

# SEPTEMBER 2022

## MONTHLY FACTSHEET

at last valuation point in September 2022 unless otherwise stated



### MANAGER COMMENTARY

Equity markets fell over the month due to increasing investor concern about where and when central banks will stop increasing interest rates to tame inflation. In the BoE's case, this is at its 2% mandated level. Whilst inflation remains high there are signs that some components are falling away such as oil, commodities, and freight rates although food remains stubbornly high. All three major central banks increased interest rates during the month – the Federal Reserve by 0.75%, the Bank of England by 0.5% and the ECB by 0.75%. They also made hawkish statements that they will keep increasing interest rates – possibly to higher levels and for longer into the future – to bring inflation down and thereby manage the cost-of-living/inflationary pressures for consumers and companies.

During the month Liz Truss was voted in – by party members not MPs – as the new Prime Minister. One of her administration's first priorities was to address the energy crisis with appropriate financial support which echoed that seen during Covid. However, it was the content and miss-management of the tax-cutting mini budget which has spooked markets particularly sterling and the gilt market as the Treasury will need to borrow more to fund the proposed tax cuts. The equity market also fell heavily with interest sensitive sectors from a consumer perspective such as housebuilders and retailers falling sharply.

The UK economy remains in a fragile state. Consumer confidence is very depressed and the next few months will be challenging with the prospects of an economic recession dominating the headlines and affecting investor sentiment. Having said this, it is interesting to note that employment remains robust and unemployment is at a 48 year low whilst revised GDP data for Q2 showed modest growth.

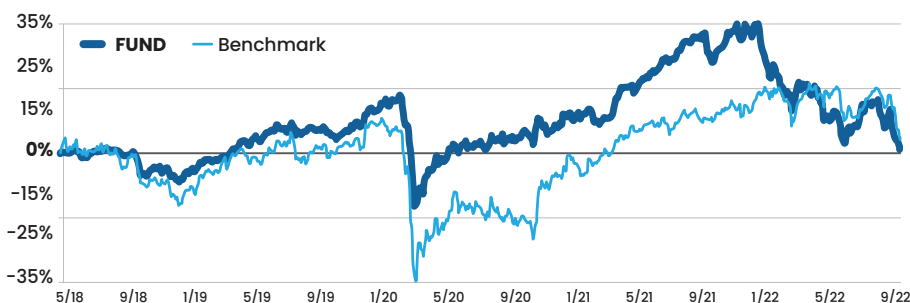
Whilst your fund fell during the month, we are encouraged by the operating performance of our companies which are typically trading well and pressing ahead with strategic bolt-on M&A and share buy backs. We are beginning to look at some great domestic businesses with strong and growing competitive positions that are becoming increasingly attractively valued. However, we acknowledge that the next few months are going to be difficult with increasing equity market volatility.

### COMPANY NEWS

**JD Sports** – reported interims that demonstrate the resilience of its proposition as a leading global retailer of sporting goods and apparel as it delivered profit at the top of guidance at £383m. Management commented that recent trading was robust with like-for-like sales ahead 8%. This is impressive but we are cognizant that the retail environment is very challenging due to macro-economic uncertainty. The post Peter Cowgill era looks well set with a new Chairman and CEO, Regis Schultz, announced over the summer. Cowgill will remain available to senior management in a consultancy role. This should reassure the market that the business is well positioned for long-term growth. The shares are attractively valued trading on a forward PE below 10x, less than 1x sales. We think this is not reflective of a business that is growing sales over 5% with £1.1bn of cash for growth initiatives such as further investment into Asia and digital capability. In other developments JD has announced the launch of a 'Connected Partnership' reward programme with key supplier Nike giving customers in this ecosystem priority

