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Evenlode Investment Management

Glossary

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Evenlode Glossary

The following glossary has been designed to assist investors in the Evenlode funds to better understand terms commonly used in investor-facing documents (e.g. monthly factsheets, investment views). If you have any feedback on the glossary or want to suggest additional terms that could be included, please send an email to: compliance@evenlodeinvestment.com

Term	Description
Absolute Return	The profit or loss on an investment over a period of time without comparing it to how other investments, measures and / or benchmarks have performed, typically expressed as a percentage. *See also Relative Return.*
Accumulation (Acc)	Share class in a fund where any income received is retained rather than being paid out to investors. Unlike Income shares, the price of Accumulation shares will not fall when a fund goes XD (ex-dividend). *See also Inc (Income) and Share Class.*
Active Share	A measure of the difference between a fund's portfolio holdings and a benchmark index. Calculated as the sum of the difference between the weight of each stock in the portfolio and its weight in the benchmark index, divided by two. Resultant figure is a percentage between 0% and 100%. The higher the Active Share, the more the portfolio weightings differ from the benchmark index. A passively managed tracker fund (index fund) will have a very low Active Share compared to the index being tracked as the holdings will closely resemble the benchmark index. A more Actively Managed fund is likely to have a higher Active Share. *See also Actively Managed.*
Actively Managed	An investment management approach where a manager aims to deliver returns through research, analysis, and their own judgement. *See also Passively Managed.*
Administrator	The entity that values the Evenlode funds each day and processes shareholder investments.
Aligned / Aligning (to Net Zero)	Used to describe a fund or company's net zero journey. Aligned: If a company is aligned to net zero, emissions performance is already meeting science-based targets to achieve net zero greenhouse gas emissions by 2050. Aligning: If a company is aligning to net zero, it has set science-based targets and plans to achieve net zero by 2050 but has not yet reached those targets.
Alpha	Alpha is a fund's over or underperformance in comparison to the benchmark of the fund. Alpha represents the extra value the manager's activities have contributed; the greater the alpha, the greater the outperformance. *See also Beta.*

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Annual General Meeting (AGM)	A yearly meeting where a company's management and shareholders discuss company performance and vote on issues such as executive pay and climate policies.
Annualised Return	For a period of greater than one year, a measure of the level of return that has been achieved on average each year within the period in question.
Annualised Volatility	For a period of greater than one year, Volatility expressed in terms of an average year within the period in question. *See also Volatility.*
Article 8	An Article 8 Fund is defined under SFDR *(See also SFDR)* as 'a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices'. Evenlode's two Irish-domiciled funds are both classified as Article 8 funds.
Asset Allocation	The process of deciding what asset classes to invest in, such as investment types, geographical areas, or industry sectors, and in what proportion.
Authorised Corporate Director (ACD)	The entity responsible for fund oversight (UK domiciled funds). The ACD has a duty to act in the best interests of the fund's investors, and to ensure that the funds are managed in line with regulations and with the investment objectives and policies set out in the prospectus. The ACD can delegate Investment Management to another company. The ACD of the IFSL Evenlode Funds is Investment Fund Services Limited (IFSL). *See also ManCo.*
Basis Point (Bps)	100 Bps is 1%, 10 Bps is 0.1% and 1 Bp is 0.01%.
Bear Market	Where share (asset) prices are expected to fall in the future. *See also Bull Market.*
Benchmark	A standard that an investment fund's performance can be measured against. Benchmarks for equity funds are typically based on a basket of listed shares. *See also Comparator Benchmark, FTSE All-Share Index and MSCI World Index.*
Beta	Beta is a measure of how much a portfolio moves relative to its benchmark. A portfolio with a beta of 1 moves with the market on average over time. A portfolio with a beta of less than one will experience less movement in either direction when the market moves and a portfolio with a beta of more than one will experience more movement in either direction. *See also Alpha.*

