

# Castlefield B.E.S.T Sustainable Income Fund

Factsheet - December 2018



## Fund Information



### Fund Manager:

Simon Holman

### Historic Yield:

4.2%

### Sector:

IA UK Equity Income

### Fund Size

£25.06m

### Number of Holdings:

40-50

### ACD:

Castlefield Fund Partners Limited

### Launch Date:

2nd May 2006 Current strategy since 8th July 2012

### Rating:

Morningstar - 5 Globes Sustainability Rating



## Fund Objective and Strategy

The Fund aims to achieve a relatively high level of current income, coupled with income growth & capital growth over the long term. The fund adopts a unique investment process designed to consider factors beyond traditional business and Financial criteria, as outlined in the fund's name:

<b>B</b>	Business & Financial	<b>S</b>	Social
<b>E</b>	Environmental & Ecological	<b>T</b>	Transparency & Governance

The fund uses detailed Filters across key areas of concern to decide which stocks and sectors are excluded from investment. We then use the B.E.S.T criteria to help find positive themes to support. The remaining names are assessed to select a portfolio capable of generating an appropriate level of income.

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



■ A - IA UK Equity Income TR in GB [26.53%]

■ B - Castlefield B.E.S.T Income Inst Inc TR in GB [15.26%]

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

### Active Share Calculation\*

78.33%

\* Active Share calculation measures how much the portfolio holdings differ to the benchmark (UK Equity Income).i.e. A portfolio identical to benchmark would have a 0% active share.

## Share Class Information

Share Class	General	Institutional	Charity
<b>Min. Investment</b>	£500	£250,000	£250,000
<b>Initial Charge</b>	0%	0%	0%
<b>Investment Adviser Fee</b>	1.0%	1.0%	1.0%
<b>Ongoing Charge</b>	1.47%	1.22%	1.22%
<b>Payment Dates</b>	Quarterly	Quarterly	Quarterly
<b>ISA Eligible</b>	Yes	Yes	Yes
<b>ISIN</b>	GB00B300FJ66	GB00BKJ9C676	GB00B13NPD00
<b>CITI CODE</b>	MJZI	K6LW	ET85
<b>Bloomberg</b>	PRESUB:LN	PRESIN:LN	PRESIN:LN

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.

## Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs
<b>B.E.S.T</b>	-0.31	-5.74	-5.57	-8.13	-0.90	15.26
<b>Sector</b>	-1.49	-7.14	-8.24	-4.2	12.89	26.53
<b>Quartile</b>	1	1	1	4	4	4

## Discrete Performance (%)

	2018 YTD	2017	2016	2015	2014
<b>B.E.S.T</b>	-11.30	3.92	3.54	7.32	5.98
<b>Sector</b>	-9.70	11.32	8.54	6.20	3.16
<b>Quartile</b>	4	4	4	2	1

## 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
<b>B.E.S.T</b>	-4.74	10.12	3.41	8.69	5.44

## Fund Commentary

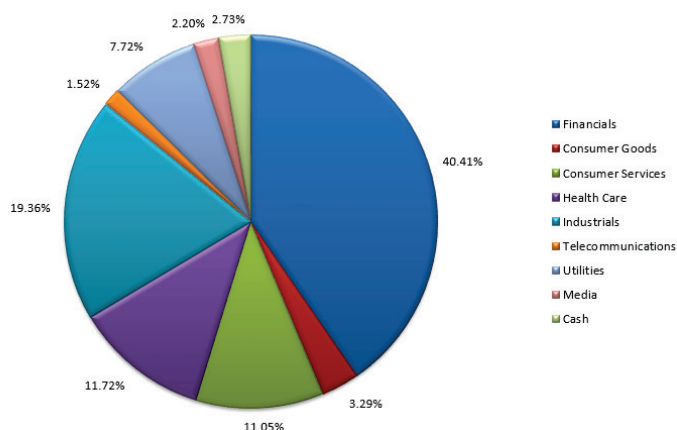
November was a busy period for corporate earnings releases with over one-third of the fund's holdings reporting over the month. The fund posted pleasing relative performance in November with a return of -0.31% over the month compared to that of the sector which returned -1.49% and the broad-based index of -1.64%, once again demonstrating the fund's defensive nature during a period of increased market volatility.

The top contributor for the month was GlaxoSmithKline. The pharmaceutical company announced a strategic review of its consumer health care nutrition division, including its popular Horlicks brand, back in March 2018 which has since attracted speculation of bids from Nestle and Coca-Cola. However, shares gained towards the end of the month as the company confirmed consideration was being given to a potential transaction of the Horlicks brand following press speculation of a sale to Unilever. Another top performer was Vodafone as the Group quelled investor fears of a dividend cut, which has put downward pressure on the Group's share price this year, as its half-year results revealed a flat dividend, helped by better than expected free cash flow generation. As the Group's bids for more high-speed network capacity have increased costs and debt, investor fears of a dividend cut were warranted and would have marked the first reduction in its 20-year history as a public company.

Detractors for the period included Premier Technical Services Group (PTSG) despite a dearth of news to justify the downdraft. Similarly, Gym Group, one of the larger holdings in the fund, saw a decline over the period on no news. However, as one of the top contributors to performance for the fund over 2018 and as the broader market faced a sell-off over the month, profit taking seems the most likely explanation as we too reduced our position in November to crystallise gains.

With regards to further fund activity we exited our holding within John Laing Environmental Group (JLEN). This has been a name that we have been gradually reducing of late in order to focus our infrastructure exposure in our favoured names, in particular Greencoat UK Wind. JLEN's share price has been consistently trading at a premium to its NAV and with the recent market volatility, a time where infrastructure funds provide a buffer, the shares were pricing an attractive premium relative to the wider market and we took this as the opportune time to exit and realise gains. We also participated in the IPO (initial public offering) of Gresham House Energy Storage Fund. The fund, which will invest in utility scale energy storage systems, raised over £100m at IPO, with over half being invested immediately and with an estimated 12-month period for the fund to be fully invested. As a shift to cleaner energy, catalysed by carbon reduction targets, continues to spur renewables' share of the energy mix, energy storage systems such as battery storage are becoming increasingly necessary and provide a solution to the challenge of intermittency. The fund's investment policy combined with its objective for an attractive and sustainable dividend, allied to management's experience in renewable infrastructure investment, meant we decided to take part in the issue.

## Sector Allocation



## Top Ten Holdings

1.	GREENCOAT UK WIND PLC	6.29%
2.	ASTRAZENECA	5.17%
3.	GREENCOAT RENEWABLES PLC	4.48%
4.	EQUINITI GROUP	4.06%
5.	THE GYM GROUP	4.02%
6.	PREMIER TECHNICAL SERVICES GROUP	3.58%
7.	NATIONAL GRID	3.57%
8.	GLAXOSMITHKLINE	3.56%
9.	ASSURA PLC REIT	3.56%
10.	BRITISH LAND REIT	3.30%

## 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.



Dealing Information: 0345 026 4284

General Enquiries: 0161 233 4890



E-mail: [castlefield@maitlandgroup.co.uk](mailto:castlefield@maitlandgroup.co.uk)

Website: [www.castlefield.com](http://www.castlefield.com)



Castlefield Fund Partners, 111 Piccadilly,

Manchester, M1 2HY

## Important Information

This document provides information about the Castlefield B.E.S.T Sustainable Income 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](http://www.castlefield.com) or direct from Castlefield.