

# TB EVENLODE INCOME

MONTHLY FACTSHEET all data as at 31 March 2022 unless otherwise indicated

## MANAGER COMMENTARY

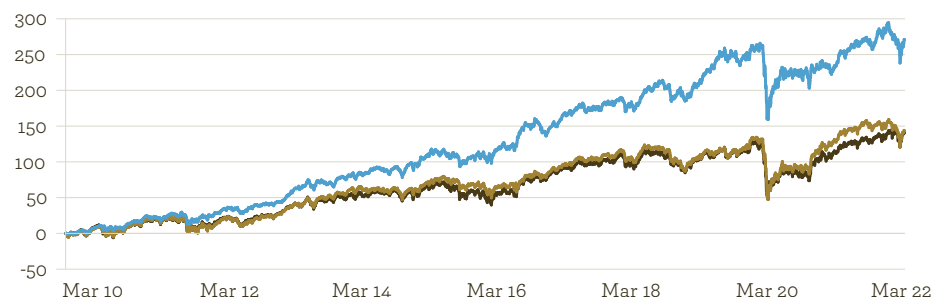
The UK stock market eked out a positive return in March, against a complex economic and geopolitical backdrop. The ongoing conflict in Ukraine has kept uncertainty high, though there has been some relief that the situation hasn't escalated further. Meanwhile, lockdowns in parts of China have reminded investors that Covid-risk has not yet been consigned to the history books. Both events continue to stoke worries relating to input cost inflation, and the impact this will have on the global economy over coming months. The Evenlode Income fund rose +1.3% compared to a rise of +1.3% for the FTSE All-Share and +1.6% for the IA UK All Companies Sector.

Results season is now complete for Evenlode Income. For portfolio companies reporting full year results, revenue growth for 2021 averaged +9% and earnings growth averaged +17%. We have been reassured by the ability of fund holdings to navigate the complexities of the current operating environment.

The most positive contributors to return were LSE, GSK and RELX. LSE shares performed strongly thanks to results that demonstrated healthy growth in its digital subscription revenues, which are highly recurring and now make up more than 70% of sales. GSK and RELX both continued to benefit from positive February results. The most notable negative contributors were Unilever and Reckitt. Sentiment towards both companies is depressed due to the very high levels of input cost inflation they are facing. We acknowledge the impact this dynamic is having on current financial performance. Looking ahead, however, both companies are taking actions (including price rises) to help mitigate these cost increases and enjoy highly cash generative business models, solid long-term growth potential and attractive valuation appeal.

In terms of portfolio changes, we have re-initiated a position in AVEVA after recent share price underperformance improved the valuation appeal. AVEVA is a global market-leader in the industrial software sector, with compelling growth opportunities thanks to both digitalisation trends and the need to reconfigure and decarbonise the global industrial system over coming years.

## PERFORMANCE SINCE LAUNCH (%)



## CUMULATIVE PERFORMANCE

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Launch <sup>1</sup>
■ Fund (%) <sup>2</sup>	-4.7	1.1	9.2	18.3	39.8	177.4	271.3
■ Benchmark (%) <sup>3</sup>	0.5	4.7	13.0	16.8	25.8	99.6	139.5
■ IA Sector (%)	-4.9	-2.9	5.4	17.5	24.1	102.4	143.3
Rank in sector	139/251	93/251	94/248	89/237	27/229	14/197	11/180
Quartile	3	2	2	2	1	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2021	2020	2019	2018	2017
Fund <sup>2</sup>	-4.7	17.6	-7.4	24.2	0.4	15.2
Benchmark <sup>3</sup>	0.5	18.3	-9.8	19.2	-9.5	13.1
IA Sector	-4.9	17.3	-6.0	22.2	-11.2	14.0

## 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

## KEY DETAILS

Sector	IA UK All Companies
Comparator Benchmark	FTSE All-Share
Launch date <sup>4</sup>	19 October 2009
Fund size	£3,139 million
No. of Holdings	38
Historic yield <sup>5</sup>	2.7%
Active share <sup>6</sup>	76.9%
Valuation point	12 noon daily
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan



### Past performance is not a reliable indicator of future results.

All performance data used on this factsheet is total return, GBP terms, 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.

