

# Curate Global Quality Equity Fund



**EVENLODE**  
INVESTMENTS FOR LIFE



**Malcolm Arthur**  
**Head of Distribution**

Worked with Evenlode since 2012



**Founded in a Cotswolds barn...  
... named after a river**





# Evenlode Investment

curate  
THE ART OF INVESTING

Evenlode has a **long-term**  
and **multi-generational**  
**vision**



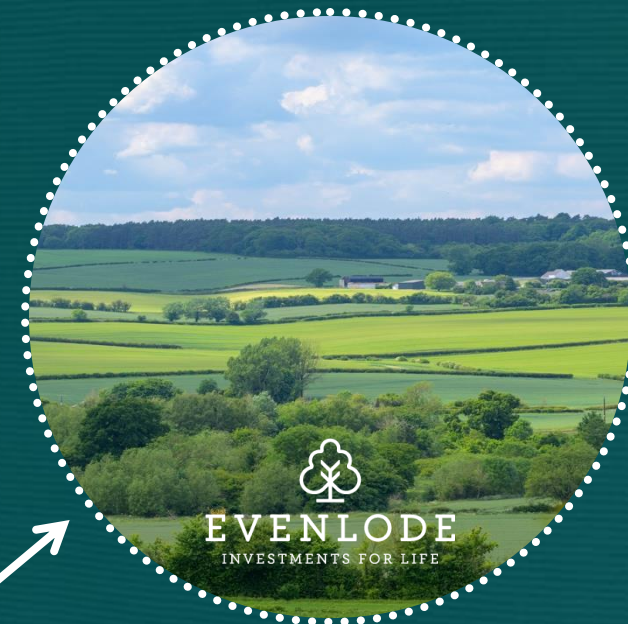
Investment  
professionals



of profits **donated**  
**to charity**



LONDON



# Three strategies

## Single unified investment philosophy



Hugh Yarrow  
& Ben Peters  
founded Evenlode

Invest in **high quality, cash-generative companies** at **sensible valuations**



## Portfolio Managers



**Hugh Yarrow**



**James Knoedler**



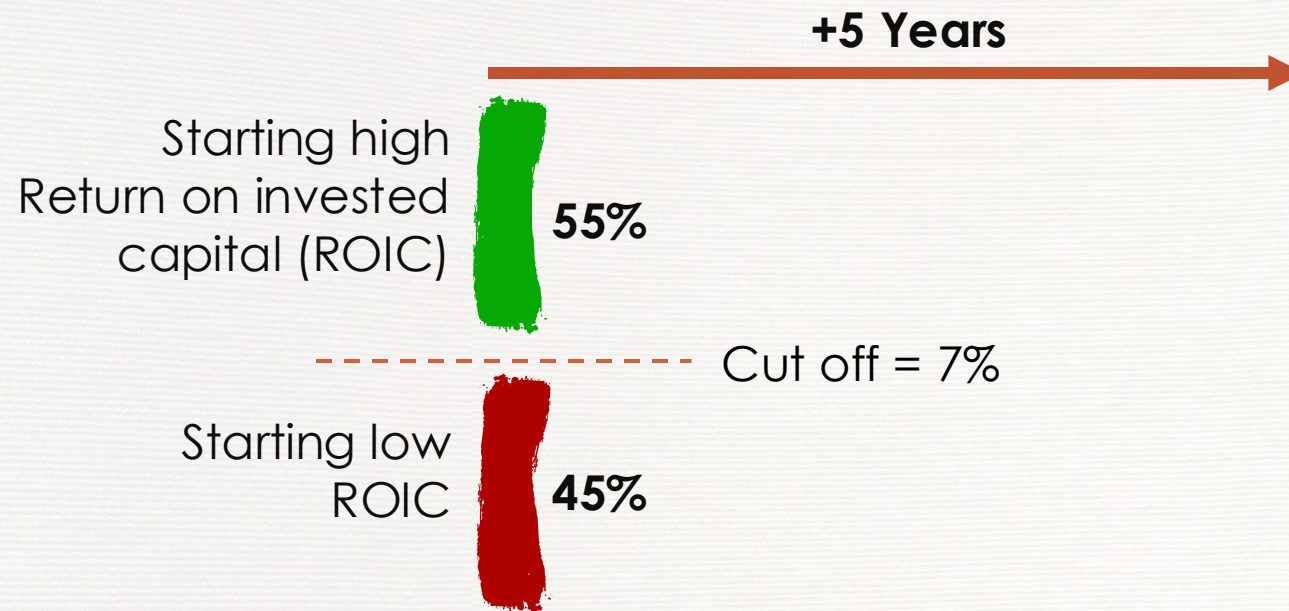