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Bid to Bid	When performance of a fund is quoted 'bid to bid' for the Evenlode funds it means that the performance is based on the published single price of the relevant share class of the fund over time. *See also Total Return.*
Bottom-up	An investment approach that focuses on analysing individual shares and their fundamental value before consideration of wider economic trends. It is associated with share picking and a more granular analysis of specific investments.
Bull Market	Where share (asset) prices are expected to rise in the future. *See also Bear Market.*
Buyback Yield	The percentage of a company's capitalisation spent on repurchasing its own shares over a period.
Calendar Year Performance	Performance achieved in a calendar year, i.e. 1 January to 31 December.
Capital Growth	Performance derived from increases in the share prices of underlying company shares in the portfolio. *See also Income Growth and Total Return.*
Capital Markets	Financial markets where individuals, companies, and governments raise and invest funds through the buying and selling of various financial instruments, such as shares and bonds.
Carbon Dioxide Equivalent (CO_2e)	A measure used to compare the greenhouse gas emissions of products and services on the basis of their global-warming potential. This methodology converts amounts of other greenhouse gases to the equivalent amount of carbon dioxide with the same global warming potential. Evenlode monitors emissions in its portfolios in its annual Portfolio Emissions Report. *See also Greenhouse Gases.*
Carbon Disclosure Project (CDP)	The Carbon Disclosure Project is an international not-for-profit charity that runs the global carbon disclosure system and helps companies to disclose their environmental impact. See https://www.cdp.net/en for more information. Evenlode uses the full Greenhouse Gas Emissions dataset provided by the CDP in its portfolio emissions reporting.
Cash Conversion %	Operating cashflow as a percentage of earnings – a measure of how efficiently a company turns accounting profits into cashflow.
Central Bank of Ireland (CBI)	The financial services regulator in Ireland. The CBI requires firms to seek authorisation prior to commencing business and also requires firms to adhere to strict rules, principles and guidance to put customers' well-being at the core of their business.

Term	Description
Comparator Benchmark	A Benchmark against which fund performance can be measured over time for comparison purposes (it does not mean that the objective of the fund is to outperform the benchmark; this would be a target benchmark). *See also Benchmark.*
Compound Basis	Compound Basis means that growth occurs on the original amount and previous growth. For example, £100 growing at 5% per year on a compound basis would turn into £127.63 at the end of 5 years. This can be mathematically expressed as: (£100 * 1.05 * 1.05 * 1.05 * 1.05 * 1.05).
Consumer Price Index (CPI)	The Consumer Price Index is the change in value of consumer goods based on an average basket of goods and services consumed by household in the UK. It is calculated by the Office for National Statistics (ONS).
Controversial Weapons	Weapons such as landmines, cluster munitions, and chemical or nuclear weapons that have long-lasting, indiscriminate effects on civilians. See https://evenlodeinvestment.com/stewardship/stewardship-documents/ for Evenlode's Exclusion Policy.
Corporate Governance	The system of rules, practices, and processes by which a company is directed and controlled. Examples of good governance include transparent management and reporting, and an accountable board of directors.
Cradle-to-gate	Cradle-to-gate measures the impacts on emissions from raw material extraction to the manufacturer's gate. It is one of the simplest and least expensive methods of measuring emissions. Evenlode monitors emissions in its portfolios in its annual Portfolio Emissions Report.
Cradle-to-grave	Cradle-to-grave measures the impacts on emissions from raw material extraction to the end of the product's life. It is a more comprehensive method of measuring emissions than the cradle-to-gate approach as it includes the use/maintenance and the disposal phase of the product. Evenlode monitors emissions in its portfolios in its annual Portfolio Emissions Report.
Cumulative Performance	Performance measured over a particular time period ending on the date stated, e.g. 5 year cumulative performance for the period ending 30 June 2024 is for the period 1 July 2019 to 30 June 2024.
Custodian	A Custodian is a financial institution such as a bank or trust company that is responsible for the safekeeping of investments owned by a fund. The Custodian for the UK-domiciled

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	Evenlode funds is Caceis Bank. For the Irish-domiciled Evenlode funds this function is performed by Société Générale S.A. *See also Depositary.*
Cyclical	A cyclical industry is a type of industry that is sensitive to the business cycle, such that revenues generally are higher in periods of economic prosperity and expansion and are lower in periods of economic downturn and contraction.
Depositary	A Depositary is a financial institution responsible for oversight of a fund and safekeeping of the fund's assets, meaning the assets of the fund are held separately from the Authorised Corporate Director, Manco or Investment Manager. This separation, or "ring-fencing" of the management of the fund's assets from their ownership is the most fundamental element of investor protection provided by authorised funds. Safekeeping can also be delegated to an independent Custodian (*see also Custodian).* The Depositary for Evenlode's UK-domiciled funds is NatWest Trustee & Depositary Services Limited (safekeeping is delegated to Caceis Bank) and the Depositary for Evenlode's Irish-domiciled funds is Société Générale S.A (safekeeping is also performed by Société Générale S.A).
Derivatives	Investments whose value is linked to that of an underlying asset such as oil or company shares, or the performance of an index, or other variable factor. Some examples of derivatives are futures, options and contracts for difference.
Distribution	When income is paid out to investors in Income class shares. *See also Inc (Income).*
Dividend	A payment made by a company to shareholders. The Evenlode funds receive dividends from companies in the portfolios and pay out dividends to investors in any Income share classes as a Distribution. *See also Distribution.*
Dividend Yield	Annual dividends made by a company to shareholders, expressed as a percentage of the share price.
Div Ex Date (XD Date)	The Div ex-date is the date when income in an Income class is put aside for those investors in the share class immediately before the XD date, to be paid out on the pay date *(see Div pay date).* Investors buying the share class after the XD date are not entitled to receive the most recently declared dividend, and instead will be eligible for the next one. *See also Inc (Income).*
Div Pay Date	Date on which income is paid out to investors in Income class shares. This is typically two months after the XD date. *See also Div ex-date.*

