

# FUND FACTSHEET

AUGUST 2024 at last valuation point in August 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 fell sharply at the beginning of the month as investors focused on weak US employment data that unnerved markets. At the same time, sentiment was heavily impacted by a sharp fall in the Japanese equity market. Investors were forced to unwind their Yen 'carry trade' positions - selling Japanese equities - as the Yen strengthened in response to the Bank of Japan increasing interest rates.

UK headline inflation rose to 2.2% in July, primarily due to gas and electricity prices which have fallen less than they did 12 months ago. Whilst this was more than the Bank of England's mandated level of 2% as reported in May and June, it was below expectations of 2.3%. Encouragingly, core-CPI inflation - which excludes food, energy, alcohol and tobacco - came in at 3.3% for July, down from the 3.5% in June. In addition, services inflation, which is closely watched by the Bank of England and has been relatively stubborn of late, eased to 5.2% in July, compared to 5.7% in June. In other economic data, the unemployment rate fell to 4.2% down from 4.4% for the March to May period.

UK GDP growth increased by 0.6% for the second quarter of 2024 following the 0.7% increase in Q1. The rise was expected but is encouraging, after two years of stagnation, showing the economy is experiencing a healthy cyclical recovery driven by improving external supply conditions and resilient domestic demand.

In the US, CPI inflation fell to 2.9% in July down from 3.0% in June, whilst core inflation also fell to 3.2% from 3.3%. Both readings were better than consensus expectations of 'unchanged' and leaves the Federal Reserve much to consider ahead of its next monetary policy meeting on September 18. The market is expecting the Fed to reduce rates during the balance of the year, with the first cut likely to be in September amid increasing signs that the US economy is slowing, following a slowdown in jobs growth.

## CUMULATIVE PERFORMANCE

	3MTHS	6MTHS	1YR	3YR	5YR	LAUNCH
<b>Fund</b>	<b>3.57</b>	<b>9.32</b>	<b>11.18</b>	<b>-6.01</b>	<b>18.44</b>	<b>27.24</b>
<b>Benchmark</b>	<b>2.54</b>	<b>12.32</b>	<b>17.32</b>	<b>25.97</b>	<b>38.51</b>	<b>35.89</b>
IA Sector	2.51	11.87	16.45	8.50	31.06	26.21
Rank in Sector	48/230	191/230	207/228	176/223	181/210	116/207
Quartile	1	4	4	4	4	3

## DISCRETE PERFORMANCE

	2023	2022	2021	2020	2019
<b>Fund</b>	<b>8.67%</b>	<b>-22.63%</b>	<b>27.74%</b>	<b>-2.40%</b>	<b>24.04</b>
IA Sector	7.38%	-9.06%	17.25%	-6.01%	22.24
Rank in Sector	79/231	202/228	9/222	53/217	80/209
Quartile	2	4	1	1	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.

## KEY DETAILS

ACC SINGLE PRICE	127.24
INC SINGLE PRICE	112.51
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	£11 million

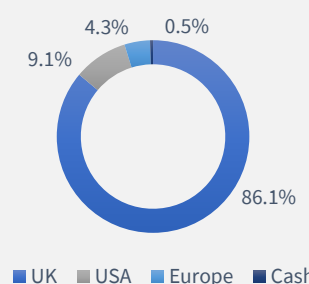
## FUND FEATURES

- 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

## TOP 15 HOLDINGS

MARKS & SPENCER	6.1%
DIPLOMA	5.7%
ASTRAZENECA	4.2%
CRANSWICK	4.2%
BUNZL	4.1%
RELX	4.1%
UNILEVER	4.1%
COMPASS	4.1%
GSK	3.8%
LONDON STOCK EXCHANGE	3.7%
FERGUSON	3.6%
EXPERIAN	3.2%
GAMES WORKSHOP	3.0%
SEGRO	2.9%
SAVILLS	2.8%
<b>TOTAL</b>	<b>59.6%</b>

## GEOGRAPHICAL BREAKDOWN



## PERFORMANCE SINCE LAUNCH (%)



## COMPANY NEWS

**Bunzl** – manufactures and distributes essential products such as safety and hygiene equipment that are essential to a customer's everyday operations - reported interim results during the month which we think demonstrate the attractions of their compounding business model. Whilst revenue was down 0.4% due to deflation and weak US markets, operating profit was up 7.4%, EPS up 6.2% and the dividend was increased by 10.4% - the 29<sup>th</sup> consecutive year of a 9% or above increase. Encouragingly, management announced a share buyback of £250m and stated that it will likely initiate a further £200m tranche in March 2025. The strong cash generation of the operation saw management set out a pragmatic capital allocation framework for M&A over the next three years. They intend to allocate £700m per annum to accretive M&A opportunities. Any part of the £700m that is not invested will be returned to shareholders. It is worth noting that they have a pipeline of c.1,000 potential acquisitions. They should be able to allocate the capital, whilst paying between 5-7x earnings, for businesses they have known for a while with margins typically above the current rate of 8%. Their record of bolt-on acquisitions at sensible prices and rapidly integrating them into the core business is impressive. There are heightened risks with this strategy, but we think they have the demonstrable experience to keep deploying capital in compelling opportunities. Critically, vendors are minded to sell to Bunzl due to aspects such as their strong culture, performance-based approach and ability to leverage from the scale and cross selling opportunities of such a globally diversified group. Encouragingly, management upgraded the FY24 profit outlook which saw the shares move higher, as investors sense the group is in good shape to grow profits, cash generation and dividends over the medium 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

## THE INVESTMENT TEAM



**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.

## 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	

## CONTACT US

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Authorised Corporate Director & Administrator:  
Waystone Fund Services UK Limited  
<https://www.waystone.com/ourfunds/waystone-fund-services-uk-limited/ocean-investment-funds/>

Currency	Price	Minimum Investment	Annual Mgmt. Charge (AMC)	*Ongoing Charge Figure (OCF) – taken from capital	ISIN	Sedol
<b>GBP</b>						
<b>B Acc</b>	127.24p	£1,000	0.75%	1.00%	GB00BDRNX587	BDRNX58
<b>B Inc</b>	112.51p	£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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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