

FUND FACTSHEET

FEBRUARY 2024

at last valuation point in
February 2024 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

The UK equity market made little headway in February as investors digested a raft of economic data coupled with the first major central bank monetary policy announcements of 2024. There is a general perception among investors that interest rates will fall in 2024. It is likely that cuts will be implemented later than initially thought and perhaps the depth of the cuts will be less than market participants were anticipating at the start of the year. In the UK CPI came in at 4.0% for January which was below consensus of 4.2% whilst core CPI came in at 5.1% marginally below the consensus of 5.2%. Looking forward commentators are expecting CPI inflation to fall back to c.2% in April/May due to falling energy and food prices.

During the month the BoE left interest rates unchanged at 5.25% for the fourth consecutive meeting. Importantly language suggesting rates may have to go up again was removed from the narrative. We think that the BoE may be the first of the major central banks to cut rates potentially in May or June as the economy is quite weak and dipped into recession in the last two quarters of 2023. Whilst we do think that growth will pick up in 2024 with inflation falling and growth anaemic, they could be forced to act. With valuations in many areas of the UK equity market particularly attractive from a historic perspective this is a positive backdrop for Ocean Equity.

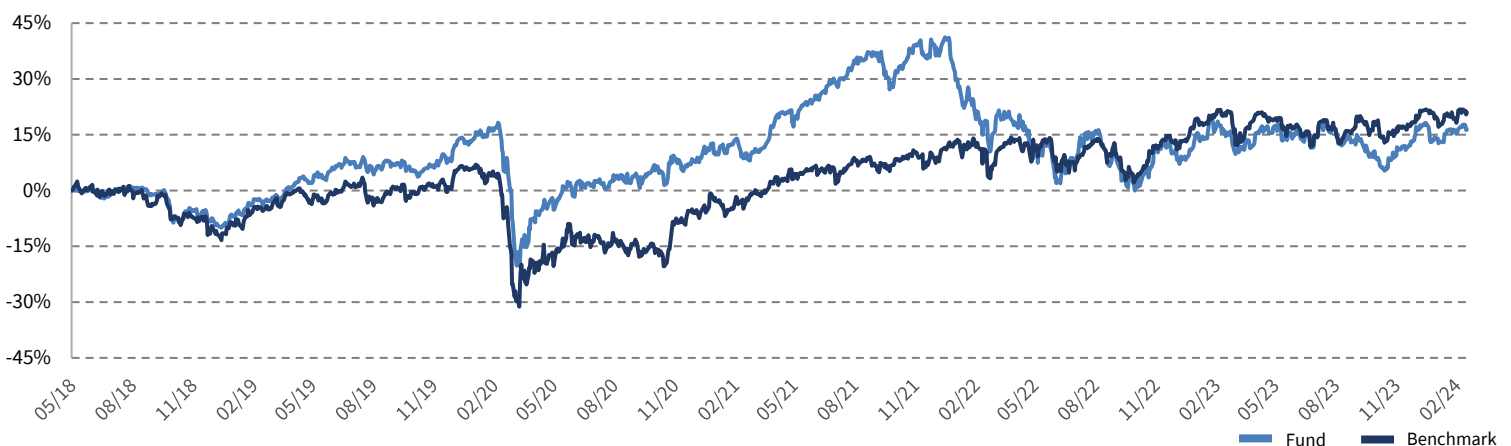
During the month the Federal Reserve left interest rates on hold for the 5th monetary policy meeting in a row. Whilst markets were not expecting a cut in interest rates at the February meeting they were hoping for some guidance on when rates might start to be reduced. The Fed shifted its guidance and removed its previous language on the need for more monetary tightening and opened the door to rate cuts without specifying when they were likely to happen.

Fed Chair Jerome Powell said, "I don't think it's likely the committee will reach a level of confidence by the time of the March meeting to lower rates, but that's to be seen." He went on to say that interest rates were at their 'peak' and the central bank could begin dialling back policy restraint at some point this year. The market is of the opinion that the Fed could implement its first cut in June 2024 and a further two or three cuts in the latter part of 2024.

