

# TB EVENLODE INCOME

MONTHLY FACTSHEET all data as at 30 September 2022 unless otherwise indicated



This is a marketing communication. Please refer to the prospectus and to the Key Investor Information Documents (KIIDs) before making any final investment decisions.

## MANAGER COMMENTARY

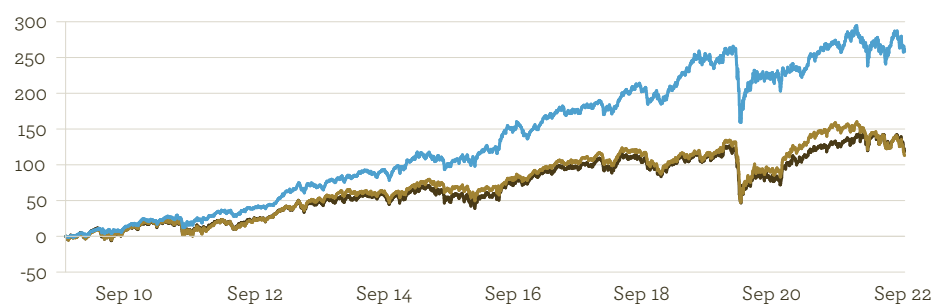
In a quiet month for company news, stock markets remained in a disconsolate frame of mind. Geopolitical risk remains elevated, energy prices and inflation are high, and central banks are rapidly increasing interest rates as they attempt to get inflation back under control. This has led to a deterioration of economic leading indicators, and investors have been busy pricing in the global economic downturn that is now underway. Closer to home, the UK's 'mini-budget' initially catalysed some further weakness in the pound, and also led to a sharp rise in mortgage rates and government bond yields.

Evenlode Income fell -3.5% compared to a fall of -5.9% for the FTSE All-Share and -7.1% for the IA UK All Companies Sector. Whilst the fund is not immune from the current headwinds in the UK and global economy, its repeat-purchase and globally diverse cash flows are very helpful in difficult times like this. On this theme the most positive contributors to performance during the month were mainly repeat-purchase multi-nationals such as Smith & Nephew, Roche, Unilever, Wolters Kluwer and Diageo. Hargreaves Lansdown shares also performed well on no specific news (though worth noting that the company's business model benefits from higher interest rates). The most negative performers were Reckitt, Schroders and Games Workshop. Reckitt announced the departure of its chief executive, Schroders fell on no news, and Games Workshop released a trading update in-line with management expectations.

In terms of portfolio changes, we continued to build several of the fund's newer holdings (Experian, Diploma, Games Workshop and IntegraFin). We also added to a wide range of existing holdings where we believe the combination of quality and valuation appeal looks interesting. This included Reckitt, Microsoft, Experian, Howden, Roche, SGS, Intertek, Bunzl, Smith & Nephew and Savills. On the sell-side we exited AVEVA following its takeover approach, and also reduced the fund's holding in Euromoney (which received a recommended takeover offer over the summer). We continue to monitor an interesting watchlist of potential holdings and remain open to evolving the portfolio further in this fast-changing market.

The backdrop is difficult, but we are reassured by the quality, global diversification and valuation appeal of portfolio holdings. The fund's dividend yield is supported by healthy, resilient cash generation and, whilst acknowledging short-term headwinds, we think the long-term prospects for underlying holdings are good thanks to their market leadership, resilience and cash-compounding economics.

## 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>	1.5	-3.6	-2.6	1.7	30.4	155.5	258.1
■ Benchmark (%) <sup>3</sup>	-3.4	-8.3	-4.0	2.4	11.3	79.5	119.5
■ IA Sector (%)	-5.0	-12.8	-15.3	-2.2	3.2	73.4	112.0
Rank in sector	2/256	2/256	27/254	83/243	8/235	10/202	7/179
Quartile	1	1	1	2	1	1	1

## CALENDAR YEAR PERFORMANCE (%)

	YTD	2021	2020	2019	2018	2017
Fund <sup>2</sup>	-8.1	17.6	-7.4	24.2	0.4	15.2
Benchmark <sup>3</sup>	-7.9	18.3	-9.8	19.2	-9.5	13.1
IA Sector	-17.1	17.3	-6.0	22.2	-11.2	14.0

## FUND ATTRIBUTES

- ✓ Emphasis on sustainable real dividend growth
- ✓ Actively managed, with 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 **£3,254 million**

