

Castlefield Real Return Fund

Factsheet - December 2018



Fund Information



Fund Managers:

Mark Elliott, Simon Holman

Historic Yield:

N/A (Capitalising)

Sector:

IA Targeted Absolute Return

Fund Size

£31.83m

Number of Holdings:

55-65

ACD:

Castlefield Fund Partners Limited

Launch Date:

06/06/2003 (restructured 01/03/2011)

Share Class Information

Share Class	General	Institutional
Min. Investment	£500	£250,000
Initial Charge	0%	0%
Investment Adviser Fee	1.5%	1.0%
Ongoing Charge	2.05%	1.55%
Payment Dates	30th April 31st October	30th April 31st October
ISA Eligible	Yes	Yes
ISIN	GB0033149799	GB00B12V1482
CITI CODE	Q132	ET32
BLOOMBERG	ACDGBE:LN	PRCMMI:LN

Fund Objective and Strategy

The Fund aims to generate a positive annualised return over a rolling 3 year basis. In aiming to produce positive capital returns, whilst also seeking to control the magnitude of any losses, the Fund will invest in a wide range of asset classes inclusive of structured products, government and corporate bonds, securities, exchange traded funds and more.

Pricing Spread: Bid-Bid ● Data Frequency: Daily ● Currency: Pounds Sterling



A - Castlefield Real Return Inst Inc TR in GB [4.20%]
B - IA Targeted Absolute Return TR in GB [8.16%]

30/11/2013 - 30/11/2018 Data from FE 2018

Rolling 3 Year Month End Volatility

3.74%

Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs
Real Return Fund	0.57	-1.16	-0.22	-0.73	7.70	14.20
Sector	-0.44	-1.79	-2.12	-2.42	2.09	8.16
Quartile	1	2	1	2	1	2

Discrete Performance (%)

	2018 YTD	2017	2016	2015	2014
Real Return Fund	-0.67	2.88	5.84	0.45	5.01
Sector	-2.39	3.39	1.06	2.41	2.85
Quartile	2	2	1	3	2

Discrete Year to Quarter End Performance (%)

	Q3 2017	Q3 2016	Q3 2015	Q3 2014	Q3 2013
	Q3 2018	Q3 2017	Q3 2016	Q3 2015	Q3 2014
Real Return Fund	0.77	4.12	5.90	0.73	3.83

Source: Financial Express, as at 30/11/2018

Past performance is not a guide to future performance.

Investment in the fund carries the risk of potential loss of capital.

Fund Commentary

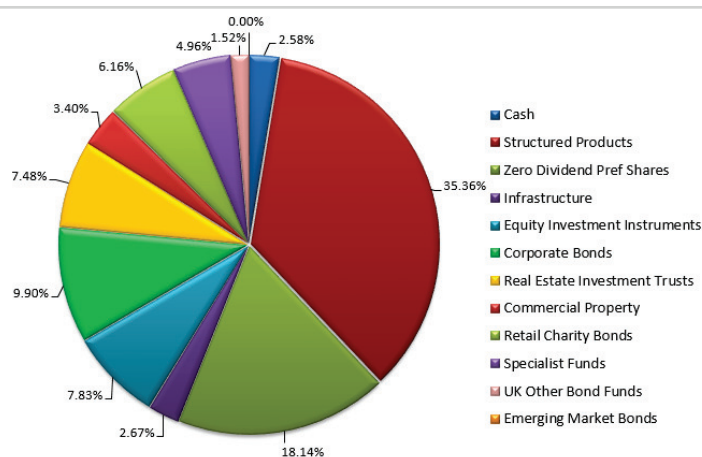
The fund outperformed the Targeted Absolute Return sector over the month, returning +0.57% while the wider sector was down over November, returning -0.32%.

Negative momentum continued for UK equity markets after the sharp falls seen globally in October. While global equity markets were able to recover some of their losses and end the month in positive territory thanks to a perceived moderation in the stance of the Federal Reserve and the easing of trade tensions between the US and China, this news was overshadowed in the UK and European markets by continued political tension around Brexit and the decline in crude oil prices.

November has been a relatively quiet month for the fund in terms of trading activity and holding specific news. Positive contribution to returns came from the fund's dollar exposure as sterling fell on the back of news on Brexit negotiations. The dollar exposure in the funds comes largely from a number of dollar-denominated structured products and one private equity investment trust.

The pull back in yields seen over the month has also helped the fixed income segment of the portfolio contribute to returns. US Treasury yields reached a peak of 3.24%, their highest level since 2011, at the beginning of November before falling to 2.99% by month-end. Negative sentiment surrounding Brexit negotiations made itself felt in the sterling bond market which saw the largest widening of credit spreads since the referendum in 2016 at 30 basis points.

Sector Allocation



Top Ten Holdings

1.	SG ISSUER 14/07/2023	4.93%
2.	MORGAN STANLEY BV 15/02/2019	4.40%
3.	UIL FINANCE LTD PREFERRED SHARES	3.85%
4.	JP MORGAN STRUCTURED PRODUCTS 14/12/23	3.85%
5.	BBVA GLOBAL MARKETS BV 30/11/2023	3.80%
6.	BBVA GLOBAL MARKETS BV 19/10/2023	3.70%
7.	EJF INVESTMENTS ACCUM SHS 2022 ZDP GBP	3.42%
8.	GOLDMAN SACHS INTERNATIONAL 12/05/2023	3.24%
9.	DEUTSCHE BANK AG 15/10/2021	3.05%
10.	MORGAN STANLEY 0% 16/06/2022	2.85%

Management Team

Mark Elliott, Partner, MChem (Hons), CFA, Chartered MCSI

Mark was one of the founding members of the Castlefield investment management business, having previously worked with the other co-founders within the institutional investment and fund management division of private bank, Brown Shipley. In addition to being the lead manager of the Castlefield Real Return Fund and the Castlefield B.E.S.T UK Opportunities Fund, Mark is also responsible for managing segregated accounts for the firm's discretionary clients. A charter holder (Chartered Financial Analyst) of the CFA Institute as well as an individually Chartered Member of the Chartered Institute for Securities & Investment (CISI), Mark has over 15 years industry experience.

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. 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 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.



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Important Information

This document provides information about the Castlefield Real Return 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.