

JANUARY 2022

MONTHLY FACTSHEET

at last valuation point in January 2022 unless otherwise stated



MANAGER COMMENTARY

January has been an interesting month for equity markets. Concerns over rising inflation and interest rates have caused a sharp sell-off in quality growth stocks and a pivot into value and more cyclical stocks. We believe that no investment strategy will outperform in all market environments – if it does it's highly likely that style drift is occurring or perhaps over trading. We feel that our strategy of owning high-quality businesses will be very rewarding over the long-term. The proof of this view is our performance generated for investors from launch until 31st January 2022 (roughly 3.5 years) of +24% v. +11% by the CBOE UK All Companies Total Return Index.

Whilst January has been very challenging for our strategy, we do not think it prudent or sensible to alter the portfolio especially when we consider the quality of the businesses owned. They typically have the following characteristics: experienced and proven management with integrity, vision and strategic insight, strong and growing competitive positions, low or no debt, and sensible and actionable plans to grow and develop the business. In addition, they have strong cash generation, attractive end markets that are often fragmented and a relentless focus on customer proposition and service.

Taking all this into consideration we have been selectively deploying new cash subscriptions into portfolio names that have fallen, in some cases by over 20%. The speed and scale of the market shake out tends to surprise – but it's important we embrace all market opportunities. We have been here before, and further market shake outs will occur especially with a backdrop of rising interest rates and geopolitical risks. It is encouraging that portfolio companies who reported during January – as detailed below – demonstrate a balance of resilience, strength, and real ambition. Owning very high-quality companies has the potential to be very rewarding for patient long-term minded shareholders.

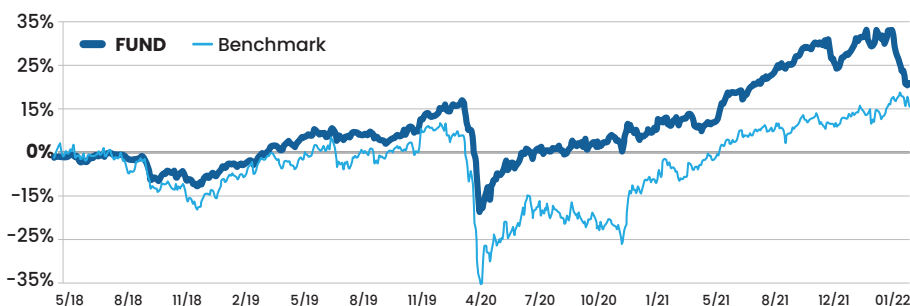
COMPANY NEWS

Diageo released interim figures which we think continue to demonstrate the strength and resilience the business has exhibited during Covid-19 lockdowns. Covid-19 has been very challenging not only with the on-trade business and duty-free channels effectively coming to an abrupt halt but also with supply chain issues. During the period, revenue was up over 15%, EPS by 20% and operating profit was up over 22%. The dividend was up 5% and £500m of the £4.5bn share buy-back programme was executed during the period. Diageo has benefitted from a consumer shift to premium products such as Johnnie Walker Blue Label, Tequila and market savvy 0% alcohol Guinness and Gordon's Gin. The company has increased advertising spend substantially in order to keep their brands front and centre, but these costs should decrease as leisure related venues fully re-open.

At their capital market's day in November, Diageo stated the strategic intention to increase its share of the 'total beverage alcohol market' (TBA) from its current 4% level to 6% by 2030. This is a substantial increase, but we think this demonstrates the visionary culture and best practice the CEO and senior team are embedding within Diageo. Getting there won't necessarily be straight forward, but we think that a combination of organic

Company News continued overleaf

PERFORMANCE SINCE LAUNCH (%)



CUMULATIVE PERFORMANCE

	YTD	3 MTHS	6 MTHS	1 YR	3YR	LAUNCH
FUND	-11.49	-7.42	-4.46	13.04	30.96	24.37
Benchmark	0.02	2.21	5.48	19.27	20.43	11.05
IA Sector	-3.65	-1.89	-0.25	13.93	23.12	12.40
Rank in sector	244/256	219/256	194/255	145/252	44/240	30/236
Quartile	4	4	4	3	1	1

Total Return, Bid to Bid, Tax UK Net, Sterling Terms. Source: T. Bailey Fund Services Limited/Financial Express Analytics. Past performance is not a reliable indicator of future results. 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.

INVESTOR PROFILE

The fund may appeal to investors who:

- Plan to hold their investment for the long-term
- Are prepared to accept the risks associated with the volatile nature of equity related investments
- Want total return through a blend of capital and income growth

KEY DETAILS

Acc single price	124.37p
Inc single price	116.00p
Benchmark	CBOE UK All Companies
IA Sector	UK All Companies
Launch Date	14 May 2018
Holdings	34
Prospective yield	2.2%
Div ex dates	1/5 & 1/11
Div pay dates	30/6 & 31/12
Fund Value	£11.6 million

TOP 15 HOLDINGS %

ASSTEAD	4.77%
DIPLOMA	4.76%
RELX	4.28%
ALPHABET	4.05%
DIAGEO	4.01%
MICROSOFT	3.98%
JD SPORTS	3.97%
DECHRA PHARMACEUTICALS	3.87%
UNILEVER	3.79%
SAVILLS	3.57%
EXPERIAN	3.20%
POLAR CAPITAL	3.16%
DISCOVERIE	3.14%
LVMH MOÛT HENNESSY	3.07%
CHUBB	3.04%
TOTAL	56.65%