Term	Description
Domicile	A fund's domicile is where it is incorporated and based. Evenlode has UK-domiciled funds designed for UK investors and Irish domiciled funds designed for European investors.
Downside Capture	Downside Capture measures how an investment's performance mirrors a benchmark's performance during periods of negative market returns, indicating the extent to which the investment lost value compared to the benchmark.
Downside Risk	Downside risk is a measurement that considers only negative returns. It represents an estimation of a security's potential to suffer a decline in price in negative market conditions and could be considered as an estimate of the potential loss on any investment.
Drawdown	A measurement of the maximum amount an investor could have lost since an investment was at its highest.
EBITDA	EBITDA stands for Earnings before Interest, Taxes, Depreciation, and Amortisation.
EAA Sector	Morningstar fund sector. Morningstar is a company providing investment management data services and allocates funds into sectors based on their investment objectives, policies and portfolio holdings to enable similar funds to be compared. Evenlode's UK-domiciled funds are allocated to IA Sectors and Evenlode's Irish-domiciled funds are allocated to EAA Sectors. *See also IA Sector.*
Earnings Per Share (EPS)	A measure of company profitability, calculated by dividing a company's profit by the number of shares in issue.
Efficient Portfolio Management (EPM)	EPM refers to techniques used by investment managers to manage a portfolio in a way that aims to improve returns, reduce risk, or manage costs, without significantly changing the overall investment strategy or risk profile. EPM may involve the use of derivatives (like futures or options) to hedge risks or gain exposure more efficiently.
Engagement	We engage with investee companies to gather information on their approach to a range of ESG (see ESG) matters, which informs our view on the risks and opportunities that the companies face. Discussing challenges with companies enables us to understand their business context and obtain more information about their mitigation of and resilience to the risks that we perceive. Engagement can be by letter, call or email.
ESG	Environmental, Social and Governance – refers to areas which listed companies manage and report on and which therefore form considerations for investment managers when

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	assessing investment in companies. An example of an Environmental consideration would be greenhouse gas emissions. Examples of Social considerations would be diversity and inclusion and health and safety. An example of a Governance consideration would be board remuneration.
Equity (Equities)	Equities is another name for company shares. The Evenlode Funds are invested in equities.
Ex Ante Transaction Cost	Estimated annual transaction costs for a fund, shown as a percentage of the fund size. The figure is forward looking and is calculated based on the previous 36 months of actual costs incurred. Transaction costs include broker fees and transaction taxes for trades in company shares within the portfolio and also include 'implicit' costs (e.g. the difference in buying/selling prices of shares and the 'mid' value which is used in the fund valuations, otherwise known as the spread). Transaction Costs are excluded from the Ongoing Charges Figure (OCF) which is quoted separately. *See also Ongoing Charges Figure (OCF).*
Financed Emissions	Indirect emissions attributed to financing activities of financial institutions. such as lending and investing. Evenlode monitors financed emissions in its portfolios in its annual Portfolio Emissions Report.
Financial Conduct Authority (FCA)	The financial services regulator in the UK. The FCA requires firms to seek authorisation prior to commencing business and also requires firms to adhere to strict rules, principles and guidance to put customers' well-being at the core of their business.
Focused Portfolio	The Evenlode Funds are considered to be focused portfolios as they each typically invest in only 30-50 company shares which have been thoroughly researched as part of Evenlode's investment process.
Free Cash Flow (FCF)	A measure of how much cash a company can generate over and above normal operating expenses and capital expenditure. The more FCF a company has, the more it can allocate to dividend payments and growth opportunities.
Free Cash Flow Yield	Free Cash Flow (FCF) per share divided by the current share price. A higher Free Cash Flow Yield implies a company is generating more cash that could be paid out as dividends and to reinvest into growth of the business. The Free Cash Flow Yield is the total free cash flow generated by a portfolio or index, divided by the market value of the companies in the portfolio or index.

