

# TB EVENLODE INCOME



**EVENLODE**  
INVESTMENTS FOR LIFE

## MONTHLY FACTSHEET

all data as at 28 February 2018

### MANAGER COMMENTARY

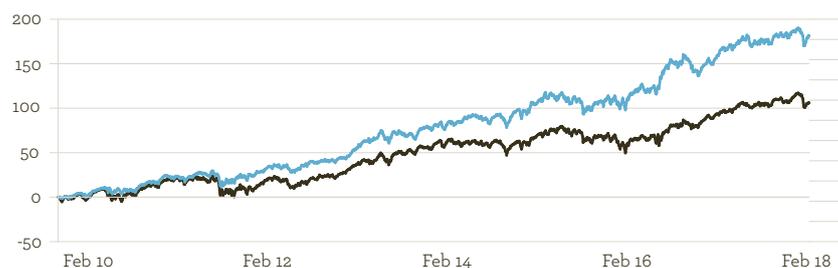
Global stock markets fell in February and levels of volatility picked up. Economic data has remained quite good, but expectations for inflation and interest rate rises increased during the month, leading to a rise in bond yields and some concerns over the impact rising rates may ultimately have on the medium-term economic outlook.

Evenlode Income fell -0.7% compared to a fall of -3.3% for the FTSE Allshare and -2.9% for the IA UK All Companies Sector. The most positive contributors to return were Fidessa, Cisco Systems and Compass Group. As discussed in last month's investment view, Fidessa announced a recommended offer from Swiss software peer Temenos and shares rose more than 50%. Cisco and Compass Group's shares benefited from good results. The most significant negative contributors were Unilever, Moneysupermarket and Sage Group. Despite recent share price performance, we felt recent results were reassuring for all three holdings and continue to view their free cash flow strength and dividend growth potential as compelling (most recent dividend increases have been +12%, +6% and +9% respectively).

We were a little more active during February in terms of portfolio changes. We altered the fund's overseas exposure a little, introducing a small position in lift company Kone and reducing Microsoft and Cisco, whose shares have performed very strongly over recent months. Kone fits the template for recent additions to the portfolio: a competitively advantaged business with strong cash generative characteristics, a net cash balance sheet and an attractive initial dividend yield (of c.4%). We also added to several holdings that have underperformed recently including Unilever, Sage, Smith & Nephew, Pepsi, Moneysupermarket and Relx.

On March 1st, the fund went ex a fourth quarter dividend of 2.31p (B Inc estimated). This brings the distribution to 6.93p over the last four quarters, representing annual growth of +4.2%. Looking ahead, the provision of real dividend growth over time remains a key aim for the fund, and we have been encouraged by recent dividend announcements in the portfolio.

### PERFORMANCE SINCE LAUNCH (%)



### CUMULATIVE PERFORMANCE

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch <sup>1</sup>
■ Fund <sup>2</sup>	-2.0	0.1	2.2	7.3	34.1	78.4	181.0
■ Sector	-3.7	-1.0	0.6	6.6	20.1	48.9	105.9
Rank in sector	27/266	59/266	56/265	91/264	31/248	19/235	19/215
Quartile	1	1	1	2	1	1	1

### DISCRETE ANNUAL PERFORMANCE

	28/02/18	28/02/17	29/02/16	28/02/15	28/02/14
	28/02/17	29/02/16	28/02/15	28/02/14	28/02/13
■ Fund <sup>2</sup>	7.3	22.8	1.8	13.4	17.3
■ Sector	6.6	18.9	-5.2	3.8	19.4

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.

1. From launch date: 19 October 2009

2. TB Evenlode Income B Inc Shares

### 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

### Fund Managers



#### HUGH YARROW Lead Portfolio Manager

Hugh launched TB Evenlode Income in October 2009. From 2002 to 2009 Hugh managed several equity income funds at Rathbone Unit Trust Management, having graduated from the University of Edinburgh with a first-class degree in philosophy and mathematics. He is a fellow of the Chartered Institute for Securities and Investment and holds the Investment Management Certificate.



#### BEN PETERS Co-manager

Ben has been the investment analyst for TB Evenlode Income since the fund's launch. He became co-manager in December 2012. Ben 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 and a first-class degree from University College London, both in the field of physics.



#### CHRIS ELLIOTT Investment Analyst

Chris studied Maths and Economics at Cambridge University and then spent 5 years as a senior software engineer at Oxford University Press, before joining Evenlode Investment Management in March 2015. Chris is a member of the CFA Society of the UK and has successfully passed the examinations for all three levels of the Chartered Financial Analyst qualification.

### Key Details

IA Sector	UK All Companies
Launch date <sup>3</sup>	19 October 2009
Fund value	£2,090.0 million
Holdings	41
Historic yield <sup>4</sup>	3.30%
Active share	81.42%
Div ex dates	1 Mar, Jun, Sep, Dec
Div pay dates	end Apr, Jul, Oct, Jan

3. Evenlode Income was merged through a scheme of arrangement into TB Evenlode Income on 1 September 2017. Performance and dividend history are unaffected.

