

WS Opie Street Income Fund

Fund Commentary

During the second quarter of the year, global equity markets continued to perform strongly, with companies deemed beneficiaries of the artificial intelligence (AI) theme remaining key drivers. Despite lagging overseas markets in recent years, the FTSE 100 set a record high in May, whilst the more domestically focused FTSE 250 also delivered strong returns, boosted by news of a rebound in UK GDP, which grew by 0.3% during the first quarter of the year (compared to Q1 2023).

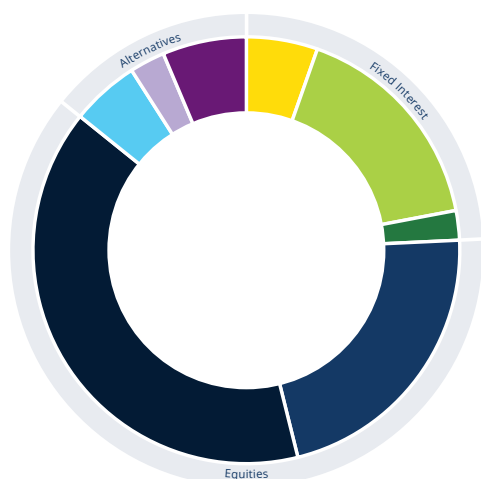
Labour's widely anticipated landslide victory (in terms of seats, if not votes) has had little impact on financial markets. The party's stated policies appear moderate, in part given the already stretched nature of the public purse, whilst the business community, on the whole, appears relatively supportive of the new regime. With the US leadership election in disarray, and with strengthening 'far right' movements in parts of mainland Europe, the UK political backdrop offers a degree of new-found stability, though the coming weeks will be crucial to better understanding future policy.

The European Central Bank cut interest rates in the period, whilst the Federal Reserve and Bank of England kept rates on hold. The timing and scale of interest cuts will remain a key focus for investors over the coming weeks. Hopes of the magical 'soft landing' (whereby inflation falls back to target, and economic growth remains positive) remain intact, especially in the US where strong labour markets continue to support consumer demand (which remains a key pillar of economic strength).

Whilst the fund benefits from an exposure to the US tech giants (through holdings such as the Heriot Global Fund), we continue to take a balanced approach to positioning within global equities, cognisant of the risks associated with the almost unprecedented level of concentration in equity markets currently. Whilst this slightly more conservative, better diversified approach has held back returns in recent months, we continue to believe that this prudence will pay off in the longer term.

The fund's holdings in alternative assets (e.g. private equity) enjoyed a stronger quarter, albeit recovering from earlier weakness as opposed to progressing to fresh highs. Following our ongoing engagement with investment company Boards, we have been encouraged by the positive changes implemented, especially relating to policies around share buybacks (the process of a company re-purchasing their own shares at a material discount to the underlying asset value).

Current Asset Allocation



Fixed Interest	24.2%
Sovereigns	5.4%
Corporate Bonds	16.6%
Cash	2.2%
Equities	61.6%
UK Equities	21.9%
Global Equities	39.7%
Alternatives	14.2%
Real Estate / Assets	5.2%
Private Equity	2.7%
Infrastructure	6.3%

Performance

	3 months	6 months	1 year	2 year	Since launch ³
Income Fund ¹	2.5%	3.1%	8.5%	9.7%	2.7%
PIMFA Income Index ²	1.4%	5.7%	12.9%	15.7%	8.5%

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.

July 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	3.5%
Vanguard UK Gilt ETF	5.4%	Heriot Global Fund	5.6%
Corporate Bonds		JPM Global Emerging Mkts Inc. I/T	3.6%
Aegon High Yield Bond Fund	2.6%	JPM Global Growth & Income I/T	5.2%
Premier Miton Corp. Bond Fund	4.9%	North American Income I/T	3.1%
Royal London Short Dur. IG Bd Fund	4.6%	STS Global Growth & Income I/T	4.1%
Schroder All Mat. Corp. Bond Fund	4.6%	Trojan Global Income Fund	1.9%
UK Equities		Infrastructure	
Finsbury Growth & Income I/T	3.8%	3i Infrastructure I/T	2.3%
M. Currie UK Equity Income Fund	6.0%	Cordiant Digital Infrastructure I/T	2.0%
Mercantile I/T	3.9%	Renewables Infrastructure Group I/T	2.0%
Murray Income I/T	5.0%	Private Equity	
Unicorn UK Income Fund	3.2%	Apax Global Alpha I/T	2.7%
Global Equities		Real Estate / Assets	
B.Gifford Global Inc. Growth Fund	6.2%	JPM Global Core Real Assets I/T	2.4%
Guinness Global Equity Income Fund	6.5%	TR Property I/T	2.8%
		Cash	2.2%

Income

Fund Income Yield	3.8%	MSCI ACWI Index Income Yield	1.9%
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(Source: MSCI)

Underlying Investment Classes

Investment Trusts	46.5%	ETFs	5.4%
OEICs	45.9%	Cash	2.2%

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	£20.1m
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 (30/06/24)	372.52p
Distribution Yield	3.8%
Distribution Dates	31st March, 30th June, 30th Sept., 31st Dec.
ISIN	GB00BNXH3M16
R Accumulation Shares	
Price (30/06/24)	410.85p
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 June 2024.