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FTSE All-Share Index	A Benchmark index representing the performance of UK listed Company shares over time. The FTSE All-Share Index represents over 98% of the UK market, and includes the FTSE 100, FTSE 250 and FTSE Small Cap Indices.
GICS Sectors (Global Industry Classification Standard)	The Global Industry Classification Standard (GICS) is a method for assigning companies to a specific economic sector and industry group that best defines its business operations. **Communication Services:** The Communication Services Sector includes companies that facilitate communication and offer related content and information through various mediums. It includes telecom and media & entertainment companies including producers of interactive gaming products and companies engaged in content and information creation or distribution through proprietary platforms. **Consumer Discretionary Sector:** The Consumer Discretionary Sector encompasses those businesses that tend to be the most sensitive to economic cycles. Its manufacturing segment includes automobiles & components, household durable goods, leisure products and textiles & apparel. The services segment includes hotels, restaurants, and other leisure facilities. It also includes distributors and retailers of consumer discretionary products. **Consumer Staples:** The Consumer Staples Sector comprises companies whose businesses are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes distributors and retailers of consumer staples products including food & drug retailing companies. **Energy:** The Energy Sector comprises companies engaged in exploration & production, refining & marketing, and storage & transportation of oil & gas and coal & consumable fuels. It also includes companies that offer oil & gas equipment and services. **Financials:** The Financials Sector contains companies engaged in banking, financial services, consumer finance, capital markets and insurance activities. It also includes Financial Exchanges & Data and Mortgage REITs. **Health Care:** The Health Care Sector includes health care providers & services, companies that manufacture and distribute health care equipment & supplies, and health care technology companies. It also includes companies involved in the research, development, production and marketing of pharmaceuticals and biotechnology products. **Industrials:** The Industrials Sector includes manufacturers and distributors of capital goods such as aerospace & defence, building products, electrical equipment and machinery and companies that offer construction & engineering services. It also includes providers of commercial & professional services including printing, environmental and

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	facilities services, office services & supplies, security & alarm services, human resource & employment services, research & consulting services. It also includes companies that provide transportation services. **Information Technology:** The Information Technology Sector comprises companies that offer software and information technology services, manufacturers and distributors of technology hardware & equipment such as communications equipment, cellular phones, computers & peripherals, electronic equipment and related instruments, and semiconductors and related equipment & materials. **Materials:** The Materials Sector includes companies that manufacture chemicals, construction materials, forest products, glass, paper and related packaging products, and metals, minerals and mining companies, including producers of steel. **Real Estate:** The Real Estate Sector contains companies engaged in real estate development and operation. It also includes companies offering real estate related services and Equity Real Estate Investment Trusts (REITs). **Utilities:** The Utilities Sector comprises utility companies such as electric, gas and water utilities. It also includes independent power producers & energy traders and companies that engage in generation and distribution of electricity using renewable sources.
Greenhouse Gases (GHG)	The gases in the atmosphere that are able to raise the surface temperature of Earth. Increases in GHG in the atmosphere are a result of human activities such as burning fossil fuels for energy. Evenlode monitors emissions in its portfolios in its annual Portfolio Emissions Report. There are 7 Greenhouse Gases: The non-fluorinated gases: 1. Carbon Dioxide (CO2). 2. Methane (CH4). 3. Nitrous Oxide (N2O). The fluorinated gases: 1. Hydrofluorocarbons (HFCs). 2. Perfluorocarbons (PFCs). 3. Sulphur Hexafluoride (SF6). 4. Nitrogen Trifluoride (NF3).
Green Washing	When a company, product or fund claims to be sustainable, but the claims are exaggerated or misleading.