Company News continued overleaf

### PERFORMANCE SINCE LAUNCH (%)



### CUMULATIVE PERFORMANCE

	YTD	3 MTHS	6 MTHS	1 YR	3YR	LAUNCH
<b>FUND</b>	<b>-27.83</b>	<b>-3.05</b>	<b>-15.97</b>	<b>-23.20</b>	<b>-5.74</b>	<b>1.40</b>
Benchmark	-6.83	-3.37	-8.04	-3.44	1.85	3.44
IA Sector	-17.10	-4.98	-12.83	-15.33	-2.22	-3.29
Rank in sector	218/254	62/255	191/255	193/253	157/242	93/237
Quartile	4	1	3	4	3	2

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	101.40
Inc single price	93.66
Benchmark	CBOE UK All Companies
IA Sector	UK All Companies
Launch Date	14 May 2018
Holdings	35
Prospective yield	2.2%
Div ex dates	1/5 & 1/11
Div pay dates	30/6 & 31/12
Fund Value	£9.6 million

### TOP 15 HOLDINGS %

RELX	5.0%
DIPLOMA	5.0%
DIAGEO	4.8%
UNILEVER	4.8%
ASSTEAD	4.3%
MICROSOFT	4.0%
ALPHABET	4.0%
LVMH	3.3%
EXPERIAN PLC	3.3%
CRODA	2.9%
DISCOVERIE	2.9%
DECHRA PHARMACEUTICALS	2.9%
CONVATEC	2.9%
CHUBB	2.8%
SPIRAX SARCO ENGINEERING	2.8%
<b>TOTAL</b>	<b>55.8%</b>

### GEOGRAPHICAL BREAKDOWN %

UK	77.0%
USA	13.8%
EUROPE	6.0%
CASH	3.2%
<b>TOTAL</b>	<b>100%</b>

access to select Nike products and digital experiences with Nikeland via the metaverse. JD is the first European retailer preferred by Nike demonstrating the strength of the symbiotic relationship between supplier and retailer.

**Mattioli Woods** – provides bespoke financial advice for investments, pensions, and employee benefits – reported preliminary results that reinforce its compelling product and service offering. Revenue was up 73%, EPS up 17%, profit up 85%, dividend up 24% and it has net cash of c.£54m on its balance sheet. Whilst much of this growth was driven by M&A where they have a very strong demonstrable track-record there was still robust 10% organic growth. The business has set out some ambitious medium-term targets for growth which are £30bn of AUM, £300m of revenue and £100m of profit. Whilst management have not put a timeline on these strategic targets, we are confident they will meet them in 5-7 years' time especially as they achieved previous ambitious targets. We think the business has the scale, people, processes and competitive position to become a leading provider of financial advice. Growth will be organic and via M&A and this does present added risk. However, the Company has a very strong track-record here supported by a nine-point strategic framework with cultural fit being high on the list. Ultimately management are very well positioned to select the best strategic M&A targets – people, product and client base – and, having been in operation since 1991, know the market well and what they need to do.



**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 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: [tbaileyfs.co.uk/funds/ocean-investment-funds](https://tbaileyfs.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
- ▣ Allfunds
- ▣ Barclays
- ▣ Hargreaves Lansdown
- ▣ interactive investor
- ▣ Seven Investment Management (7IM)
- ▣ Pershing
- ▣ Raymond James
- ▣ Transact
- ▣ Winterflood
- ▣ Aegon

## CONTACT US

100 Wood Street  
London, EC2V 7AN  
020 7448 4700

**Authorised Corporate Director & Administrator:**  
T. Bailey Fund Services Ltd  
[tbaileyfs.co.uk/funds/ocean-investment-funds](https://tbaileyfs.co.uk/funds/ocean-investment-funds)

Currency	Price	Minimum Investment	Annual Management Charge (AMC)	† Ongoing Charge Figure (OCF) - taken from capital	ISIN	SEDOL
<b>GBP</b>						
<b>B Acc</b>	101.40p	£1000	0.75%	1.06%	GB00BDRNX587	BDRNX58
<b>B Inc</b>	93.66p	£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