1. From launch date 19 October 2009.
2. TB Evenlode Income B Inc shares.
3. Comparator Benchmark is FTSE All-Share (with net dividends reinvested) in GBP.
4. Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.
5. 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.
6. Active share is calculated against the fund's Comparator Benchmark, the FTSE All-Share Index.



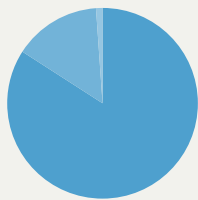
PORTFOLIO

Sector allocation (%)

Industrial Goods and Services	18.6	
Personal Care, Drug and Grocery Stores	17.4	
Media	14.0	
Food, Beverage and Tobacco	11.8	
Health Care	11.0	
Technology	9.5	
Financial Services	7.3	
Consumer Products and Services	3.9	
Telecommunications	2.1	
Real Estate	1.4	
Chemicals	0.9	
Retail	0.9	
Cash	1.1	

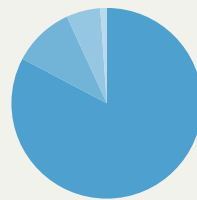
Top 20 holdings (%)

RELX	8.7
Diageo	8.5
Unilever	7.7
Reckitt Benckiser	6.1
GlaxoSmithKline	4.8
Bunzl	4.5
Sage Group	3.9
Procter & Gamble	3.6
Smiths Group	3.2
Compass Group	2.8
PepsiCo	2.4
Smith & Nephew	2.4
Microsoft	2.2
AstraZeneca	2.2
London Stock Exchange Group	2.2
Schroders	2.1
Cisco Systems	2.1
Wolters Kluwer	1.8
WPP	1.8
Hays	1.8
<b>Total</b>	<b>74.8</b>



Size allocation (%)

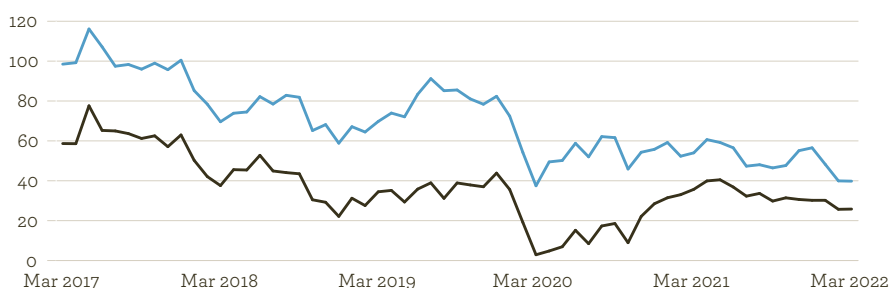
Large Cap (> £10 bn)	84.1
Mid Cap (£2 bn - £10 bn)	14.8
Cash	1.1



Geographical allocation (%)

United Kingdom	82.7
United States	10.4
Europe	5.8
Cash	1.1

ROLLING 5 YEAR PERFORMANCE (%)

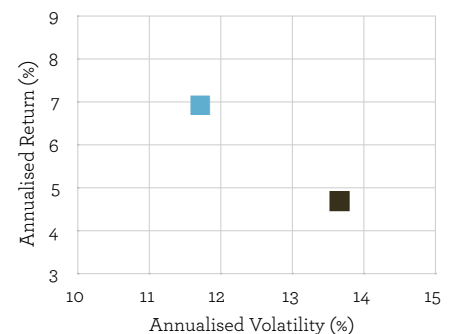


- TB Evenlode Income B Inc GBP Shares
- FTSE All-Share Index

Past performance is not a reliable indicator of future results.

Total return, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express. Rolling 5 year performance figures are run to calendar month ends.

RISK RETURN (5 YEAR)



- TB Evenlode Income B Inc GBP Shares
- FTSE All-Share Index



## INVESTMENT TEAM

The Evenlode Investment Team totals 15 staff. Fund managers are supported by a team of analysts including three dedicated stewardship analysts, and the team works collegiately to challenge thinking and share ideas.



### 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 has worked on the TB Evenlode Income fund since launch in 2009, and became co-manager in December 2012. Ben has a doctorate from the University of Oxford and a first-class degree from University College London, both in the field of physics. He holds the Investment Management Certificate and level 1 of the Chartered Financial Analyst qualification.