Term	Description
Gross Domestic Product (GDP)	A measure of the value added created through the production of goods and services in a country during a certain period. GDP is used to measure the economic health of a country.
Gross Margin	How much money a company keeps from its sales after paying for the direct costs of making its products or delivering its services.
Headwinds	Factors that challenge the growth or performance of an investment or the overall market. For example, rising interest rates and economic downturns. *See also Tailwinds.*
Hedging	Mitigating or managing risk by making investments that offset potential losses in other investments. Derivatives can be used as a form of hedging.
Historic Yield	A measure of how much income a fund has historically paid out to investors and calculated as total dividends paid out over the last 12 months, expressed as a percentage of the latest share price.
IA Sector	Investment Association Sector. The Investment Association is an industry body and allocates funds into sectors based on their investment objectives, policies and portfolio holdings to enable similar funds to be compared. The Investment Association publishes sector definitions on its website (https://www.theia.org/industry-data/fund-sectors/definitions) and regularly monitors funds to ensure that they are classified in the appropriate sector. Evenlode's UK-domiciled funds are allocated to IA Sectors and Evenlode's Irish-domiciled funds are allocated to EAA Sectors. *See also EAA Sector.*
ICAV	Irish Collective Asset-management Vehicle - the legal structure of Evenlode's Irish-domiciled funds. The Evenlode ICAVs are open-ended, which means the fund size rises and falls when investors invest into or take money out of the fund in addition to rising and falling based on returns of the underlying portfolio of companies. *See also OEIC.*
IFSL	The IFSL prefix for Evenlode's UK domiciled funds reflects Investment Fund Services Limited (IFSL). *See also ACD.*
Index	A numeric score that represents the performance of a group of assets, such as shares, bonds, or other assets. *See also Benchmark.*
Initial Charge	A charge levied on investors into a fund, and typically expressed as a %. The initial charge for all of the Evenlode funds is zero, with the exception of the IFSL Evenlode Income Fund, which has a 5% initial charge for new investors because the fund is soft-closed. *See also Soft-Closed.*

Term	Description
Inc (Income)	Share class in a fund where any income is paid out to investors rather than being reinvested. *See also Acc (Accumulation).* The price of Income shares will typically fall when a fund goes XD (ex-dividend) and the income element is put aside, to be paid out on the dividend pay date. *See also XD date and Share Class.*
Income Growth	Performance derived from dividends received from underlying company shares in the portfolio. *See also Capital Growth and Total Return.*
Investment Manager	The party responsible for making investment decisions in a fund. For the Evenlode funds, the Investment Manager is Evenlode Investment Management Limited.
Investment Management Fee	The portion of the total cost of owning a fund charged by the Investment Manager for making investment decisions for a fund. This is included in the OCF. *See also OCF, Periodic Charge and Investment Manager.*
Investment Objective	A high level description outlining the aim of the fund.
Initial Public Offering (IPO)	This is the process where a privately owned company transitions into becoming a publicly traded company by offering its shares to the general public.
ISA	Individual Savings Account, a tax-incentivised savings wrapper in the UK.
Key Information Document (KID)	A KID is a three-page overview of a fund's main features including objectives, risks, charges and potential performance scenarios. The contents are prescribed by regulation and the format is consistent across similar funds to enable comparison. There is a KID for each share class of Evenlode's Irish-domiciled funds. *See also Key Investor Information Document (KIID).*
Key Investor Information Document (KIID)	A KIID is a two-page overview of a fund's main features including objectives, risks, charges and past performance. The contents are prescribed by regulation and the format is consistent across similar funds to enable comparison. There is a KIID for each share class of Evenlode's UK-domiciled funds. *See also Key Information Document (KID).*
Large-Cap	There are various definitions but for the Evenlode factsheets we define as companies with a Market Cap of over £10bn. *See also Mid-Cap and Small-Cap.*
Liquidity	The ease with which an investment can be bought or sold without affecting the price. If an investment is highly liquid, it can easily be sold without affecting the price and if an investment is illiquid, it cannot easily be sold without affecting the price.
Location-based methods	A location-based method of measuring Scope 2 emissions which reflects the average emissions intensity of grids on which the energy consumption occurs (using mostly grid-

Term	Description
	average emission factor data). Evenlode monitors emissions in its portfolios in its annual Portfolio Emissions Report. *See also Scope 2 emissions and Market-based methods.*
Long dated gilts	UK government bonds with an end date of more than 15 years. *See also Medium dated gilts and Short dated gilts.*
Long Position	Holding an asset with the expectation that its value will rise.
Long-term	The Evenlode Funds are designed to deliver on their stated objectives over the long-term, which is defined as periods of 5 years or more (although this is not guaranteed). The funds therefore may not be suitable for investors with a shorter-term investment horizon, as the risk of the funds not delivering on their stated objectives is greater.
Magnificent Seven	The Magnificent Seven refers to seven dominant US tech companies—Apple, Microsoft, Amazon, Alphabet, Meta, Nvidia, and Tesla—that played a crucial role in driving market growth over recent years.
ManCo (Management Company)	The entity responsible for fund oversight (Irish domiciled funds). The ManCo has a duty to act in the best interests of the fund's investors, and to ensure that the funds are managed in line with regulations and with the investment objectives and policies set out in the prospectus. The ManCo can delegate Investment Management to another company. The ManCo of the Evenlode Funds is Gateway Fund Services who changed their name from Equity Trustees Fund Services (Ireland) Limited. *See also Authorised Corporate Director (ACD).*
Market-based methods	A market-based method of measuring Scope 2 emissions which reflects emissions from electricity that companies have purposely chosen. It derives emission factors from contracts between two parties for the sale and purchase of energy. Evenlode monitors emissions in its portfolios in its annual Portfolio Emissions Report. *See also Scope 2 emissions and Location-based methods.*
Market Capitalisation (Market Cap)	A company's Market Capitalisation is calculated by multiplying the number of shares in issue by the share price and is a reflection of the size of the company. Companies in different Market Cap *sectors (See Large-Cap, Medium-Cap and Small-Cap)* have different profiles, for example shares in Large Cap companies typically trade in higher volumes than shares in Small Cap companies due to the number of shares in issue being higher.
Market sell-off	When an event triggers a large volume of investments to be sold in a short period of time, causing the price of investments to fall rapidly.

