

FUND FACTSHEET

JUNE 2023

at last valuation point in
June 2023 unless
otherwise stated

OCEAN
EQUITY

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.

MANAGER COMMENTARY

June has been dominated by ongoing concerns around inflation, interest rate expectations, the continuing war in Ukraine and the direction of the global economy. As a result, the UK equity market has had a quiet month and made little progress. As we have said before markets loathe uncertainty, and the current 'fog' is very much front and centre for investors. Central banks continued with their dogged determination to rein in elevated inflation. In the UK the MPC raised interest rates by 50 bps to 5% as inflation, which came in at a stubbornly high level of 8.7%, is not falling away as quickly as was generally anticipated. In Europe, the ECB increased interest rates by 25 bps to a 22-year high of 3.5%. ECB President Christine Lagarde stated that future interest rate decisions will bring interest rates to levels sufficiently restrictive to achieve a timely return of inflation to the 2% target. Interestingly the Federal Reserve paused its rate hikes in June following ten consecutive increases. The big question for investors remains whether this is merely a pause or are we potentially at the peak of this interest rate tightening cycle? The messaging from the Fed was very much tilted towards a pause in June but further interest rate increases over the balance of the year depending on the economic data.

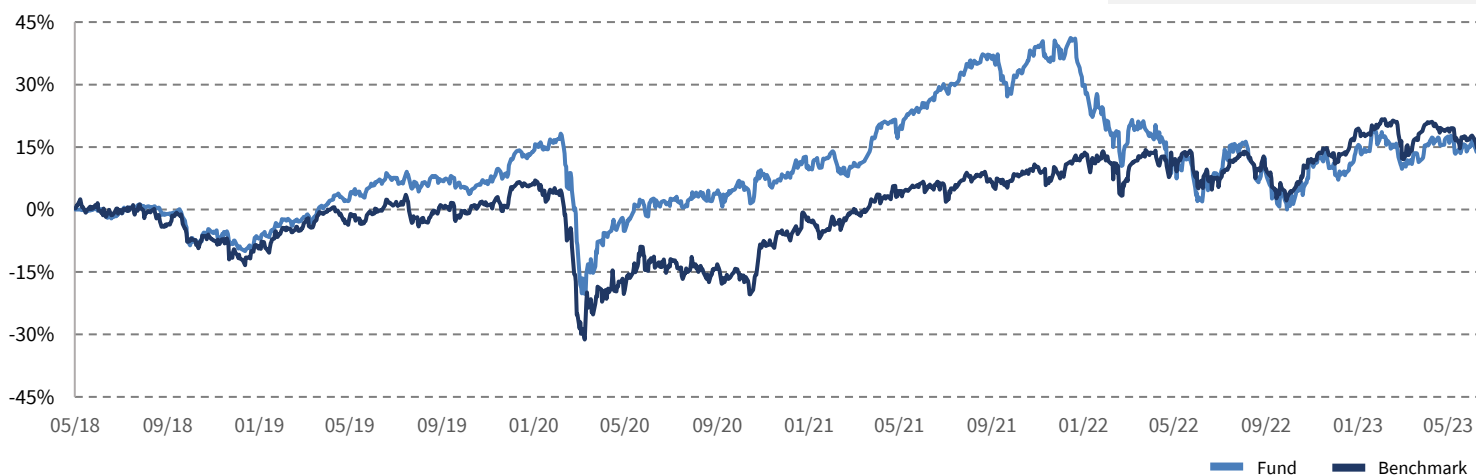
We have recently passed our 5th anniversary of managing the fund and it goes without saying we are very grateful for your ongoing support. If we look back over the last 5-years, from launch up to 30.6.2023 we have delivered 1st quartile performance, are 54th out of 224 funds, and have delivered a 16.3% return against our benchmark of 16.1% and sector average of 8.0%. Looking forward we believe we are very well positioned to achieve and deliver much more to you as shareholders.

CUMULATIVE PERFORMANCE

	YTD	6MTHS	1YR	3YR	5YR	LAUNCH
Fund	5.57	5.57	9.72	13.57	16.26	14.76
Benchmark	2.45	2.45	8.30	33.97	16.06	15.93
IA Sector	1.88	1.88	6.20	24.07	7.98	8.10
Rank in Sector	22/245	22/245	52/245	181/233	54/224	79/224
Quartile	1	1	1	4	1	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.