**Cristina Dyer**



**Chris Elliott**

# What are 'quality' businesses?

A longitudinal study of MSCI World Constituents from 2004 to 2023  
(over discrete five-year calendar periods)



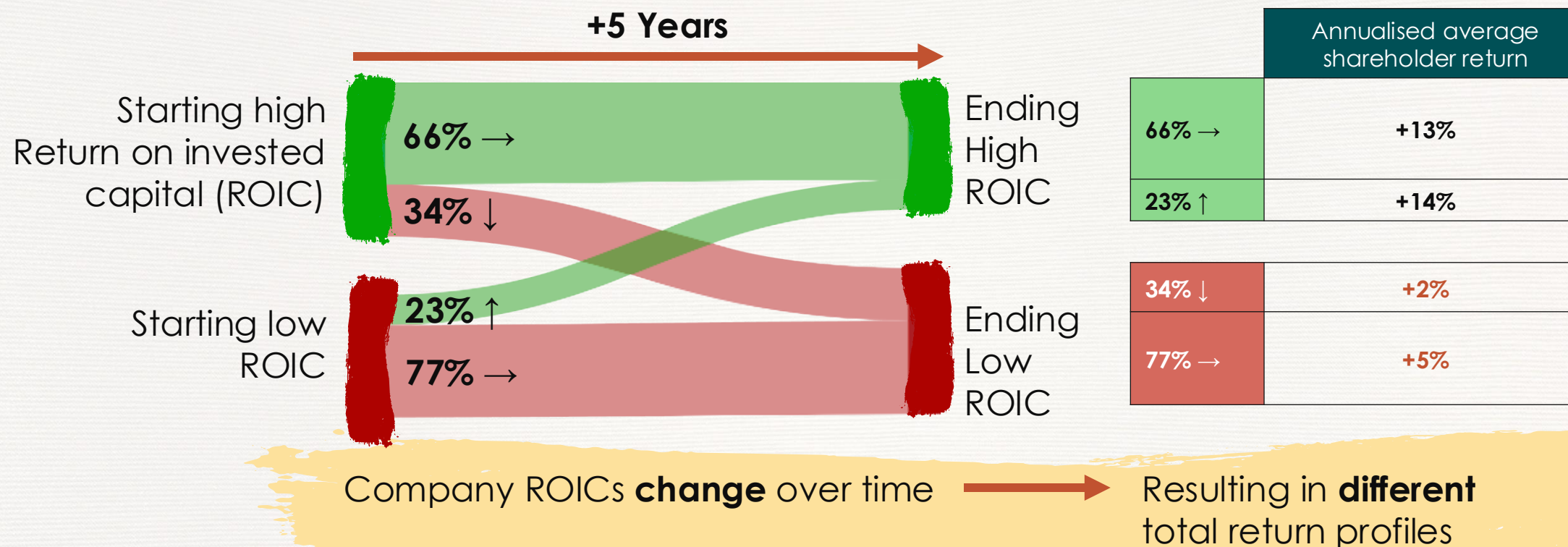
Businesses with a **high starting ROIC** only **slightly outperformed** over five years

- Discrete five-year calendar periods are 31 December 2004 to 31 December 2009, 31 December 2005 to 31 December 2010 etc.. up to 31 December 2018 to 31 December 2023.
- Source: Evenlode, MSCI, FactSet. MSCI World Index constituents from 31 December 2004 to 31 December 2023.
- Excludes the returns of companies that exited the index over the measured timeframe.
- Past performance is not a guide to future performance.