### CHRIS MOORE

Head of Research

Chris joined Evenlode Investment Management in February 2018 having previously been an equity research analyst at Investec Bank and Berenberg. Chris is a fully qualified Chartered Accountant and Chartered Financial Analyst, and studied Accounting and Finance at Warwick University.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



### SAWAN KUMAR

Head of Stewardship

### Integration into the investment process

The UK AGM season has begun. Last year, we voted at a total of 74 meetings, voting against management at 28% of the meetings on at least one resolution. This year, we expect this number to drop as over the last few months our investee companies have been proactively engaging with us on governance-related matters. They have provided feedback on the changes they have made on performance metrics, targets, sustainability and their climate transition plans. We have been encouraged with the level of detail, transparency and change we have seen in their incentivisation models and are looking forward to a fascinating season ahead.



### CHARLIE FREITAG

Stewardship Analyst

### Our ongoing commitment

Signatory of:



Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance returns and better manage risk for our clients.

- ✓ Strategy & Governance: A+
- ✓ Integration: A+
- ✓ Engagement: A
- ✓ Proxy Voting: A



### BETHAN ROSE

Sustainable Investment Analyst

### Recent publications for download

- ✓ UNPRI Assessment Report
- ✓ Responsible Investment Report
- ✓ Carbon Emissions Report

### MSCI Rating



Data as at 31 January 2022. Based on 98.8% of AUM. MSCI ESG Fund ratings are intended to measure the resilience of funds to long-term risks and opportunities arising from environmental, social and governance issues.

### Morningstar® Ratings



Ratings as at 31 January 2022. Based on 100.0% of AUM. The Morningstar® Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance risks and opportunities relative to the fund's Morningstar Global Category peers.

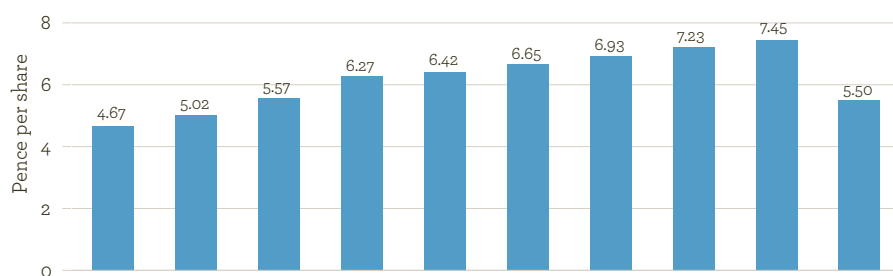


Ratings as at 31 December 2021. Based on 96.9% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## ANNUAL DIVIDEND PAYMENTS



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
% Change	+7.9	+7.5	+11.0	+12.6	+2.4	+3.6	+4.2	+4.3	+3.0	-26.2
% CPI	+3.4	+2.8	+1.7	+0.0	+0.3	+2.3	+2.7	+1.9	+1.7	+0.4

B Inc Shares. Pence per share figures relate to the fund's financial year ended February of the relevant year.

## SHARE CLASS DETAILS

	B shares (clean)		C shares (institutional)	
	ACC	INC	ACC	INC
Share class	ACC	INC	ACC	INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price (pence)	370.43	241.07	372.98	242.73
Minimum lump sum	£1,000	£1,000	£10 million	£10 million
Minimum regular savings	£50 per month	£50 per month	N/A	N/A
Initial charge (%) <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>
Periodic charge (%) <sup>2</sup>	0.87	0.87	0.77	0.77
Ex ante transaction cost (%)	0.05	0.05	0.05	0.05
Latest distribution <sup>3</sup>	2.95	1.94	2.97	1.96

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

2. Equivalent to OCF. For full information on the periodic charge please refer to section 7.1 of the full Prospectus.

3. Pence/share. XD date 1 March 2022. Latest distribution rate may be estimated.

## 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 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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**springcapital**

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## Income generated from £100 investment over 5 years

B Inc Shares

£15.79

Source: Financial Express, date of investment 31 March 2017.

## 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:

- ✓ Would like the prospect of sustainable real income growth combined with some capital growth over the long term
- ✓ Accept the risk associated with the volatile nature of equity investments
- ✓ Plan to hold their investment for at least 5 years

## Contact Evenlode

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Calls are recorded

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