PERFORMANCE SINCE LAUNCH (%)



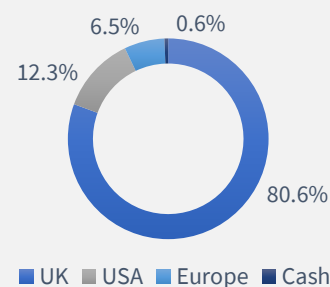
KEY DETAILS

ACC SINGLE PRICE	114.76
INC SINGLE PRICE	103.59
BENCHMARK	CBOE UK All Co's
IA SECTOR	UK All Co's
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	£10.7 million

TOP 15 HOLDINGS

DIPLOMA	6.0%
RELX	5.4%
ASSTEAD	5.3%
MICROSOFT	4.5%
UNILEVER	4.4%
DIAGEO	4.4%
LVMH	4.2%
JD SPORTS	3.8%
DECHRA PHARMACEUTICALS	3.8%
EXPERIAN	3.4%
DISCOVERIE	3.4%
FERGUSON	3.3%
GAMES WORKSHOP	3.2%
LONDON STOCK EXCHANGE	3.1%
RECKITT BENCKISER	3.0%
TOTAL	61.1%

GEOGRAPHICAL BREAKDOWN



COMPANY NEWS

Halma – is a global group of life saving technology companies operating in the health, environment, and analysis markets – the company reported another year of record revenue and profit growth. Revenue was up 21%, profit up 14%, and the dividend was up 7% which is now the 44th consecutive increase compounding at more than 5% per annum. ROIC was 15% which we think is sustainable in a year of record investment of c. £500m all supported by robust free cash flow conversion. Halma is well positioned to continue benefiting from its decentralised business model and critically, structurally growing end markets. Typically, Halma aims to double profits every 5-7 years. Broadly speaking we think Halma is very well positioned with a growing competitive position as it seeks to reinvest excess cash back into its businesses at very attractive rates of return both from an organic and inorganic basis. Halma encapsulates much of what we look for when deploying your capital into very high-quality businesses. The founders set out the groundwork back in the 1970s but the values they set out are still very much front and centre. Halma has a very distinct and tangible culture, along with a long-term, can-do mindset. Its clear strategic growth roadmap is boosted by structurally growing end markets and a sustainable and agile financial model which is all driven by a real sense of ambition.

Telecom Plus (TEP)– distributes essential services including energy, broadband, mobile and insurance via partners to c.900,000 UK consumers and SMEs. TEP has a strong and arguably deepening competitive advantage as it has one set of overheads for multiple services. The vast majority of its revenue is generated by partners who recommend TEP services to friends and family. Partners would not offer friends and family these essential services if they did not believe in the price point, durability, and trust in the supplier. In return these partners are rewarded with extra pocket money for each customer they introduce. Given the current cost of living crisis this is a pretty compelling offer and gives it a high barrier to entry for competitors. In addition, TEP’s inherent cost advantage and scale allow it to negotiate very competitive terms with their wholesalers. For their year ending March 2023 the economics were strong with PBT up 55%, customer growth up 22% and the dividend up some 40%. The management have a long-term and patient mindset and know their markets very well. The Co-CEOs have been with TEP since 2007 and 2016 respectively. Over the medium term they believe they can grow their customer base in the 12-16% range and potentially reach 2 million customers. This would only mean they have c.6% of the market but in effect would be a doubling of the business. There are risks as government policy and regulation can be misjudged and poorly executed – but in turn the government needs an orderly, fully functioning market for these mission critical services. The shares have been poor this year but for a business with an ambitious and realistic growth agenda which benefits both customers and partners, we think they are well placed to progress from current levels over the medium to long-term.

INVESTOR PROFILE

The fund may appeal to investors who:

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

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 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: baileyfs.co.uk/funds/ocean-investment-funds

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

Or via the following platforms:

A J Bell	Interactive Investor
Aviva	Novia
Allfunds	Pershing
Aegon	Raymond James
Barclays	Standard Life
Charles Stanley Direct	Transact
Cofunds	Winterflood
Elevate	7IM
Hargreaves Lansdown	



MICHAEL FOSTER

LEAD PORTFOLIO MANAGER

Michael launched the Ocean Equity Fund in May 2018. He holds the Investment Management Certificate. He has managed private investments since 2011.



JAMES HARRISON

CO-MANAGER

James joined the Ocean Fund at launch. He is a Chartered Fellow of the Securities Institute and is CEO of Fiske plc. He has over 26 years of experience.



JULIAN DIEPPE

CO-MANAGER

Julian joined the Ocean Fund at launch. He is a member of the Securities Institute and is an Investment Manager at Fiske plc. He has over 10 years of experience.



KEVIN MORDRICK

FUND SALES

Kevin has 35 years’ experience in financial services. He was Associate Sales Director for Invesco Perpetual and Sales Director of Rensburg Fund Management.

Currency	Price	Minimum Investment	Annual Mgmt. Charge (AMC)	*Ongoing Charge Figure (OCF) – taken from capital	ISIN	Sedol
GBP						
B Acc	114.76p	£1,000	0.75%	1.14%	GB00BDRNX587	BDRNX58
B Inc	103.59p	£1,000	0.75%	1.14%	GB00BDRNX694	BDRNX69

*please note the 1.14% OCF includes the AMC Entry and Exit charges 0%

CONTACT US

Michael Foster (Manager) – 07771 516 565
Kevin Mordrick (Fund Sales) - 07557 798 421
 100 Wood Street, London, EC2V 7AN
 Authorised Corporate Director & Administrator:
 T. Bailey Fund Services Ltd
baileyfs.co.uk/funds/ocean-investment-funds

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Investors must be aware of the risks associated with investment in this fund. Full details of the Ocean 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