

WS Opie Street Income Fund

Fund Commentary

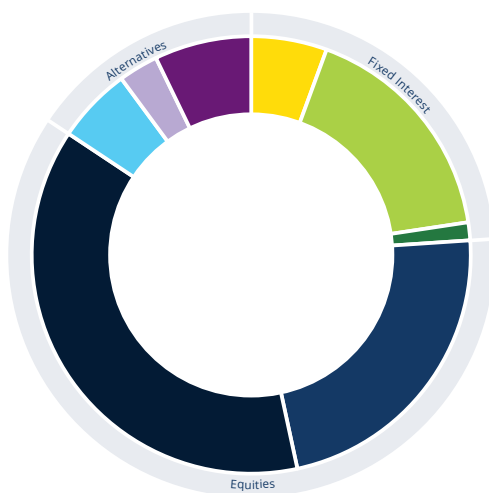
Despite significant ongoing macro-economic risks (such as the implications of rising debt costs on an over-indebted economic system) and geo-political concerns (such as deteriorating US-China relations and associated deglobalisation and reshoring), the fear of imminent recession has receded, corporate earnings have (on aggregate) beaten expectations and the labour market has remained robust. Inflation has tempered from extreme levels reached in 2022, whilst interest rates are expected to be at, or approaching, their peak this cycle.

Buoyed by the prospects of a 'soft landing' (i.e. a controlled reduction in inflation without an overly detrimental impact on economic growth), global equities have, at first glance, performed robustly in recent months. However, looking more closely, this resilience has been led by the marked outperformance of a handful of US mega-cap technology stocks ('the magnificent seven' – Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia and Tesla). With these seven companies making up a staggering 28% of the total market capitalisation of the S&P 500 Index (comprising 500 companies), and in the context of very strong performance this year, those investors who haven't been brave (or perhaps reckless) enough to invest with such exposure, or who have needed to invest with a skew towards dividend income, have struggled to keep pace.

In the period, we made a new investment into the Trojan Global Income Fund, which follows ongoing engagement with the fund manager and wider team at Troy Asset Management, to whom we enjoy good access for due diligence purposes. This fund provides underlying exposure to high quality, globally significant companies with long-standing and resilient dividend streams (including, currently, Pepsico, Reckitt Benckiser and Novartis).

We remain firmly of the view that investment trusts held within the portfolio, which have underperformed due to the effects of gearing (leverage) and discounts (to asset value), provide structural benefits to long-term investors (who can look past associated shorter-term volatility). With this in mind, and seeking to contribute to an improved outcome for our investors, we have engaged with the Boards and Fund Managers of various investment trusts in recent months, including Cordiant Digital Infrastructure I/T, APAX Global Alpha I/T and JP Morgan Global Core Real Assets I/T.

Current Asset Allocation



Fixed Interest	23.9%
Sovereigns	5.6%
Corporate Bonds	17.0%
Cash	1.3%
Equities	60.4%
UK Equities	22.7%
Global Equities	37.7%
Alternatives	15.6%
Real Estate / Assets	5.6%
Private Equity	2.9%
Infrastructure	7.1%

Performance

	3 months	6 months	1 year	2 year	Since launch ³
Fund ¹	-0.5%	-0.8%	+5.1%	-4.5%	-5.8%
Benchmark ²	+1.3%	0.8%	+7.6%	-2.0%	-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.

October 2023

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		Guinness Global Equity Income Fund	5.1%
Vanguard UK Gilt ETF	5.6%	Henderson International Income I/T	3.1%
Corporate Bonds		JPM Global Emerging Mkts Inc. I/T	3.4%
Aegon High Yield Bond Fund	2.6%	JPM Global Growth & Income I/T	4.5%
Premier Miton Corp. Bond Fund	5.0%	North American Income I/T	3.7%
Royal London Short Dur. IG Bd Fund	4.7%	STS Global Growth & Income I/T	4.4%
Schroder All Mat. Corp. Bond Fund	4.7%	Trojan Global Income Fund	2.0%
UK Equities		Infrastructure	
Finsbury Growth & Income I/T	3.9%	3i Infrastructure I/T	2.7%
M. Currie UK Equity Income Fund	6.5%	Cordiant Digital Infrastructure I/T	2.0%
Mercantile I/T	4.0%	Renewables Infrastructure Group I/T	2.4%
Murray Income I/T	5.1%	Private Equity	
Unicorn UK Income Fund	3.2%	Apax Global Alpha I/T	2.9%
Global Equities		Real Estate / Assets	
B.Gifford Global Inc. Growth Fund	5.6%	JPM Global Core Real Assets I/T	2.6%
B.Gifford Japanese Inc. Growth Fund	2.7%	TR Property I/T	3.0%
Fidelity European I/T	3.3%	Cash	1.3%

Income

Fund Income Yield	3.8%	MSCI ACWI Index Income Yield	2.2%
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(Source: MSCI)

Underlying Investment Classes

Investment Trusts	51.0%	ETFs	5.6%
OEICs	42.1%	Cash	1.3%

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	£18.9m
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 (30/09/23)	351.32p
Distribution Yield	3.8%
Distribution Dates	31st March, 30th June, 30th Sept., 31st Dec.
ISIN	GB00BNXH3M16
R Accumulation Shares	
Price (30/09/23)	376.79p
ISIN	GB00BNXH3L09
Cost Details (R Share Class)	
Annual Management Fee	0.75%
Underlying Fund Costs	0.68%*
Administration Costs	<u>0.23%*</u>
Ongoing Charges Figure	<u>1.66%*</u>
(*ex-ante figures)	
All data as at 30th September 2023.	