

OCTOBER 2021

MONTHLY FACTSHEET

at last valuation point in October 2021 unless otherwise stated



MANAGER COMMENTARY

Equity markets delivered a positive month against a backdrop of an increasingly mixed outlook for the global economy. The headlines have been dominated by higher input prices (and thereby rising inflation) and the likelihood that the major central banks will nudge interest rates higher from their record Covid-19 lows. The UK budget passed off without incident as it was a pre-scripted event – with most of the detail leaked in advance. Ultimately, the Chancellor has given himself the capacity to cut taxes ahead of the next general election.

The Covid situation remains fluid with infection rates rising higher than most other European countries (although this may be due to our more aggressive testing regime) but critically, hospitalisations remain relatively subdued at this stage. The winter is likely to be challenging and the risk of restrictions being imposed is omnipresent which would bring further corporate and economic challenges. However, as a nation, individuals and companies have become increasingly resilient to the challenges lockdowns present. Interestingly it has prompted businesses to take a fresh and more vigorous look at their cost base – real estate, travel and hospitality – and critically develop and re-purpose their e-commerce strategy.

As the month closed attention turned towards Glasgow, COP26 and the enormous environmental responsibility on the shoulders of global leaders and legislators. We would add that many of our companies have ESG embedded within their operations and some of their products & services appear to be very much part of the solution. We will write more on ESG in the months ahead.

We have met with some very impressive businesses and management teams over the last few weeks. We are reassured by the sheer depth and breadth of very high-quality businesses that we can access to invest your capital. Beyond the headlines, the UK has many great businesses doing very good things and some of them could become substantially larger over the longer-term.

COMPANY NEWS

LVMH – reported resilient Q3 trading demonstrating the competitive advantage of their staple premium brands and strength of the business model to emerge so strongly from the pandemic. For the 9-months so far in 2021 sales are up 40% compared to 2020 – although a better comparison is against the same period in 2019 with sales up 11% boosted by record revenue for leather and fashion products. With a lot of their retail venues closed during the pandemic, and the big hit they took from less air travel, these numbers are compelling and demonstrate the strength of their omni-channel offering and the enduring/aspirational appeal of their innovative product range.

Company News continued overleaf

PERFORMANCE SINCE LAUNCH (%)



CUMULATIVE PERFORMANCE

	YTD	3 MTHS	6 MTHS	1 YR	3YR	LAUNCH
FUND	22.13	3.20	11.49	32.29	43.11	34.34
Benchmark	15.49	3.19	5.21	35.95	15.95	8.64
IA Sector	15.13	1.67	4.40	37.21	24.11	14.56
Rank in sector	19/251	77/257	3/255	188/251	28/241	19/240
Quartile	1	2	1	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	134.34p
Inc single price	126.33p
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	£12.1 million

TOP 15 HOLDINGS %

ASSTEAD	4.9%
DIPLOMA	4.5%
DECHRA PHARMACEUTICALS	4.3%
ALPHABET	4.1%
RELX	4.1%
MICROSOFT	3.9%
UNILEVER	3.7%
DIAGEO	3.7%
POLAR CAPITAL	3.4%
JD SPORTS	3.4%
SAVILLS	3.4%
DISCOVERIE	3.1%
CRODA	2.9%
CHUBB	2.8%
SPIRAX SARCO ENGINEERING	2.7%
TOTAL	54.9%^X

GEOGRAPHICAL BREAKDOWN %

UK	74.7%
USA	13.3%
Europe	4.6%
Cash	7.4%
TOTAL	100%

The group said there had been sustained revenue growth in Asia and the US with a gradual recovery in Europe and good progress with the integration of Tiffany. Whilst LVMH is a vast global organisation it has an entrepreneurial feel to it; probably helped by the Arnault family being able to make timely pragmatic decisions for the long-term benefit of all stakeholders. We think that their relentless focus on the innovation of high-quality products, selective investment in store expansion and omni-channel capability when combined with prudent cost management and sector experience will see LVMH gain further market share in the years ahead.

XP Power - manufacturer and distributor of power convertors for applications such as medical equipment, semiconductor equipment manufacturing, and industrial technology applications. Their power convertors take AC and convert it into DC for mission critical equipment. For example, think of the box that sits on your laptop power supply cable. Order intake was very strong during the period at 87% coupled with a strong orderbook backlog above historic levels. Year to date revenue is up 12% mainly driven by semiconductor manufacturing clients.

We continue to think XP Power is a high-quality operation, with very strong customer relationships, exposure to solid and growing end-markets, robust margins and a good organic growth story which is supplemented by bolt-on M&A. Management has a strategic business plan to double revenue in the next five years. We think this is an ambitious but workable objective especially given their total addressable market is c.£5bn, and growing. Their current revenues are c.£250m and their end markets are very fragmented. There are risks such as those surrounding economic growth/stability and management execution. However, we think the management team has the depth and breadth to ultimately become a much larger organisation over the medium to long-term.



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

Salisbury House, London Wall,
London, EC2M 5QS
020 7448 4700

Authorised Corporate Director & Administrator:
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	134.34p	£1000	0.75%	1.06%	GB00BDRNX587	BDRNX58
B Inc	126.33p	£1000	0.75%	1.06%	GB00BDRNX694	BDRNX69

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

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY | MEMBER OF THE LONDON STOCK EXCHANGE | NOT FOR DISTRIBUTION IN THE U.S.A.

This factsheet has been issued by Fiske plc on the basis of publicly available information, internally developed data and other sources believed to be reliable and accurate. No representations or warranty, expressed or implied, is made nor responsibility of any kind is accepted by Fiske plc, its directors or employees either as to the accuracy or completeness of any information stated in this factsheet. Any opinions expressed (including estimates and forecasts) may be subject to change without notice. This document is not intended as an offer to buy or sell the fund nor as a personal recommendation. Fiske plc, or any of its connected or affiliated companies or their employees, may have a position or holding or other material interest in the fund concerned or in a related investment, or may have provided within the previous twelve months, significant advice or investment services in relation to the investment concerned or a related investment.

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