

Castlefield B.E.S.T Sustainable Portfolio Fund

Factsheet – July 2018

Fund Information



Fund Manager:

Simon Holman

Launch Date:	Sector:
1st February 2018	IA Mixed Investment 40-85%
Fund Size	Number of Holdings:
£17.47m	25-35
ACD:	
Castlefield Fund Partners Limited	

Fund Objective and Strategy

The investment objective of the Fund is to achieve growth in capital and income over the long term. Long term means over a minimum investment horizon of five years.

The Fund will invest mainly in collective investment schemes with exposure to both UK and non-UK equities and fixed income securities. The Fund may also invest in transferable securities (both quoted and unquoted), money market instruments, deposits, warrants, cash and near cash.

In seeking to achieve the stated investment objective, the Investment Adviser uses a responsible investment research process to identify the universe of securities from which the Fund may invest. The four criteria that need to be evidenced by each investment are reflected in the name of the Fund where "B.E.S.T" indicates Business & financial, Environmental & ecological, Social and Transparency & governance, however equal weighting may not be given to each element of these criteria when screening potential investments. The Investment Adviser then supplements this research process by selecting only those investments which, by their nature, are considered to be sustainable in order to meet the investment objective. Sustainable activities are considered to be those necessary to ensure the long term continuity of an activity, system, society or enterprise. Further information on the "B.E.S.T" criteria and the sustainability element can be found at www.thethoughtfulinvestor.com

The Fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD. When investing in collective investment schemes, some of the underlying investments of that collective investment scheme may not meet all four elements of the "B.E.S.T." criteria.

Fund Manager

Simon Holman, Partner, MA Hons, MSc, CFA

Simon Holman is a graduate of Spanish from Edinburgh University and has also completed a Post-graduate Masters qualification in Investment Analysis at Stirling University. He spent several years as an equity analyst and then fund manager at Aegon Asset Management (now known as Kames Capital) before returning home to Cheshire to join Castlefield. Simon combines an investment role (that includes being the lead manager of the Castlefield B.E.S.T Sustainable Income Fund and the Castlefield B.E.S.T Sustainable Portfolio Fund as well as the co-manager of the Castlefield Real Return Fund) with analysing developments in the ethical investment world. Simon is also a charter holder (Chartered Financial Analyst) of the CFA Institute and has over 10 years industry experience.

Share Class Information

Share Class	Min. Investment	Initial Charge	Investment Adviser Fee	Ongoing Charge	Payment Dates	ISA Eligible	ISIN
General	£500	0.00%	0.50%	1.53%*	Quarterly	Yes	GB00BYXG3H04

*Estimated ongoing charge calculation on projected AUM of £20m within first year of fund launch. The ACD Fee is reduced in the first year of the Fund with an approximate reduction of 0.2% to the ongoing charge calculation quoted above.

Source: Financial Express. as at 30/06/2018

Investment in the fund carries the risk of potential loss of capital. Past Performance is not a guide to future performance

Fund Commentary

The Portfolio Fund delivered a total return of +5.0% in its first full quarter since launch. This was marginally better than that of the sector, which returned +4.9% over the same period. The most prominent contributor to this positive performance was the equity component, where both UK and overseas markets saw a recovery following the more lacklustre performance seen in Q1.

The Fund has continued to be supported by a steady stream of inflows since launch. In deploying this, we added to many of the portfolio's core holdings whilst also introducing three new holdings. Two of these holdings were in new issues, the first being listed infrastructure fund, Gore Street Energy Storage Fund PLC.

