

WS Opie Street Income Fund

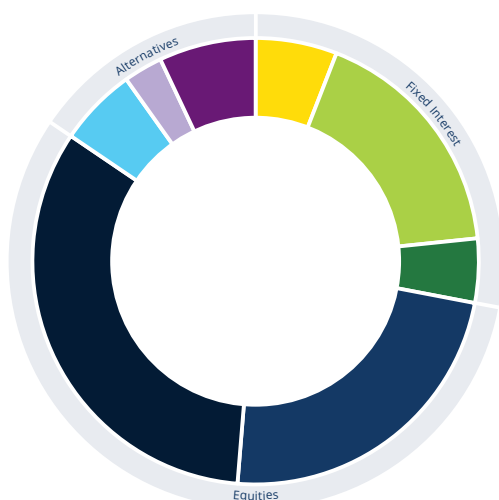
Fund Commentary

The trajectory of inflation, and with it, implications on Central Bank policy, have remained in sharp focus for investors the world over. Indeed, following one of the sharpest interest rate hiking cycles in history through 2022-2023, inflation has fallen sharply (albeit inflation is still inflation!). Remarkably, rather than completely choke off economic activity, which could be expected following such a significant increase in interest rates, the US economy (in particular) has performed resiliently, potentially achieving the Central Banker's nirvana of a 'soft landing'. It must be said that the economic backdrop in Europe is more challenging, but the US remains the powerhouse of the global economy, whilst there remain significant bright spots elsewhere (e.g. India).

With inflation moderating, and cognisant of the lagged impact of interest rate policy (e.g. the delay to mortgage rate rises), Central Banks are expected to pivot towards a more supportive stance, with interest rate cuts increasingly anticipated through 2024. This backdrop of relative economic resilience (particularly in the US) and moderating interest rate pressures (on a forward looking basis) has been supportive of financial assets in recent months. Indeed, equities and fixed interest assets have benefitted alike, with the latter recovering a degree of lost ground after a very challenging 18 month period for gilts and bonds. Stockmarkets have continued to benefit from the extraordinary share price performance of the mega-cap technology companies, a feat that will be very hard to replicate through 2024. Indeed, we hope and expect to see a broadening of stockmarket leadership, no longer so reliant on the fortunes of a small handful of companies.

Investments within the fund exposed to higher growth companies (e.g. JP Morgan Global Growth & Income I/T), to property and infrastructure assets (e.g. TR Property I/T and Cordiant Digital Infrastructure I/T) and to smaller companies (e.g. Mercantile I/T and Unicorn UK Income Fund) all enjoyed a stronger passage of performance, being key beneficiaries of a softer interest rate backdrop (assets which had previously been under pressure as interest rates were rising sharply). In the period, we sold an investment in a Japanese focused fund, where respectable returns in Yen terms were undermined by significant currency weakness in recent years. We are in the process of initiating a new holding in a global equity fund for which the investment strategy is centred on identifying companies with exceptional dividend growth prospects (even if a lower starting dividend yield).

Current Asset Allocation



Fixed Interest	25.3%
Sovereigns	5.9%
Corporate Bonds	14.8%
Cash	4.6%
Equities	56.5%
UK Equities	23.3%
Global Equities	33.2%
Alternatives	15.5%
Real Estate / Assets	5.7%
Private Equity	2.8%
Infrastructure	7.0%

Performance

	3 months	6 months	1 year	2 year	Since launch ³
Fund ¹	+5.8%	+5.2%	+5.1%	-3.2%	-0.4%
Benchmark ²	+5.5%	+6.9%	+9.1%	-0.2%	+2.7%

¹ R Accumulation Shares (net of fees). ² MSCI PIMFA Private Investor Income Index (Total Return).

³ Fund launch date 2nd August 2021. Past performance is not a guide to future performance.

Source: MSCI and Iress.

January 2024

Fund Objective & Policy

The investment objective of the Fund is to provide an annual income yield in excess of the MSCI ACWI Index (a proxy for global equity markets) whilst also aiming for growth in both income and capital over the longer term (5 – 10 years).

The fund adopts a global investment approach, with a diversified exposure to a range of asset classes including equities (both UK and global), fixed interest (gilts and corporate bonds) and alternatives (including infrastructure, real estate and private equity).

Typically no more than 75% of the fund will be exposed to equities.

Investment Approach

The Fund's exposure is primarily achieved by investing in collective investments (including investment trusts, OEICs and ETFs).