GEOGRAPHICAL BREAKDOWN %

UK	78.78%
USA	13.9%
Europe	5.19%
Cash	2.13%
TOTAL	100%

and inorganic initiatives supported by product launches and growth in its emerging markets segments make it attainable. From an ESG perspective, Diageo is only too aware of the damage of excess alcohol. As a result, it continues to educate consumers with its responsible drinking campaigns by launching 'Wrong Side of the Road' and continued roll-out of 'Know When to Stop'. In addition, they opened their first carbon-neutral whiskey distillery in North America and broke ground on a carbon-neutral distillery in China. There is much to admire with management stating that they should grow organic operating profit by between 6 to 9% up to 2026. They have the brands, distribution networks, resources and growing emerging market presence that can deliver on their profit and market share objectives. In terms of execution, we hope the top team at Unilever are looking and learning how it could be done.

LVMH reported preliminary full year results which again demonstrate the strength and resilience of its aspirational brands coupled with its deep-rooted culture of innovation and efficiency. Using 2019 as a comparator, revenue was up 20% - 14% organically - whilst the operating margin nudged up 5bp to 26.7% and profit was up 68%. Free cash flow and the dividend were both double the level seen in 2019. This all seems very impressive in a disrupted year especially when the travel retail segment was hardly operating as normal.

Despite the crisis, Tiffany has been fully integrated and reported record sales for its first full year within LVMH. To execute on this high-quality asset so quickly suggests there could be further accretive M&A to deepen and broaden their competitive position within the global luxury market. As mentioned before, we like its unique diversification of products from fashion and leather, watches and jewellery, wines and spirits, perfumes and cosmetics, and selective retailing. Bernard Arnault, Chairman and CEO commented, "LVMH enjoyed a remarkable performance in 2021 against the backdrop of a gradual recovery from the health crisis. The Group's record results could not have been achieved without the efficiency and exceptional ability of our teams to adapt and notably to remain connected to our customers, continuing to inspire dreams".



MICHAEL FOSTER
Lead Portfolio Manager

Michael launched the Ocean UK Equity Fund in May 2018. He has a degree in History of Art from the University of East Anglia and holds the Investment Management Certificate. He has managed private investments for the last 7 years.



JAMES HARRISON
Co-manager

James joined the Ocean UK Equity Fund at launch in May 2018. He is a Chartered Fellow of the Securities Institute and is Chief Executive Officer of Fiske plc. He has over 22 years of industry experience.



JULIAN DIEPPE
Co-manager

Julian joined the Ocean UK Equity Fund at launch in May 2018. He is a Member of the Securities Institute and is an Investment Manager at Fiske plc. He has over 10 years of industry experience.

INVESTMENT OBJECTIVE

The Fund aims to achieve capital and income growth, and to provide a return (after fees, charges and other expenses payable out of the Fund) in excess of that of the CBOE UK All Companies Total Return Index over the long-term.

FUND FEATURES

- Emphasis on total return (TR) via blend of capital and dividend growth
- Focus on quality companies with high returns on capital and strong cash flows
- High conviction, low turnover - 'buy and manage' approach
- 30 - 40 holdings
- Investing across the market cap universe
- Preservation of capital is paramount over the business cycle
- Predominantly UK and up to 20% Overseas from a listing perspective

HOW TO INVEST

Ocean UK Equity 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: tbaileys.co.uk/funds/ocean-investment-funds

Or by telephoning the Ocean UK Equity Investor Dealing Line: 0115 988 8288 (open business days between 9am and 5pm)

Or via the following platforms:

Aviva	Pershing
Allfunds	Raymond James
Barclays	Redmayne Bentley
FNZ	Transact
Hargreaves Lansdown	Winterflood
interactive investor	Aegon
Seven Investment Management (7IM)	

CONTACT US

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T. Bailey Fund Services Ltd
tbaileys.co.uk/funds/ocean-investment-funds

Currency	Price	Minimum Investment	Annual Management Charge (AMC)	† Ongoing Charge Figure (OCF) - taken from capital	ISIN	SEDOL
GBP						
B Acc	124.37p	£1000	0.75%	1.06%	GB00BDRNX587	BDRNX58
B Inc	116.00p	£1000	0.75%	1.06%	GB00BDRNX694	BDRNX69

† Please note the 1.06% OCF includes the AMC | Entry and Exit charges 0%

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Investors must be aware of the risks associated with investment in this fund. Full details of the Ocean UK Equity Fund, including risk warnings, are published in the Prospectus and Key Investor Information document. The fund may not be suitable for all investors and if you are in any doubt whether the fund is suitable for you advice should be sought from a suitably qualified professional advisor. The value of the fund and the income derived from it can go down as well as up. Investors may not get back their initial investment. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realised. Securities denominated in foreign currencies may see their value fall as a result of exchange rate movements. Any comments contained in this factsheet are intended only for the use of the individual or entity to which it is addressed and may contain information which is confidential and may also be legally privileged. If you have received this document in error, please telephone the Compliance Department on 44 (0)20-7448-4700. Fiske plc FCA Register No: 124279