4. The historic yield reflects distributions over the past 12 months as a percentage of the price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

Citywire rating is source & copyright of Citywire. Hugh Yarrow and Ben Peters have been awarded a A rating by Citywire for their 3 year risk-adjusted performance for the period 31/01/2015 - 31/01/2018.



Please contact Spring Capital Partners, in the first instance.

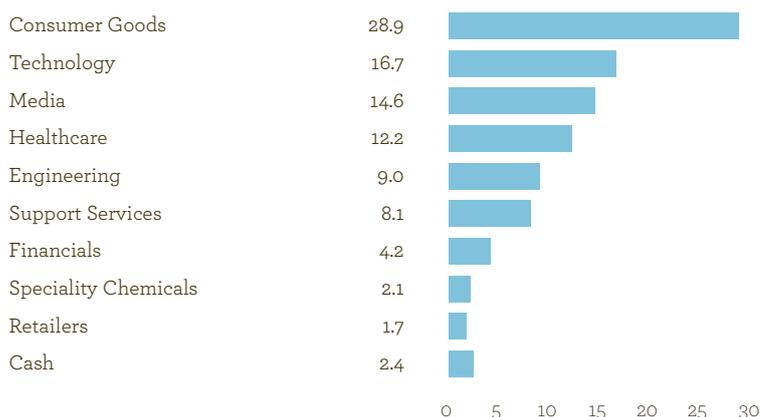
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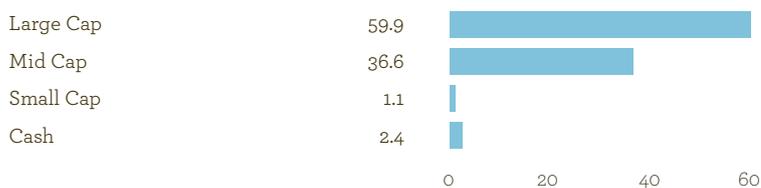
## PORTFOLIO ANALYSIS



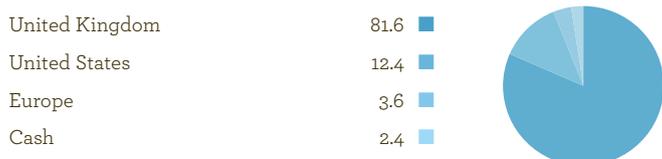
### SECTOR ALLOCATION (%)



### SIZE ALLOCATION (%)



### GEOGRAPHICAL ALLOCATION (%)



## DIVIDENDS

### ANNUAL DIVIDEND PAYMENTS (B INC SHARES)

Year (to end of February)	2014	2015	2016	2017	2018
Annual Dividend (pence per share)	5.57	6.27	6.42	6.65	6.93*
Year-on-Year Change	+11.0%	+12.4%	+2.4%	+3.6%	+4.2%

\* Estimated

### INCOME GENERATED FROM £100 INITIAL INVESTMENT OVER 5 YEARS (B INC SHARES)

TB Evenlode Income	£23.03
UK Market	£19.72

Source: FT & Financial Express, date of investment 28/02/2013.

## 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)	269.06		198.94		280.31		207.36		281.10		207.94	
Minimum Lump Sum	£1,000				£1,000				£10 million			
Initial Charge	0%				0%				0%			
IFA Legacy Trail Commission	0.5% p.a.				N/A				N/A			
Periodic Charge - Equivalent to OCF <sup>1</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. For full information on the periodic charge please refer to section 7.2 of the full Prospectus

### TOP TWENTY HOLDINGS (%)

Unilever	7.9
Diageo	7.5
Sage Group	4.8
Compass Group	4.6
Smiths Group	3.7
Fidessa Group	3.2
AstraZeneca	3.1
GlaxoSmithKline	3.1
Informa	2.9
Microsoft	2.8
Johnson & Johnson	2.8
UBM	2.6
Daily Mail & General Trust	2.3
PageGroup	2.3
Burberry Group	2.2
Victrex	2.1
Jardine Lloyd Thompson	2.1
Ashmore Group	2.1
Smith & Nephew	2.1
RELX Group	2.0

**Total 66.2**

## How to Invest

TB Evenlode Income is available as an OEIC and is also suitable to include in stocks and shares ISAs and SIPPs. You can buy shares in the fund by visiting [www.tbaileys.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileys.co.uk/funds/tb-evenlode-investment-funds); by telephoning the TB Evenlode Investor Dealing Line on 0115 988 8287 (open business days between 9am and 5pm); or through various third parties including Cofunds, Transact, Ascentric, Hargreaves Lansdown, Axa Winterthur, Axa Elevate and Standard Life.

## Contact Us

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

01608 695 200 [www.evenlodeinvestment.com](http://www.evenlodeinvestment.com)

Authorised Corporate Director & Administrator:  
T. Bailey Fund Services Ltd  
([www.tbaileys.co.uk/funds/tb-evenlode-investment-funds](http://www.tbaileys.co.uk/funds/tb-evenlode-investment-funds))

## IMPORTANT INFORMATION

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). 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 medium-to-long term. As a concentrated portfolio of typically less than 40 investments, Evenlode Income carries more risk than a fund spread over a large 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. 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.