No. of Holdings **40**

Historic yield<sup>5</sup> **2.9%**

Active share<sup>6</sup> **74.1%**

Valuation point **12 noon daily**

Div ex dates **1 Mar, Jun, Sep, Dec**

Div pay dates **end Apr, Jul, Oct, Jan**



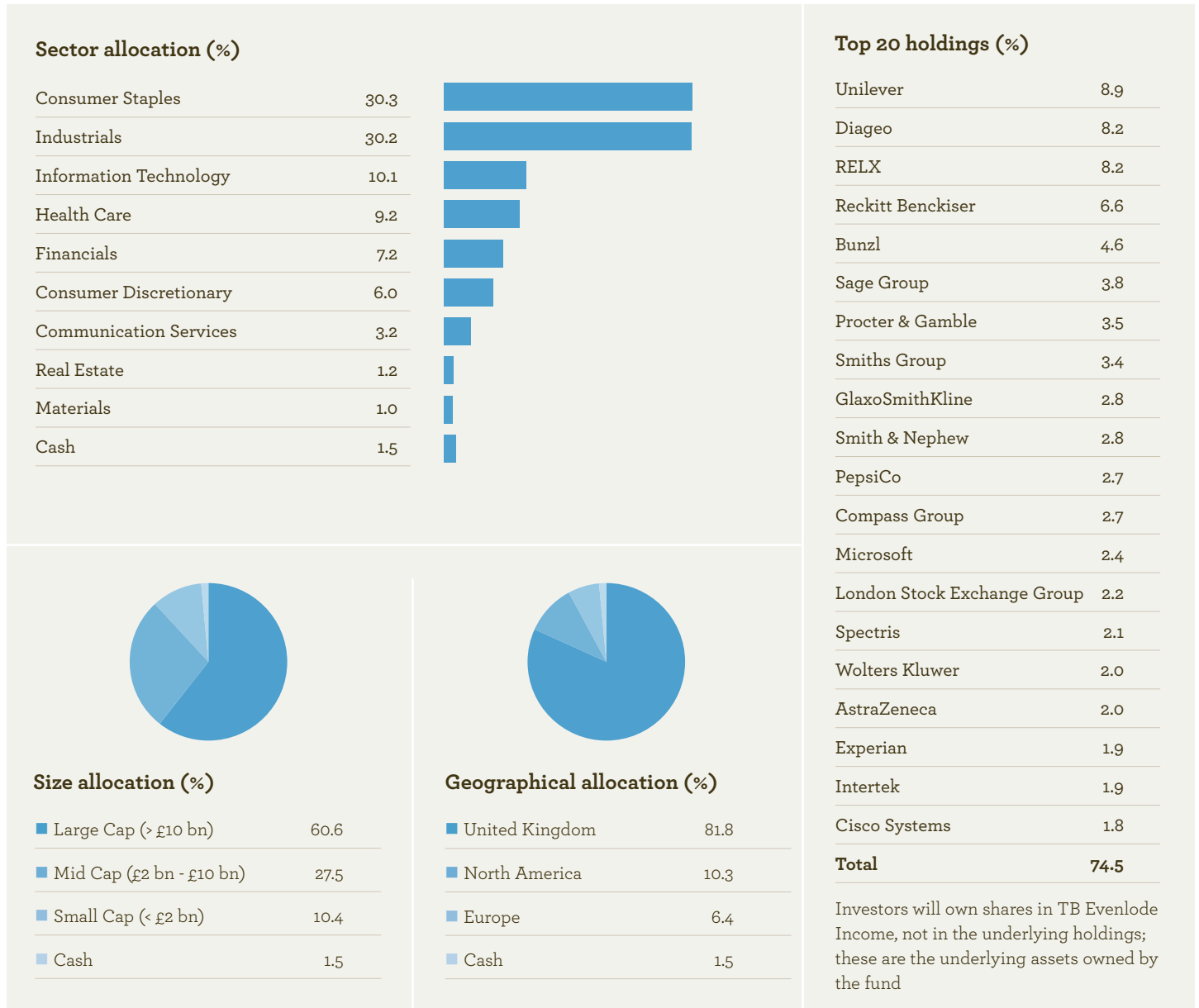
**Past performance is not a reliable indicator of future results.**

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.

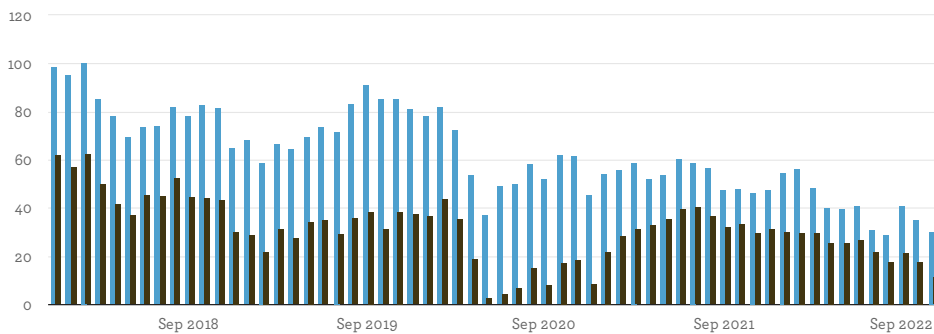
1. From launch date 19 October 2009.
2. TB Evenlode Income B Inc shares.
3. Comparator Benchmark is FTSE All-Share (with net dividends reinvested) in GBP.
4. Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.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