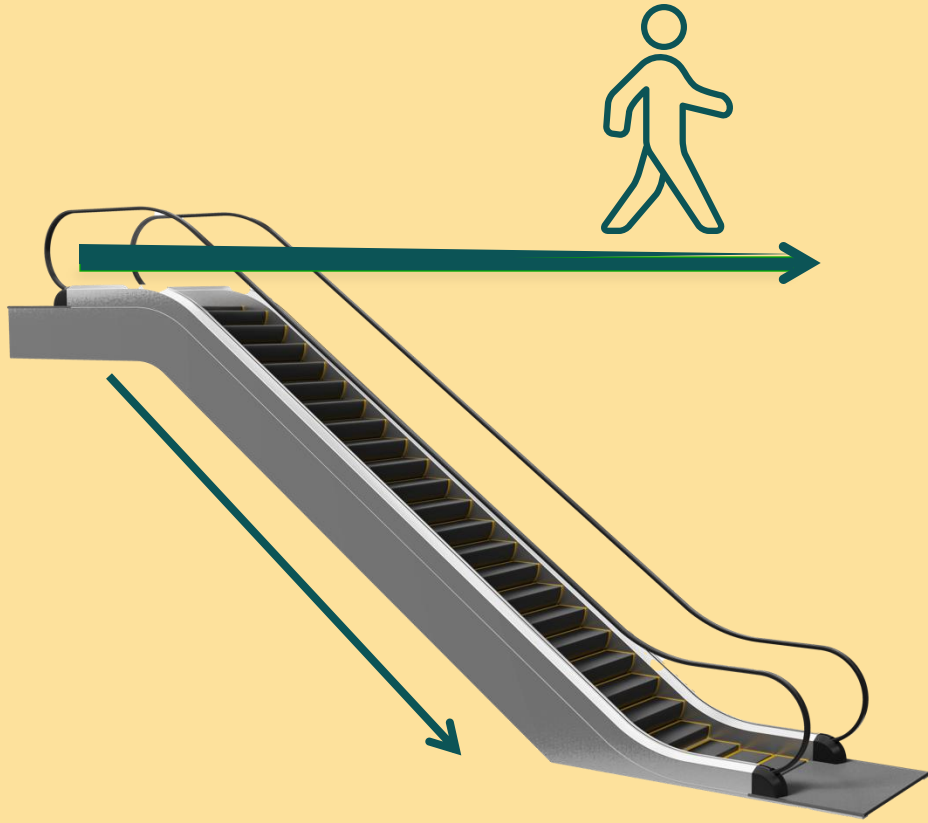
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Why do companies suffer  
**declining returns on  
invested capital?**

