

# FUND FACTSHEET

APRIL 2024

at last valuation point in  
April 2024 unless otherwise  
stated



## 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 had a strong month as investors reacted to the possibility that the Bank of England might cut interest rates before the Federal Reserve, due to the relative weakness of the UK economy. As a result, sterling fell against the US Dollar, thereby boosting the value of those UK listed companies who have significant overseas earnings.

Headline UK CPI inflation rose at an annual rate of 3.2% in March, down from 3.4% the previous month. While a slowing in the rate of inflation is usually welcome news, the figure was marginally higher than the 3.1% consensus forecast. As a result, market participants became more sceptical about the timing of future interest rate cuts, even though the rate of price increases fell below the US for the first time in two years and it was the lowest rate the UK has seen in two and a half years. This fall in inflation was predominantly driven by a fall in food prices, although high fuel costs, caused by tensions in the Middle East, provided upward price pressure. Core inflation, which removes volatile food and energy price movements, fell from 4.5% to 4.2%, but again consensus was for a larger decline to 4.1%.

As we have mentioned in previous factsheets, the last mile in bringing inflation down is the hardest. However, the relative stickiness of inflation has resulted in a shift in expectations. Interest rates are likely to be higher for longer and might be cut in the latter part of the year.

In the US, inflation came in at 3.5%, which was similarly higher than the 3.4% expected. Core inflation also exceeded expectations due to price pressures in services sectors notably healthcare and car insurance. As a result, investors think the Fed may push out interest rate cuts to the end of 2024 and adopt a 'higher for longer' tone as it awaits more supportive economic data suggestive of a sustainable move to 2% inflation.

	YTD	6MTHS	1YR	3YR	5YR	LAUNCH
<b>Fund</b>	<b>1.82</b>	<b>12.90</b>	<b>3.41</b>	<b>-0.17</b>	<b>15.86</b>	<b>20.29</b>
<b>Benchmark</b>	<b>6.28</b>	<b>14.19</b>	<b>7.37</b>	<b>25.37</b>	<b>30.15</b>	<b>29.46</b>
IA Sector	4.73	15.25	6.87	8.74	20.97	19.33
Rank in Sector	195/232	184/231	183/230	153/222	143/213	119/209
Quartile	4	4	4	3	3	3

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 (%)



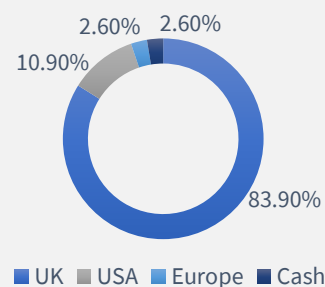
## KEY DETAILS

ACC SINGLE PRICE	120.29
INC SINGLE PRICE	107.47
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	£10.5 million

## TOP 15 HOLDINGS

DIPLOMA	6.0%
RELX	5.3%
FERGUSON	4.2%
GSK	4.0%
ASTRAZENECA	4.0%
ASHTAD	4.0%
COMPASS	3.9%
EXPERIAN	3.8%
BUNZL	3.7%
UNILEVER	3.6%
LONDON STOCK EXCHANGE	3.3%
CONVATEC	3.2%
JOHN DEERE	3.0%
DISCOVERIE	3.0%
GAMES WORKSHOP	2.9%
<b>TOTAL</b>	<b>57.9%</b>

## GEOGRAPHICAL BREAKDOWN



## COMPANY NEWS

**Unilever** updated investors with a Q1 FY24 trading update where revenue was up 4.4%. Encouragingly this was split 50:50 between price and critically volume growth. Interestingly growth within the key 14 'billion-euro' revenue brands was up 3.8%. Whilst it is early days, we are encouraged by this latest update and think that the various strategic initiatives the newish management team have and are continuing to implement are having an impact. A growth action plan (GAP) has been introduced across all areas of the business that will focus on driving faster growth via self-help measures. This includes; productivity initiatives, simplicity underpinned by a performance culture and increasing accountability. In addition, they're implementing a productivity programme to accelerate the GAP that will result in Euro 800m of savings over three years. The productivity programme will increase investment in technology and see 7,500 jobs go. The core of the GAP is to invest in its top 30 brands that represent over 70% of group revenue, support innovation, and drive competitiveness and operating discipline throughout the organisation. There are now five segments as opposed to three, whilst Ice Cream is set to be de-merged by the end of 2025. Unilever have 14 'billion-euro' brands and the strategic drive is to invest behind brands with the potential to be the next 'billion-euro' brands. This in turn will drive, revenue, profit and free cash flow to reinvest back into the organisation, bearing in mind the group has a c.19% return on invested capital.

Whilst Unilever has struggled in recent years it is worth remembering that it has a fantastic brand portfolio including; Vaseline, Dove, Hellmann's and Knorr - that are touched by c.2 billion consumers every day. In addition, it has excellent and proven distribution channels with significant exposure to emerging markets such as India, China, Southeast Asia and Africa. It has been operating in India since the late 1800s, giving it a fantastic competitive advantage when dealing with the nuances these markets typically display.

The new management team at Unilever appear to have a renewed sense of energy and purpose, whilst embracing change and best practice as they re-position the group for stronger growth over the near and longer-term. When taken in aggregate they could have quite an impact on group operating and ultimately financial performance.

CEO, Hein Schumacher said that the group expects sales growth for FY24 to be within the multi-year range of 3% to 5% with an increasing contribution from volume growth and modest improvement in the operating margin. It is volume growth that investors need to see, as more consumers embrace their brands with ever greater frequency. We think that Unilever could potentially be at an inflection point but they need to keep executing on the GAP initiatives and hope that the global economy stays on track and the geopolitical backdrop improves. We will watch closely but the new management team seem to have a real sense of energy and strategic purpose that could lead to better operating and ultimately share price performance.

**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.

**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.

**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.

**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
<b>GBP</b>						
<b>B Acc</b>	120.29p	£1,000	0.75%	1.00%	GB00BDRNX587	BDRNX58
<b>B Inc</b>	107.47p	£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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## 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	

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