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Max Drawdown	This represents the worst possible return over a period – for example, buying at the maximum price over the period and selling at the worst price.
Mean	The simple average or mean is calculated by adding all the numbers in a data set together and dividing by the number of values.
Median	The median is the middle value in a dataset when ordered from smallest to largest.
Medium dated gilts	UK government bonds with an end date between 5 and 15 years.
Mid-Cap	There are various definitions but for the Evenlode factsheets we define as companies with a Market Cap of £2bn to £10bn. *See also Large-Cap and Small-Cap.*
Minimum Lump Sum	The minimum amount that can be invested in an initial investment into a share class.
Minimum Regular Savings	The minimum monthly amount that can be invested in a share class in the form of regular savings (via Direct Debit).
Money Market Instruments	Usually issued by banks or governments that are a short-term loan (less than 1 year) to the issuer by the buyer.
MSCI World Index	A Benchmark index capturing large- cap and mid-cap companies across over 20 developed markets countries, with over 1,500 constituents.
Multi-national	A company with offices and operations producing and/or selling products and/or services in multiple countries.
NACE	The Statistical classification of economic activities in the European Community, abbreviated as NACE. The term NACE is derived from the French **N**omenclature statistique des **A**ctivités économiques dans la **C**ommunauté **E**uropéenne.
Net Debt/ EBITDA	A measure of the level of debt of a company relative to current level of earnings. See also EBITDA.
Network Effects	Where the value of a product or service increases when the number of people using it increases.
Net Zero	A target to achieve net zero greenhouse gas emissions by 2050 was set in the Paris Agreement in 2015 to limit global warming to a 1.5% increase in global temperatures compared to pre-industrial levels. Evenlode monitors portfolio companies' net zero transition plans as part of its Stewardship activity. *See also ESG and Stewardship.*

Term	Description
OEIC	Open Ended Investment Company – the legal structure of Evenlode's UK-domiciled funds. Open ended means the fund size rises and falls when investors invest into or take money out of the fund (when investors invest into a fund, new shares are issued and when investors redeem, shares are cancelled) in addition to rising and falling based on the value of the underlying portfolio of companies. *See also ICAV and Share Price.*
Ongoing Charges Figure (OCF)	A measure of the level of ongoing operating costs charged to the fund over a one-year period, expressed as a percentage. For the Evenlode Funds the OCFs are the same as the Periodic Charge. Transaction Costs are excluded and are shown separately. *See also Ex Ante Transaction Costs and Periodic Charge.*
Organic Operating Growth	The percentage increase of earnings derived from a company's existing operations. Excludes growth attributable to mergers and acquisitions and foreign exchange.
Organic Revenue Growth	The percentage increase of sales generated from a company's existing resources and operations. Excludes growth attributable to mergers and acquisitions and foreign exchange.
Overboarding	When company directors sit on too many boards, potentially limiting their effectiveness and time commitment.
Overweight	If a fund is overweight a stock, it holds a larger proportion of the stock compared to the benchmark index or sector. See also *Underweight,*
Partnership for Carbon Accounting Financials (PCAF)	A not-for-profit organisation facilitating financial industry alignment with Net Zero. *See also Net Zero.*
Passively Managed	An investment management approach where a manager aims to closely track the returns from a benchmark index. *See also Actively Managed.*
Periodic Charge	A charge covering ongoing operating costs for the fund over a one-year period, expressed as a percentage. The Periodic Charge is charged to each fund on a daily basis and all performance figures are quoted after charges. Taking a very simple example a Periodic Charge of 0.85% would mean that an investment valued at £10,000 and held over a one-year period would incur a Periodic Charge for the year of £85. For the Evenlode Funds the OCFs are the same as the Periodic Charge; the Periodic Charge covers ACD fees, Investment Manager fees, Depositary fees, Custody fees, Auditor fees and other operating costs of the funds. The Periodic Charge for the Evenlode