	YTD	6MTHS	1YR	3YR	5YR	LAUNCH
Fund	-1.48	1.70	1.57	7.15	21.14	16.39
Benchmark	-0.67	4.46	0.74	27.25	27.99	20.99
IA Sector	-0.97	4.09	0.13	11.18	21.74	12.82
Rank in Sector	162/234	202/233	63/233	147/224	127/215	106/212
Quartile	3	4	2	3	3	2

Total Return, Bid to Bid, Tax UK Net, Sterling Terms. Source: Waystone Fund Services UK 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 (%)



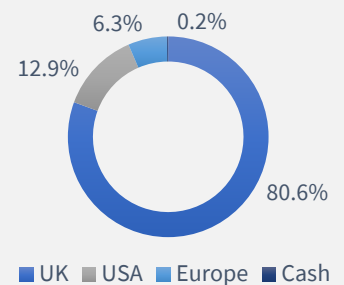
KEY DETAILS

ACC SINGLE PRICE	116.39
INC SINGLE PRICE	103.99
BENCHMARK	CBOE UK All Co's
IA SECTOR	UK All Co's
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	£10.3 million

TOP 15 HOLDINGS

DIPLOMA	5.9%
RELX	5.7%
ASHTEAD	5.7%
UNILEVER	4.4%
LVMH	4.2%
MICROSOFT	4.1%
FERGUSON	4.1%
EXPERIAN	4.0%
DIAGEO	4.0%
COMPASS	3.9%
BUNZL	3.9%
ASTRA ZENECA	3.4%
LONDON STOCK EXCHANGE	3.3%
CONVATEC	3.3%
CHUBB	3.2%
TOTAL	63.1%

GEOGRAPHICAL BREAKDOWN



COMPANY NEWS

As mentioned in the January factsheet we recently initiated a new position in YouGov as we think the business is well positioned to grow revenue and profit over the medium-term. YouGov is an international online market research and data analytics business. Their products and services help the world’s most recognised brands, media owners and agencies to plan, activate and track their marketing activities effectively and ultimately allocate capital more efficiently. Critically over the last twenty years they have built a strong and growing competitive advantage via their panel of 26 million registered members who provide valuable insights on anything from food preferences to holiday destinations. These insights are gathered electronically and stored on the YouGov cube database which contains reams of valuable historic information. The sheer size of its membership along with the depth and breadth of its data is compelling for clients who desire product and service knowledge to drive better outcomes to get closer too and attract new customers. The established research market is worth \$48bn globally and is expected to grow by c.5% per annum over the next few years whilst also being fragmented which supports YouGov’s M&A strategy. YouGov see themselves as innovators in online market research and have a strong reputation as a trusted source of accurate data and insights. This enables them to both retain customers on their platform whilst also attracting new customers.

At their most recent capital markets day management set out a medium-term strategic objective to deliver £500m of revenue along with a 25% operating profit margin. This compares to its recent full year results where revenue was £258m with an operating margin of 18.7%. Whilst this is ambitious, they have a good record of delivering robust and sustainable growth. The balance sheet is strong with a current net cash position whilst its ROIC is c.25%. In addition, they made an interesting and fortuitous acquisition of the GfK European Consumer Panel Business as a result of anti-trust issues relating to the NielsenIQ and GfK merger. They paid about 10x EBITDA and we think this is an excellent addition to the YouGov platform. Management recently said the integration was tracking ahead of expectations. Whilst the transaction does carry execution risk we think management have the capability to integrate the business and drive the commercial opportunity via aspects such as cross selling. It is also worth noting that the backbone of generative AI is centred around data and content and those developing AI are highly likely to find YouGov’s growing high-quality proprietary data sets very appealing.

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:

<https://www.waystone.com/ourfunds/waystone-fund-services-uk-limited/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	116.39p	£1,000	0.75%	1.00%	GB00BDRNX587	BDRNX58
B Inc	103.99p	£1,000	0.75%	1.00%	GB00BDRNX694	BDRNX69

*please note the 1.00% OCF includes the AMC Entry and Exit charges 0%

The Ocean Equity Fund does not have an objective linked to the oceans or marine bio-diversity but the Fund Manager may choose to invest in companies that derive their revenue from shipping and energy transition sectors.

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