The blend of active and passive strategies seeks to maximise returns, whilst minimising costs.

The funds are invested on a long-term basis, with low expected portfolio turnover.

Strategic asset allocation is a core focus given the associated contribution to long term returns and risk mitigation. Tactical asset allocation enables flexibility to adjust to changing market conditions.

Portfolio Positioning

Sovereigns		Henderson International Income I/T	3.1%
Vanguard UK Gilt ETF	5.9%	JPM Global Emerging Mkts Inc. I/T	3.4%
Corporate Bonds		JPM Global Growth & Income I/T	4.7%
Aegon High Yield Bond Fund	2.7%	North American Income I/T	3.7%
Premier Miton Corp. Bond Fund	5.1%	STS Global Growth & Income I/T	4.3%
Royal London Short Dur. IG Bd Fund	4.8%	Trojan Global Income Fund	1.9%
Schroder All Mat. Corp. Bond Fund	4.9%	Infrastructure	
UK Equities		3i Infrastructure I/T	2.4%
Finsbury Growth & Income I/T	3.8%	Cordiant Digital Infrastructure I/T	2.1%
M. Currie UK Equity Income Fund	6.6%	Renewables Infrastructure Group I/T	2.5%
Mercantile I/T	4.4%	Private Equity	
Murray Income I/T	5.2%	Apax Global Alpha I/T	2.8%
Unicorn UK Income Fund	3.3%	Real Estate / Assets	
Global Equities		JPM Global Core Real Assets I/T	2.4%
B.Gifford Global Inc. Growth Fund	5.8%	TR Property I/T	3.2%
Guinness Global Equity Income Fund	6.2%	Cash	4.6%

Income

Fund Income Yield	3.7%	MSCI ACWI Index Income Yield	2.0%
-------------------	------	------------------------------	------

(Source: MSCI)

Underlying Investment Classes

Investment Trusts	48.2%	ETFs	5.9%
OEICs	41.3%	Cash	4.6%

Fund Managers



Sam Matthews FCSI

Sam is a Chartered Fellow of the CISI and a graduate of Exeter University. Sam joined Barratt & Cooke in 2006 and is an Associate Director.



Edward Sidgwick CFA FCSI

Edward is a CFA Charterholder, a Chartered Fellow of the CISI and a graduate of Durham University. Edward joined Barratt & Cooke in 2011 and is an Associate Director.

Important Information

Market and exchange rate movements can cause the value of an investment and any income from it to fall as well as rise, and you may get back less than originally invested. The information contained within this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be considered as an investment recommendation. Although Barratt & Cooke considers the information in this document to be reliable, no warranty is given to its accuracy or completeness. The opinions expressed are expressed at the date of this document and may be subject to change without notice. All references to benchmarks are for comparative purposes only. The Fund is registered for distribution to the public in the UK. Investors should carefully read the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID) for the Fund before making an investment decision. If you are in any doubt as to the suitability of the fund for you, please consult a professional advisor. Factsheet issued by Barratt & Cooke. Barratt & Cooke is the trading name of Barratt & Cooke Ltd (registered in England, No. 5378036), authorised and regulated by the Financial Conduct Authority (No. 428789). Waystone Fund Services (UK) Ltd is authorised and regulated by the Financial Conduct Authority (No. 190293).

Key Fund Details

Launch Date	2nd August 2021
Fund Size	£19.4m
Investment Manager	Barratt & Cooke
Fund Managers	Sam Matthews & Edward Sidgwick
ACD	Waystone Fund Services UK Ltd.
Depository	NatWest Trustee & Depository Services Ltd
Auditor	Cooper Parry
Regulator	FCA
Structure	UK OEIC UCITS
IA Sector	Mixed Investment 40-85% Shares
Comparator Benchmark	MSCI PIMFA Income Index
Dealing	Daily (12 Noon)

Key Share Details

R Income Shares	
Price (31/12/23)	367.94p
Distribution Yield	3.7%
Distribution Dates	31st March, 30th June, 30th Sept., 31st Dec.
ISIN	GB00BNXH3M16
R Accumulation Shares	
Price (31/12/23)	398.48p
ISIN	GB00BNXH3L09
Cost Details (R Share Class)	
Annual Management Fee	0.75%
Underlying Fund Costs	0.65%*
Administration Costs	0.23%*
Ongoing Charges Figure	1.63%*

(*ex-ante figures)

All data as at 31st December 2023.