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	Funds is capped for each share class and is also discounted over time once the funds reach a certain size (*see Prospectus for more details*). *See also OCF.*
Portfolio Turnover	A measure of how quickly shares in a fund's portfolio are either bought or sold by a fund manager over a given period of time, often expressed as a percentage. A fund which has a portfolio that is regularly changing will have a higher portfolio turnover than a fund which has a portfolio that changes less regularly. A lower portfolio turnover rate is an indication of a high conviction 'buy and hold' strategy.
Price-to-book Ratio	The market capitalisation of a company divided by the accounting value of its assets less its liabilities.
Price/ Earnings Ratio (P/E Ratio)	A measure of a company's current market valuation compared to its earning potential, calculated by dividing a company's share price by its Earnings per share (EPS).
Prospectus	The legal document giving full details about a fund's key parties, investment objective and policies, risks, costs, distribution policies, valuation points, share classes and also operating details of the fund such as how the fund is valued and details of how to buy and sell (redeem) shares. The Evenlode Fund prospectuses are available on the Evenlode website.
Proxy Voting	When Shareholders (or their fund managers) vote on company resolutions, either directly or via a proxy (a representative who votes on their behalf).
Quartile	When measuring performance of a fund against other funds with similar objectives/ portfolio compositions (see IA Sector and EAA Sector) over a certain period, funds can be classified into quartiles (1st quartile, 2nd quartile, 3rd quartile, 4th quartile). If a fund is 1st quartile over a period, it means its performance in that period is in the top 25% of all funds in the same sector; 2nd quartile means 25-50%; 3rd quartile means 50-75%; 4th quartile means the bottom 25%. *See also Rank in Sector.*
Rally	A period of sustained increases in stock prices.
Rank in Sector	Funds can be ranked in a sector *(see IA Sector and EAA Sector)* over a certain period based on performance in that period. For example, if there are 200 funds in a sector over a period a fund's performance could mean it is ranked 30th out of 200 funds for that period, which would be 1st quartile. A fund ranked 60th out of 200 funds would be 2nd quartile. *See also Quartile.*
Relative Return	The profit or loss on an investment compared to how other investments, measures and / or benchmarks have performed. For example if a fund has increased by 10% in a period and the benchmark index has increased 8% in the same period the relative return of the fund is 2% (10% - 8%). *See also Absolute Return.*

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Term	Description
Return on Invested Capital (ROIC)	Calculated as net operating profit divided by invested capital. A measure of how effectively a company uses the money it has invested to generate profits.
Rolling Periods	Means a new performance period commences each month. A Rolling Period of 5 years for example, measured at 30 June 2024 means the period from 30 June 2019 to 30 June 2024. When measured the following month end (31 July 2024), the period would be 31 August 2019 to 31 July 2024. Disclosing performance over historic rolling periods in addition to on a cumulative basis to the most recent month end gives investors a better view of historic performance over time. *See also Cumulative Performance.*
Scope 1 Emissions	Emissions generated directly in a company's operations from sources owned or controlled by the company. For example, burning gas or coal in a power plant, or diesel or petrol in a company car.
Scope 2 Emissions	Indirect emissions from electricity, steam, heat, or cooling purchased by the company. For example, the emissions associated with the electricity that is running your computer.
Scope 3 Upstream Emissions	Emissions in the supply chain associated with purchased goods and services; transportation of these goods to the company; capital goods; waste; use of leased assets such as offices or data centres; the supply chain of energy used by the company; business travel; and employee commuting.
Scope 3 Downstream Emissions	Emissions that occur as a consequence of using the company's products and services, which include the emissions from transportation of products to the consumers; processing, use and end of life treatment of sold products; investments, franchises; and leased assets.
Sustainability Disclosure Requirements (SDR)	A new regime introduced by the FCA *(see FCA)* to help investors to understand the sustainability characteristics of a product or service. This includes new anti-greenwashing rules and a Sustainability Label framework.
Sustainability Objective	In addition to a financial objective, a fund may have a sustainability goal, such as fighting climate change through investing in renewable energy technologies. The Evenlode funds do not have a sustainability objective but does consider sustainability criteria as part of its investment strategy.
Sector	See IA Sector (UK domiciled funds) or EAA Sector (Irish domiciled funds).
SFDR	Sustainable Finance Disclosure Regulation – European regulation requiring EU domiciled funds to make certain ESG disclosures. *See also ESG and Article 8.*