# How do we look to avoid that?

Focus on 10 key risk factors

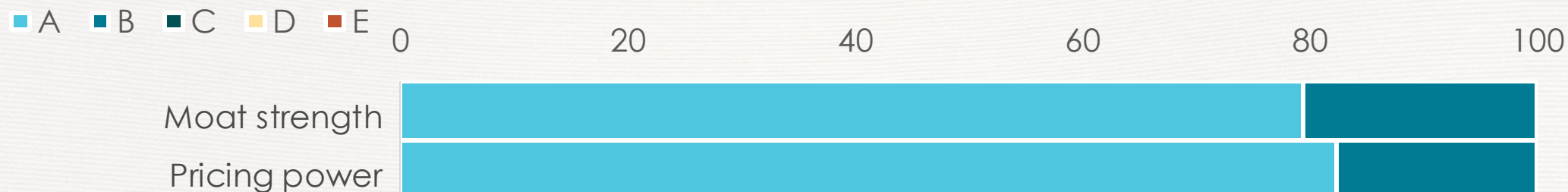


**EDDIE  
rating metric**



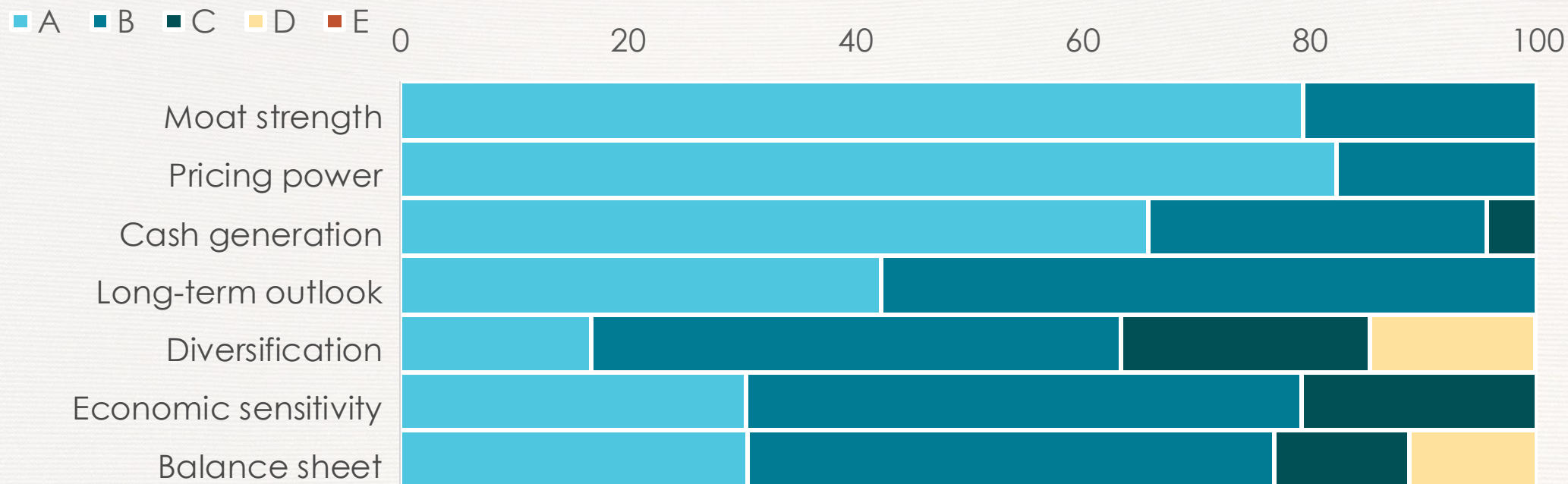


# Portfolio overview of risk factors



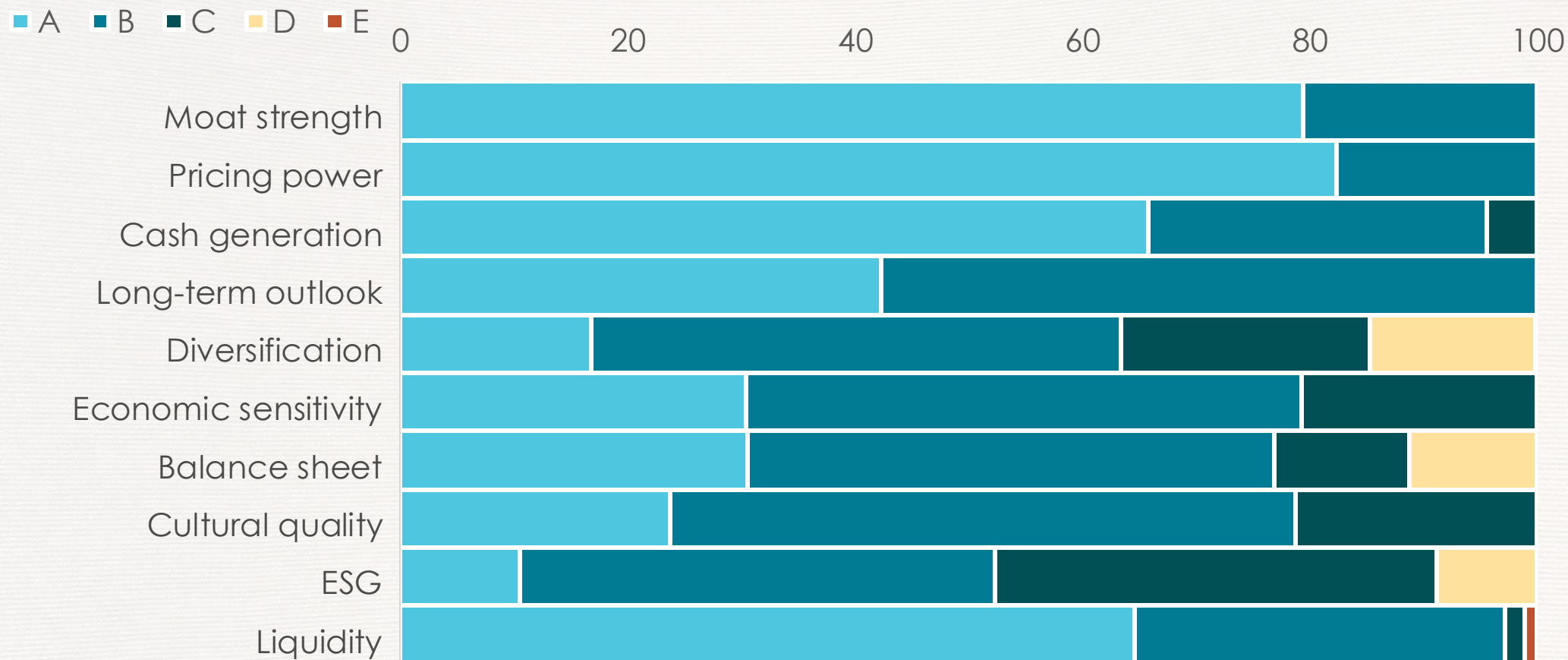
These are the two most important factors for a company to sustain a high **ROIC**

# Portfolio overview of risk factors





# Portfolio overview of risk factors



# Risk management: Discipline at **company** and **portfolio** level

	L'Oréal	Lindt
Moat strength	A	A
Pricing power	A	A
Long-term industry outlook	A	B
Economic/op. sensitivity	A	B
Diversification	A	D
Balance sheet	A	A
Cash generation	A	C
Mgmt. and cultural quality	B	B
ESG	B	D
Liquidity	A	C
<b>Maximum position</b>	<b>7.5%</b>	<b>3%</b>

- ✓ We hold maximum position meetings, where we present:
  - **Bull and bear cases**
  - Individual maximum positions from each analyst
- ✓ Portfolio managers set the maximum position
- ✓ This separates the investment and risk management decisions

- ✓ L'Oréal scores significantly higher over many risk metrics
- ✓ Therefore, we are willing to hold a larger position in L'Oréal than Lindt, given the same valuation metrics



# Portfolio example: high quality company shareholder returns

Lindt total shareholder return  
US dollar percentage p.a.  
15.9%

PE 3.0%
Dividend 2.4%
EPS 10.5%



# Curate Global Quality Equity Fund

	Curate Global Quality Equity Fund	MSCI World Index	
Number of securities <sup>1</sup>	33	1,465	✓ Concentrated portfolio
Median market cap (USD bn) <sup>2</sup>	60.0	15.7	✓ Large companies
Return on invested capital (ROIC) (%) <sup>3</sup>	11.7	4.8	✓ Higher ROIC
Revenue growth (five-year CAGR) (%) <sup>4</sup>	8.1	6.3	✓ Faster growth
Gross margin (%) <sup>5</sup>	56.6	31.7	✓ Higher margin
Net debt/EBITDA (x) <sup>6</sup>	1.1	1.6	✓ Lower debt
Carbon Intensity (emissions per £10k invested) <sup>7</sup>	0.02	0.66	✓ Low carbon





# Thank you

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