

# WS Doherty Distribution Fund

## Quarter 4 2023

Before making an investment you should ensure that you have read and understood the relevant Key Investor Information document, these can be found at <https://www.waystone.com/our-funds/waystone-fund-services-uk-limited/>

Information in this factsheet is at the last valuation point in December 2023 (except where indicated)

Please ensure you read the risk warnings section overleaf.

## Investment Aim/Objective

The Distribution Fund aims to provide a sustainable level of income, year-on-year, and the prospect of capital growth in excess of the Consumer Prices Index over 5-year rolling periods.

The Fund invests in a range of collective investment schemes ("funds") that are exposed to a range of asset classes on a global basis. The Investment Manager's bias is towards actively managed funds although the Fund may also invest in passively managed funds (e.g. index tracking funds). The funds may include those managed or operated by the ACD and its associates.

At least 50% of the Fund will usually be exposed to fixed income securities, such as corporate and government bonds. Typically, between 20% and 50% of the Fund may be exposed to shares and cash.

Exposure will be gained by investing in funds that either specialise in a particular income strategy (e.g. UK Fixed Interest, Global Fixed Interest, Sterling Strategic Bonds, Sterling High Yield Bonds, Government Bonds, UK Equity Income, Global Equity Income), or investment theme (e.g. investing in absolute return strategies or in companies specialising in the energy, or technology sectors). The Fund may obtain indirect exposure via the underlying funds to alternative asset classes such as property and companies that specialise in commodities.

The Investment Manager will vary the weighting of the asset classes and global exposures to which the Fund is exposed, taking account of market conditions.

The Fund is managed to sit within the Investment Association's Mixed Investment 20-60% Shares Sector. This means that the Fund's assets will reflect any requirements from time to time of the sector. As the Fund has indirect exposure to the assets held within the funds in which it invests, it will comply with these requirements on a "look through" basis.

Managed by

# Doherty

Pension & Investment Consultancy Ltd



Gavin Curran

## Investment Manager

Doherty Pension & Investment Consultancy Limited

### Fund Manager

Gavin has worked in the investment management business for over fifteen years. This has involved every aspect of investment management, from currency trading to stock broking and latterly fund management. In his current role Gavin created Doherty PIC Ltd ABC Fund of Funds Portfolios in January 2004 and has managed these portfolios on an advisory basis from launch. During his tenure of the ABC portfolios, Gavin delivered outperformance during periods of both rising and falling markets.

#### Experience

Doherty PIC Ltd	2006-Present
Abbey National Plc	2005-2006
Doherty PIC Ltd	2002-2005
NCB Stockbrokers	2000-2002
Ulster Bank Investment & Trustee Services	1997-1999

#### Qualifications

Institute of Securities Diploma:	2008
Fund Management, Investment Analysis	
Private Client Investment Advice	
Financial Planning Certificate (FPC)	2002
SFA Registered Representative	1999
Institute of Bankers Diploma	1997-1999
BA Hons Banking & Finance	1994-1997

### Fund Manager Commentary

The final quarter of 2023 started out with a negative bias as spiking long-term interest rates continued to weigh on risk assets. As October progressed, sentiment began to shift thanks to positive economic data in the US coupled with better-than-expected corporate earnings. Investors lived under the shadow of a well-publicised "imminent recession" from late 2022. Factors early in 2023 such as the banking failures extended the flood of liquidity in the system keeping the good times going against all the odds. The feared slowdown has yet to materialise as consumers continue to spend (borrowing has now replaced savings with credit card debt at all-time highs) and the jobs market remains buoyant. The recessionary fears have yet to go away however the inflationary fears and peak interest rates are quickly disappearing in the rear-view mirror.

Throughout the second half of 2023 Inflationary pressures have receded much faster than bond and equity markets had priced for. In view of the new inputs the pathway for interest rates in 2024 has quickly readjusted to reflect the potential for a "soft landing" in the economy – one where growth remains strong, inflation falls, and the Federal Reserve can reduce interest rates on the grounds of falling inflation rather than slowing growth due to recessionary pressures. With these new parameters priced into the 2024 equation government and corporate bond markets sharply reversed course from their 2023 highs to dip very quickly back to levels that we saw at the start of the year. In addition, equity markets took the signal to rally, a rally that broadened out beyond the "magnificent seven". Small and Midcap equities in the US rallied as those who were underweight equity exposure sought to increase exposure in sectors of the market where valuations looked attractive relative to large cap growth.

The Fund performed strongly in the final quarter as interest rates dipped back on the signals highlighted. The nature of the fund and its exposures to a broad diversity of fixed interest securities both government and corporate, domestic, and overseas has resulted in a sharp rebound in valuations. Our decision to increase equity exposures as markets dipped has paid off as the equity rebound has added value to the portfolio. Going into 2024 my expectations are for further downside in yields as inflationary pressures continue to fall. The signals by central banks are pointing to the start of interest rate cuts. This drop in rates will act as a tailwind for the Fund through 2024 and assuming the broader economy does not deteriorate, our equity component should continue to hold up well.

