Manager view

The UK equity market experienced a turbulent April, driven by the Trump Liberation Day tariff announcements and their fallout. Global equity markets and the US dollar weakened due to unexpectedly high US import tariffs and their unconventional rollout. US government bond yields surged, prompting the Trump administration to pivot after a week and suspend all but the baseline 10% tariffs (excluding China's) for at least 90 days. This shift sparked a strong recovery in equity markets in late April.

Following a flat January, the UK economy grew by 0.5% in February – surpassing expectations of a 0.1% increase. Growth was widespread across services and manufacturing, marking the fastest monthly pace since March 2024. Expectations for UK interest rate cuts remain, bolstered by inflation dropping to 2.6% in March – lower than expected – strengthening the case for Bank of England (BoE) rate reductions amid tariff-related uncertainty.

Gilt yields stayed high, reflecting the delicate balance of fiscal and monetary policy. The BoE is managing risks from a softening labour market while addressing persistent pressures from robust wage growth and rising household costs.

Michael Foster
Lead Portfolio Manager

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

Discrete performance

	2024	2023	2022	2021	2020	2019
Fund	**3.42%**	**8.67%**	**-22.63%**	**27.74%**	**-2.40%**	**24.04%**
IA Sector	7.87%	7.38%	-9.06%	17.25%	-6.01%	22.24%
Rank in Sector	200/225	79/231	202/228	9/222	53/217	80/209
Quartile	4	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.

" Growth was widespread across services and manufacturing, marking the fastest monthly pace since March 2024."

Company news

Marks & Spencer

We sold our position in Marks & Spencer (M&S) in mid-May due to concerns over an ongoing cybersecurity incident. We were surprised by management's limited communication, partly due to regulatory constraints during a closed period. As stewards of your capital, we rely on clear and accurate information to make informed decisions. Public reports, primarily from customers and alleged hackers, indicated that the M&S website could not process orders and certain in-store items were unavailable. When we engaged M&S, the company offered no additional clarity beyond the two vague regulatory news service (RNS) statements.

Market guidance has since been that M&S estimates the incident will reduce FY26 operating profits by approximately £300 million, "before cost mitigation, insurance and trading actions". In our opinion, this experience highlights the need for regulators to revisit how companies communicate cyber incidents – even during closed periods. Cyber risks are a growing concern and a critical part of our risk assessment framework.

We have long admired M&S's management for its impressive turnaround, shifting from significant net debt to a net cash position while revitalising the brand to draw customers back. However, this incident is revealing of risk defence procedures, and M&S's response has been disappointing. Despite the attractive returns our M&S investment has delivered, the lack of transparency prompted us to adopt a cautious stance and exit the position. (Please note that the sale is not reflected in the data shown on the fund's factsheet, which reflects our holdings at the end of April.)

Contact us

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www.waystone.com/ourfunds/waystone-fund-services-uk-limited/ocean-investment-funds/

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.