

WS Opie Street Income Fund

Fund Commentary

Despite escalating conflict in the Middle East and increasingly concerning data on the fragility of the Chinese economy, stockmarkets are a little higher over the past quarter, supported in part by cuts to interest rates in many Western nations. The race for the White House remains in the balance, whilst closer to home, Starmer and Reeves' honeymoon period was cut short, with excitement around Labour's pro-growth 'mandate for change' waning.

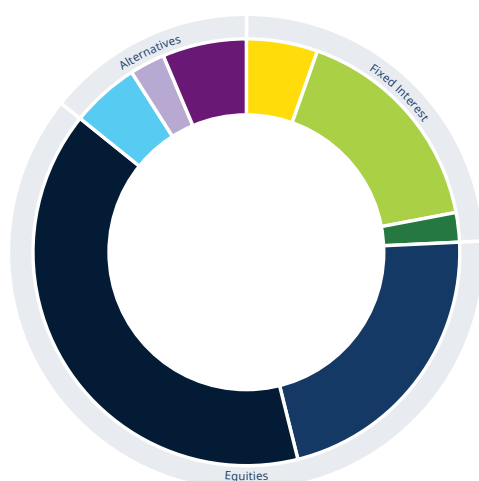
Whilst we typically focus the quarterly narrative on the economic, political and market backdrop, on this occasion we will provide an insight into a new investment made within the fund. Specifically, we are pleased to have initiated a holding in the Clearbridge US Equity Income Fund, managed by a highly experienced, well established and significantly resourced team of three portfolio managers at Clearbridge (a leading US investment management firm and part of the Franklin Templeton group).

The Clearbridge team's investment philosophy and process, centred on long-term investment in high quality companies which have the potential to continue to grow their dividends into the long term, fits well with our own. Their focus is on US listed companies which are industry leaders/global champions, typically operating in secularly attractive industries, benefitting from growing markets, favourable competitive dynamics, high recurring revenue and strong pricing power.

The underlying Clearbridge portfolio is invested in approximately 40-60 companies, with typical position sizes of 1% to 3%, dictated by the team's confidence in their estimate of downside risk, upside potential and the size and liquidity of the company in question. Key portfolio holdings at the time of investment include Coca-Cola, Microsoft, Procter & Gamble and Visa. At a time when the US stockmarket is highly concentrated on growth orientated companies, the greater dividend focus of the Clearbridge strategy provides diversification benefits to investors.

Despite the geographical and time zone challenges, and indeed seniority of the individuals in question, we have good access to the investment team at Clearbridge, enjoying calls with portfolio manager John Baldi during our due diligence process. We are pleased to have been able to access a discounted fee share class to the advantage of our investors.

Current Asset Allocation



Fixed Interest	23.6%
Sovereigns	5.4%
Corporate Bonds	17.0%
Cash	1.2%
Equities	61.7%
UK Equities	20.7%
Global Equities	41.0%
Alternatives	14.7%
Real Estate / Assets	5.6%
Private Equity	2.3%
Infrastructure	6.8%

Performance

	3 months	6 months	1 year	3 years	Since launch ³
Income Fund ¹	2.4%	4.9%	11.7%	6.6%	5.2%
Benchmark ²	1.6%	3.0%	13.3%	11.0%	10.3%

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 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		Guinness Global Equity Income Fund	6.5%
Vanguard UK Gilt ETF	5.4%	Henderson International Income I/T	3.4%
Corporate Bonds		Heriot Global Fund	5.6%
Aegon High Yield Bond Fund	3.0%	JPM Global Emerging Mkts Inc. I/T	3.4%
Premier Miton Corp. Bond Fund	4.8%	JPM Global Growth & Income I/T	4.9%
Royal London Short Dur. IG Bd Fund	4.5%	STS Global Growth & Income I/T	4.2%
Schroder All Mat. Corp. Bond Fund	4.7%	Trojan Global Income Fund	1.9%
UK Equities		Infrastructure	
Finsbury Growth & Income I/T	3.8%	3i Infrastructure I/T	2.4%
M. Currie UK Equity Income Fund	5.4%	Cordiant Digital Infrastructure I/T	2.3%
Mercantile I/T	3.4%	Renewables Infrastructure Group I/T	2.2%
Murray Income I/T	4.9%	Private Equity	
Unicorn UK Income Fund	3.1%	Apax Global Alpha I/T	2.3%
Global Equities		Real Estate / Assets	
B.Gifford Global Inc. Growth Fund	6.1%	JPM Global Core Real Assets I/T	2.4%
Clearbridge US Equity Income Fund	4.9%	TR Property I/T	3.2%
		Cash	1.2%

Income

Fund Income Yield	3.7%	MSCI ACWI Index Income Yield	1.9%
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(Source: MSCI)

Underlying Investment Classes

Investment Trusts	42.9%	ETFs	5.4%
OEICs	50.5%	Cash	1.2%

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 Management (UK) Ltd is authorised and regulated by the Financial Conduct Authority (No. 429093).

Key Fund Details

Launch Date	2nd August 2021
Fund Size	£20.5m
Investment Manager	Barratt & Cooke
Fund Managers	Sam Matthews & Edward Sidgwick
ACD	Waystone Management (UK) Ltd.
Depository	The Bank of New York Mellon (International) Ltd
Auditor	Cooper Parry
Regulator	FCA
Structure	UK OEIC UCITS
Comparator Benchmark	MSCI PIMFA Income Index
IA Sector	Mixed Investment 40-85% Shares
Dealing	Daily (12 Noon)

Key Share Details

R Income Shares	
Price (30/09/24)	377.87p
Distribution Yield	3.7%
Distribution Dates	31st March, 30th June, 30th Sept., 31st Dec.
ISIN	GB00BNXH3M16
R Accumulation Shares	
Price (30/09/24)	421.47p
ISIN	GB00BNXH3L09
Cost Details (R Share Class)	
Annual Management Fee	0.75%
Underlying Fund Costs	0.68%*
Administration Costs	0.27%*
Ongoing Charges Figure	1.70%*

*Ex-ante figures.

All data as at 30th September 2024.