### Fund Prices

Fund Class	ISIN	Latest Price*	Launch Price	Yield %	OCF %**
B Accumulation	GB00BYQ06472	112.69	100.00	3.32	2.15
B Income	GB00BYQ06589	87.89	100.00	3.45	2.15

Shares can be held as an OEIC investment or within an ISA/JISA wrapper.

\*Prices are published daily at [www.waystone.com/our-funds/waystone-fund-services-uk-limited/](https://www.waystone.com/our-funds/waystone-fund-services-uk-limited/)

\*\* Ongoing Charges Figure (OCF) (Based on 31 July 2023 audited accounts)

### Key Fund Facts

Fund Launch Date	15 February 2016
Fund Size	£4.9m
Share Type	Accumulation; Income
Base Currency	Sterling
Pricing Frequency	8:00am, daily
XD Dates	01-Feb, 01-May, 01-Aug, 01-Nov
Pay Dates	31-Mar, 30-Jun, 30-Sep, 31-Dec
IA Sector	Mixed Investment 20%-60% Shares
Charges	Initial up to 5.00%, Annual 0.75%
Accounting Date	31 January
Minimum Investment Levels	£1,000 initial lump sum or £50 per month regular saver
ACD	Waystone Fund Services (UK) Limited (FCANo:190293)

## Performance

Past performance	Cumulative to last valuation point in Dec 2023 (%)					Discrete annual performance to end of Dec 2023 (%)					
	3 months	6 months	1 year	3 years	5 Years	From Launch	2023	2022	2021	2020	2019
WS Doherty Distribution B Inc TR	7.11	6.51	6.94	(4.57)	2.72	12.77	6.94	(12.20)	1.63	(3.42)	11.45
CPI	0.15	0.53	3.93	21.06	23.44	32.86	3.93	10.51	5.40	0.65	1.31
IA Mixed Investment 20-60% Shares	5.65	5.53	6.81	3.66	20.00	41.24	6.81	(9.47)	7.20	3.51	11.84

### Rolling 5 year periods

	2023	2022	2021
WS Doherty Distribution B Inc TR	2.72	(10.21)	7.85
CPI	23.44	21.26	12.95
IA Mixed Investment 20-60% Shares	20.00	6.62	26.20

# WS Doherty Distribution Fund

## Performance Since Launch (15 February 2016)

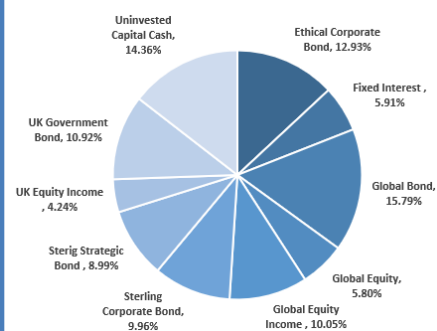


Total Return, Bid to Bid, Tax UK Net, Sterling Terms. Source: Waystone Fund Services (UK) Limited/Financial Express Analytics. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up and you may not get back the money you invested.

## Top 10 Holdings

Fund	Sector	%
Vanguard UK LD Gilt Indx G I £	UK Government Bond	10.92%
Aegon Divrsifid Mnthly Inc B Inc	Global Equity Income	10.05%
Royal London £ Credit M Inc	Sterling Corporate Bond	9.96%
M&G Gbl Macro Bond Fund £ I Inc	Global Bond	9.53%
Jupiter Strategic Bond I Inc	Sterling Strategic Bond	8.99%
Aegon Ethical Corp Bond B Acc	Ethical Corporate Bond	8.89%
Abrdn £ Corporate Bond Retail Inc	Global Bond	6.25%
Fidelity Index Gilt P Inc	Fixed Interest	5.91%
Vanguard FTSE DW Ex-UK Inc R	Global Equity	5.80%
Vanguard FTSE UK EqtyInc A Inc	UK Equity Income	4.24%

## Asset Allocation



To place a deal or  
for further information call  
**0115 988 8267**

E-mail requests to:  
[clientservices@waystonefs.co.uk](mailto:clientservices@waystonefs.co.uk)

Before making an investment  
you should ensure that you  
have read and understood the  
relevant Key Investor  
Information document, these  
can be found at  
[www.waystone.com/our-funds/waystone-fund-services-uk-limited/](http://www.waystone.com/our-funds/waystone-fund-services-uk-limited/)

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**Past performance is not a reliable indicator of future results.** Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. All sources Doherty Pension & Investment Consultancy Limited and Waystone Fund Services (UK) Limited unless otherwise stated.

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