Term	Description
Share Class	The Evenlode Funds each have multiple share classes. The main differences between share classes are the treatment of Income *(see Inc – Income and Acc - Accumulation)*, the currency for investment (e.g. GBP, USD, Euro), the minimum initial investment required *(see Minimum Lump Sum)* and the Periodic Charge *(see Periodic Charge)*. Investors can see details of the available share classes in the Prospectus and KIID/KID and decide which is the most appropriate.
Share Price	The Evenlode Funds are valued each business day and a Share Price is then published for each Share Class. The price is calculated by the fund Administrator and is calculated based on the value of the underlying portfolio, income, expenses and the number of shares in issue. Taking a very simple example, if a fund with just one GBP share class had a total value of £120 million and 100 million shares were in issue, the Share Price would be £1.20.
Short dated gilts	UK government bonds with an end date within 5 years. *See also Long dated gilts and Medium dated gilts.*
SIPP	Self-invested personal pension, a type of personal pension which can be used to invest in funds.
Small-Cap	There are various definitions but for the Evenlode factsheets we define as companies with a Market Capitalisation of less than £2bn. *See also Large-Cap and Mid-Cap.*
Soft-closed	A soft-closed fund is a fund which allows existing investors to top-up their investments, but where new investors are discouraged from investing, due to high investment minimums or an initial charge. Funds typically soft close when they reach a certain size to help prevent them getting too large, which enables the Investment Manager to better manage the portfolio in accordance with the stated investment objectives and investment policy.
Soft Landing	A moderate economic slowdown following a period of growth where a recession is avoided.
Stewardship	Stewardship in investment management refers to the responsible allocation, management and oversight of investments to seek to protect and create long-term value for clients. Evenlode's Stewardship Team is responsible for ESG research into portfolio companies, engagement with portfolio companies, voting and reporting on ESG matters. *See also ESG.*
Structural Growth	Growth driven by change to the structure of a market, often driven by technological innovation or socioeconomic factors.
Swing Pricing	This is a method of protecting ongoing shareholders in the fund from bearing the costs incurred by investors that transact with the fund on a day-to-day basis. When investors buy or sell shares in the fund, the investment manager has to buy or sell underlying securities in

Term	Description
	order to either invest the cash obtained from the purchased shares, or to provide investors with cash in exchange for their shares. Swing pricing adjusts the daily share price of the fund to take into account the costs of buying or selling the underlying securities held by the fund. This ensures that transaction costs such as brokerage fees, tax and administrative charges are borne by those investors who trade shares in the fund, not by those who remain invested in the fund.
Systemic Risk	The risk of a failure in the financial sector, caused by interlinkages within the financial system, resulting in a severe economic downturn.
Tailwinds	Factors that assist the growth or performance of an investment or the overall market. For example, falling interest rates and economic growth. *See also Headwinds.*
TCFD	The Task Force on Climate Related Financial Disclosures provides information to investors about what companies are doing to mitigate the risks of climate change. Evenlode will produce a TCFD report annually. See also *SDR* and *SFDR.*
TNFD	The Taskforce on Nature Related Financial Disclosures is an emerging framework to help companies and investors report on nature-related risks and impacts (e.g. on biodiversity and natural resources).
Total Return	Total returns capture both capital returns *(See Capital Growth)* and income returns, i.e. dividends received from underlying company shares *(see Income Growth)* and therefore reflect the total return on an investment over time.
Transaction Cost	The cost of trading, such as brokerage, clearing, and exchange fees. This also includes taxes such as stamp duty.
UK UCITS	The UK equivalent of UCITS, implemented in the UK as a result of Brexit. *See also UCITS.*
UCITS	Undertakings for Collective Investment in Transferable Securities – a European regulatory framework for investment funds that prescribes how funds should operate. Evenlode's funds are UCITS funds (the UK domiciled funds are UK UCITS funds). *See also UK UCITS.*
Underweight	Holding a smaller proportion of a stock compared to the benchmark or sector. See also *Overweight.*
United Nations Principles for Responsible Investment (UNPRI)	A set of principles developed to promote environmental and social responsibility among investors globally. Evenlode became a signatory to the principles in 2018. See https://www.unpri.org for more information.

Term	Description
Volatility	A statistical measure of the fluctuations of a value over time, expressed as a percentage. For funds or indices, higher volatility is an indication of higher risk.
XD Date	*See Div ex-date.*
Yield	A measure of income from an investment over a period of time. *See also Historic Yield.*

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