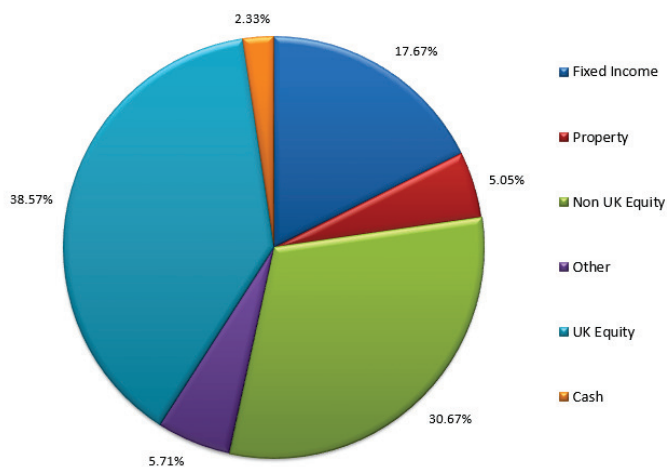
As we develop renewable energy in Britain, storing energy effectively is critical to the future of our national infrastructure and our ability to keep the lights on. Devices that can store energy for use later have developed rapidly to meet these rising requirements for energy globally. Gore Street, a closed-ended fund established to support the provision of battery storage services to the national grid, will invest in various types of energy storage installation. The company aims to provide a sustainable and attractive dividend over the long-term by investing in utility scale energy storage projects primarily located in the UK. On top of the income, the management team expects to provide investors with an element of capital growth through the re-investment of cash generated over and above the attractive target dividend of 7% (4% in year one).

The second new holding saw us take part in the latest, and eighth, Retail Charity Bond issue, from assisted living facility operator, Belong Limited. The Charity now has a portfolio of 7 "Villages" developments across the North West of England. The Village model is based on keeping residents 'a part of the community' in order to combat loneliness and improve mental health. They comprise of "Households", which provide accommodation for those who require 24/7 care whilst also being designed to be open-plan, increasing residents' independence. The other category of accommodation offered is "Apartments", which offer a more self-sufficient solution. The Villages also have hairdressers, a bistro and a gym and run specialist day care "Experience Days", all of which are open to the public. In addition to providing care within the Villages, the Charity also provides domiciliary care for the elderly within their own homes. It is a Living Wage employer and has been awarded the Gold Standard in Investing in People. All of this, we believe, presents Belong as a high-quality operator with a strong social cause.

The bond itself offers a 4.5% coupon and 2026 maturity date, whilst the proceeds will be used to increase the number of Villages and pay down existing bank debt. We think this is a relatively attractive return and a "spread" over gilts greater than other less secure issuers and were therefore happy to participate in the offer.

Finally, we invested in the NextEnergy Solar Fund, a solar PV-focused investment trust. Investing primarily in the UK, but with some overseas assets, its portfolio currently includes over 60 solar PV plants that are located across approximately 20 different counties of England and Wales. The company states that it focuses on ground-based, utility-scale projects but may also consider residential or commercial buildings with integrated installations. The intention is to own projects that deliver stable cash flows over their lifespan. With an above-market dividend yield and prospects for capital growth, we are happy to initiate an investment here.

Sector Allocation



Top Ten Holdings

1. Castlefield B.E.S.T Sustainable Income Fund	17.44%
2. Stewart Investors Worldwide Sustainability Fund	8.46%
3. Castlefield B.E.S.T Sustainable European Fund	8.45%
4. FP WHEB Sustainability Fund	8.43%
5. Castlefield B.E.S.T Sust. UK Smaller. Comp. Fund	7.56%
6. Rathbone Ethical Bond Fund	5.90%
7. Sarasin Responsible Global Equity Fund	5.33%
8. Kames Ethical Equity Fund	4.95%
9. Castlefield Real Return Fund	3.98%
10. EdenTree Amity Sterling Bond Fund	3.83%



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Important Information

This document provides information about the Castlefield B.E.S.T Sustainable Portfolio Fund. Castlefield Fund Partners Limited (CFP) is the Authorised Corporate Director (ACD) of the Fund and Castlefield Investment Partners LLP (CIP) is the appointed Investment Adviser. Both CFP and CIP are authorised and regulated by the Financial Conduct Authority. This document does not constitute or form part of, and should not be construed as, an initiation to buy or sell units and neither this document nor anything contained or referred to in it shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The value of units and the income generated from them can fall as well as rise and are not guaranteed; investors may not get back the amount originally subscribed. Equity investments should always be considered as long term. Investors should not purchase the Fund referred to in this document except on the basis of information contained in the Fund's prospectus. We recommend that investors who are not professional investors should contact their professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from www.castlefield.com or direct from Castlefield.