date <sup>3</sup>    | 19 October 2009        |
| Fund value                  | £3,738 million         |
| Holdings                    | 40                     |
| Historic yield <sup>4</sup> | 3.4%                   |
| Active share <sup>5</sup>   | 77.1%                  |
| 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                               | 7.1         | Procter & Gamble     | 2.6 |
| Reckitt Benckiser                        | 6.7         | Schroders            | 2.5 |
| Diageo                                   | 5.7         | Intel                | 2.3 |
| Sage Group                               | 5.5         | Spectris             | 2.2 |
| GlaxoSmithKline                          | 4.7         | Intertek Group       | 2.2 |
| Bunzl                                    | 3.6         | Moneysupermarket.Com | 2.0 |
| Smiths Group                             | 3.2         | Howdens Joinery      | 2.0 |
| AstraZeneca                              | 2.8         | Ashmore Group        | 1.9 |
| Cisco Systems                            | 2.8         | Hays                 | 1.9 |
| <b>% of Portfolio in Top 20 Holdings</b> | <b>73.9</b> |                      |     |

### SECTOR ALLOCATION (%)

|                      |      |  |
|----------------------|------|--|
| Consumer Goods       | 31.0 |  |
| Technology           | 15.0 |  |
| Media                | 14.5 |  |
| Support Services     | 11.2 |  |
| Healthcare           | 11.1 |  |
| Engineering          | 8.7  |  |
| Finance              | 4.4  |  |
| Speciality Chemicals | 1.7  |  |
| Real Estate          | 1.2  |  |
| Retailers            | 0.2  |  |
| Cash                 | 0.9  |  |

### SIZE ALLOCATION (%)

|           |      |  |
|-----------|------|--|
| Large Cap | 79.7 |  |
| Mid Cap   | 16.8 |  |
| Small Cap | 2.6  |  |
| Cash      | 0.9  |  |

### GEOGRAPHICAL ALLOCATION (%)

|                |      |  |
|----------------|------|--|
| United Kingdom | 81.1 |  |
| USA            | 13.8 |  |
| Europe         | 4.1  |  |
| Cash           | 0.9  |  |

## 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)                              | 323.84                      | 220.69  | 325.50          | 221.82  |
| 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   | £22.44 |
| FTSE All-share | £19.80 |

Source: FT & Financial Express, date of investment 30/06/2015.

### Contact Evenlode

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

+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.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2018. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE® is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.