

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

Factsheet - February 2019

## Fund Information


**Fund Manager:**

Rory Hammerson

**Launch Date:**

1st November 2017

**Sector:**

IA Europe ex UK

**Fund Size:**

£10.75m

**Number of Holdings:**

30-40

**ACD:**

Castlefield Fund Partners Limited

## Share Class Information

Share Class	General
Min. Investment	£5,000
Initial Charge	0.00%
Investment Adviser Fee	0.75%
Ongoing Charge	1.21%
Payment Dates	30th April/31st October
ISA Eligible	Yes
ISIN	GB00BF4VR355

## Discrete Year to Quarter End Performance (%)

**Q4 2017 - Q4 2018**
**Best European Fund** -14.53

## Platform Availability

AJ Bell, Ascentric, Aviva, Cofunds, Elevate, FNZ, Hargreaves Lansdown, Novia, Old Mutual, Zurich

## Fund Manager

**Rory Hammerson**

Rory Hammerson has over 23 years of industry experience. After graduating in Spanish from St Andrew's University, Rory joined Edinburgh Fund Managers, completing a Postgraduate MSc Diploma in Investment Analysis and Accounting at Stirling University. Rory joined Scottish Widows in 1997 to help launch the Latin American desk, where he stayed until 2004, covering emerging markets and as Global Mining analyst for the firm. In 2004, Rory switched to the European desk at Scottish Widows, where he started to manage responsible portfolios, with an emphasis on smaller companies. In 2010, he moved to Kempen Capital combining ESG investment management in small-caps with a leadership role. His fund was nominated for Investment Week's Best Sustainable Fund in 2015. Rory joined Castlefield in September 2017, managing the B.E.S.T Sustainable European Fund since November 2017.

## Fund Objective and Strategy

The investment objective of the Fund is to seek to achieve long term capital growth. Long term means over a minimum investment horizon of five years. The Fund will invest principally in a concentrated portfolio of the shares of companies incorporated in European countries which the Manager considers to offer opportunities for capital growth. The Fund may also invest in money market instruments, units and/or shares in other collective investment schemes, deposits, warrants, cash and near cash.

The investment adviser uses a responsible investment process to identify securities in 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.

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



A - IA Europe Excluding UK TR in GB [-9.70%]

01/11/2017 - 31/01/2019 Data from FE 2019

B - CFP B.E.S.T Sustainable European General Inc TR in GB [14.74%]

## Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	Since Launch
<b>Best European Fund</b>	3.82	-2.47	-14.49	-12.95	-14.74
<b>Sector</b>	3.77	-2.78	-11.45	-10.30	-9.70
<b>Quartile</b>	2	3	4	4	4

## Discrete Performance (%)

	2019	2018
<b>Best European Fund</b>	3.82	-14.53
<b>Sector</b>	3.77	-12.16
<b>Quartile</b>	2	4

Source: Financial Express, as at 31/01/2019

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

Past Performance is not a guide to future performance

## Fund Commentary

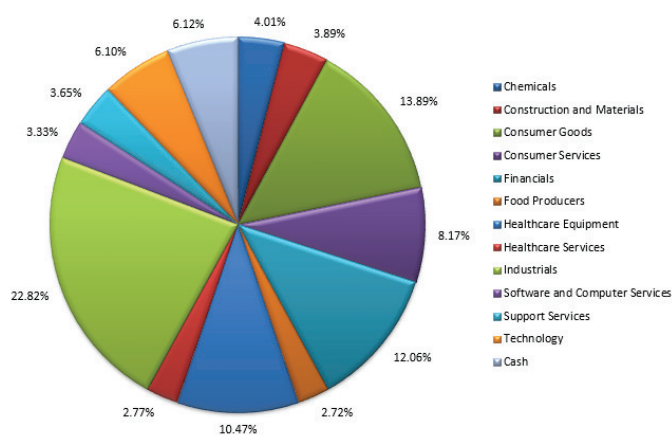
January proved to be a positive month for European equity investors, with the MSCI Europe ex UK index rising nearly 3.0% during the month. Sectors such as automobiles and semiconductors which have been spurned over the past few months were identified as focus areas for identifying value. The Castlefield B.E.S.T Sustainable European Fund rose 3.8% putting it 0.8% ahead of the benchmark and a shade ahead of the sector average into the second quartile of peer universe.

The best performer during the month was Akka Technologies, which reversed its position in the charts from December. With exposure to the autos industry and a very strong strategic momentum in terms of expanding geographies and underlying profitability, we feel that the business is trading on a very attractive valuation multiple and is well placed to outperform expectations. German fragrance and flavour maker Symrise was the second best performer. At the end of the month it acquired US based ADF/IDF boosting its position in pet nutrition. This is absolutely in line with their stated strategy of building up their animal nutrition business which they scaled up in 2014 after the sizeable acquisition of Diana in France. We see the deal as accretive to the value of the business both in terms of growth and margin which is much higher than the group average. Partners Group was the third best performer during January. The private capital firm saw very strong inflows representing a rise of nearly 18% which was a strong performance proving the underlying strength of the business model.

November's worst performers were Kingspan, Orpea and Ingenico. Kingspan underperformed with no real news flow indicating that investors may be looking for value elsewhere. French care home operator Orpea was an interesting appearance and fell sharply on the back of a broker downgrade. We were somewhat surprised by the reaction as this is a company which we feel has a very strong tailwind in terms of demographics, scalability of the business model and regulation. The management have a strong standing in acute and psychiatric care, as well as the more standard residential care side. Consolidation by acquisition is very disciplined and greenfield operations are increasingly becoming the focus. We see no underlying problem with the holding and remain convinced of its position within the portfolio. Ingenico was the disappointment of the three. It issued results towards the end of the month which fell below analyst expectations. We have seen a lot of change in the business over the past year or so with increased competition, change in management and a slew of fairly disappointing results. We continue to see value in the terminal estate and the technological advantages of Ingenico's offering. The company however is more and more demonstrative of a transformational business than a high quality one, and this is reflected in the position within the portfolio.

Our outlook for The Castlefield BEST Sustainable European Fund continues set fair for the medium term. With no transactions this month the portfolio is comprised 76% of high-quality companies whose business models show defensive growth characteristics. This means we have 19% in companies who are undergoing a transitional phase of their businesses providing equity investors with opportunities for out performance. Cash sits at 5% which acts as a buffer against volatility and a war chest to take advantage of opportunities as they appear.

## Sector Allocation



## Top Ten Holdings

1.	Teleperformance SE	4.57%
2.	Kerry Group A	4.34%
3.	Vestas Wind Systems	4.14%
4.	Symrise	4.01%
5.	Kingspan Group	3.89%
6.	Akka Technologies	3.65%
7.	Scout 24	3.60%
8.	Kone B	3.53%
9.	Partners Group Holdings	3.51%
10.	Ubisoft Entertainment	3.33%



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## Important Information

This document provides information about the Castlefield B.E.S.T Sustainable European 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.