ROLLING 5 YEAR PERFORMANCE (%)



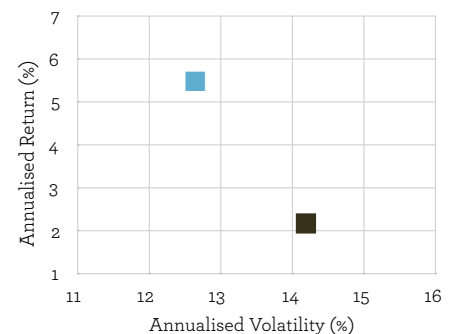
- TB Evenlode Income B Inc GBP Shares
- FTSE All-Share Index

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**

Fund Manager

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



**REBEKAH NASH**

Governance Analyst



**BETHAN ROSE**

Sustainable Investment Analyst

### Integration into the investment process

To start Evenlode’s net zero journey, we prioritised a set of portfolio companies for engagement in 2022 and beyond. In keeping with our engagement goal of 100% of our financed emissions in material sectors to be aligned, achieving net zero or under direct or collective engagement, we executed our engagement plan this quarter. We are pleased to say that we have reached our 2022 target. We have engaged with 63 companies who are currently either not aligned to 1.5°C, committed to align to 1.5°C and aligning to net zero. Generally, we are expecting companies in material sectors to move up one alignment category within 12 months of engagement. If they do not achieve the engagement objectives set within this time frame, we will escalate via voting and collective action on a case-by-case basis.

### Our ongoing commitment

Signatory of:



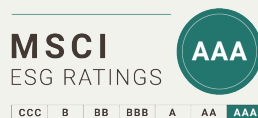
Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance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

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

### Recent publications for download

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

### MSCI Rating



Data as at 31 August 2022. Based on 97.6% 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 July 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.

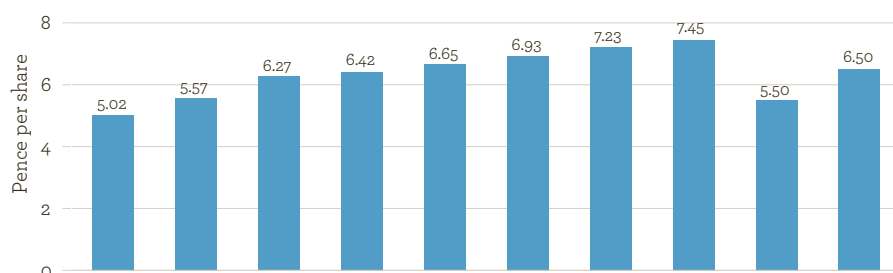


Ratings as at 30 June 2022. Based on 98.1% of AUM. The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

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## ANNUAL DIVIDEND PAYMENTS



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
% Change	+7.5	+11.0	+12.6	+2.4	+3.6	+4.2	+4.3	+3.0	-26.2	+18.3
% CPI	+2.8	+1.7	+0.0	+0.3	+2.3	+2.7	+1.9	+1.7	+0.4	+6.2

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

## SHARE CLASS DETAILS

Share class	B shares (clean)		C shares (institutional)	
	B ACC	B INC	C ACC	C INC
SEDOL codes	BD0B7C4	BD0B7D5	BD0B7F7	BD0B7G8
Share price	357.18p	229.35p	359.83p	231.04p
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%	5.00%	5.00%	5.00%
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>	2.45	1.59	2.47	1.60

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 September 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). The TB Evenlode Investment Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested, you should therefore regard your investment as long term. As a focused portfolio of between 30 and 50 investments, TB Evenlode Income carries more risk than a fund spread over a larger number of stocks. The fund has the ability to invest in derivatives for the purposes of EPM, which may restrict gains in a rising market. Investments in overseas equities may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. This factsheet is neither directed to, nor intended for distribution or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The sale of shares of the fund may be restricted in certain jurisdictions. In particular shares may not be offered or sold, directly or indirectly in the United States or to U.S. Persons, as is more fully described in the Fund's Prospectus. 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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Please contact Spring Capital Partners.

+44 (0)20 3307 8086 [evenlode@springcapitalpartners.com](mailto:evenlode@springcapitalpartners.com)

## Income generated from £100 investment over 5 years

B Inc Shares

£15.72

Source: Financial Express, date of investment 30 September 2017.

## WHAT ARE THE RISKS?

As a focused equity portfolio of between 30 and 50 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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([www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-evenlode-investment-funds))