CASTLEFIELD ANNUAL STEWARDSHIP REPORT 2024

THE THOUGHTFUL INVESTOR

"For 20 years Castlefield has adopted a unique, thoughtful approach to looking after money, reflecting in turn the shared concerns and aspirations of private individuals, their existing financial advisers and the charities they've founded or helped to run.

We remain committed to achieving sustainable growth by focusing on the core values of respect, responsibility, independence and innovation; all underpinned by the stability which naturally results from our all-employee share ownership."

John Eckersley

Founder and Chair

Click below to watch a video featuring John which explains why Castlefield is known as 'The Thoughtful Investor'.

Watch video

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PRINCIPLES OF THE CODE & TAGS

This report covers the year 1st January 2024 to 31st December 2024.

To meet our reporting requirements under the UK Stewardship Code, we're using a tagging system to link different aspects of our report back to the underlying principles of the Code. These principles can be seen below.

View the full details of the Code here or go to this address: www.frc.org.uk/investors/uk-stewardship-code

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GLOSSARY

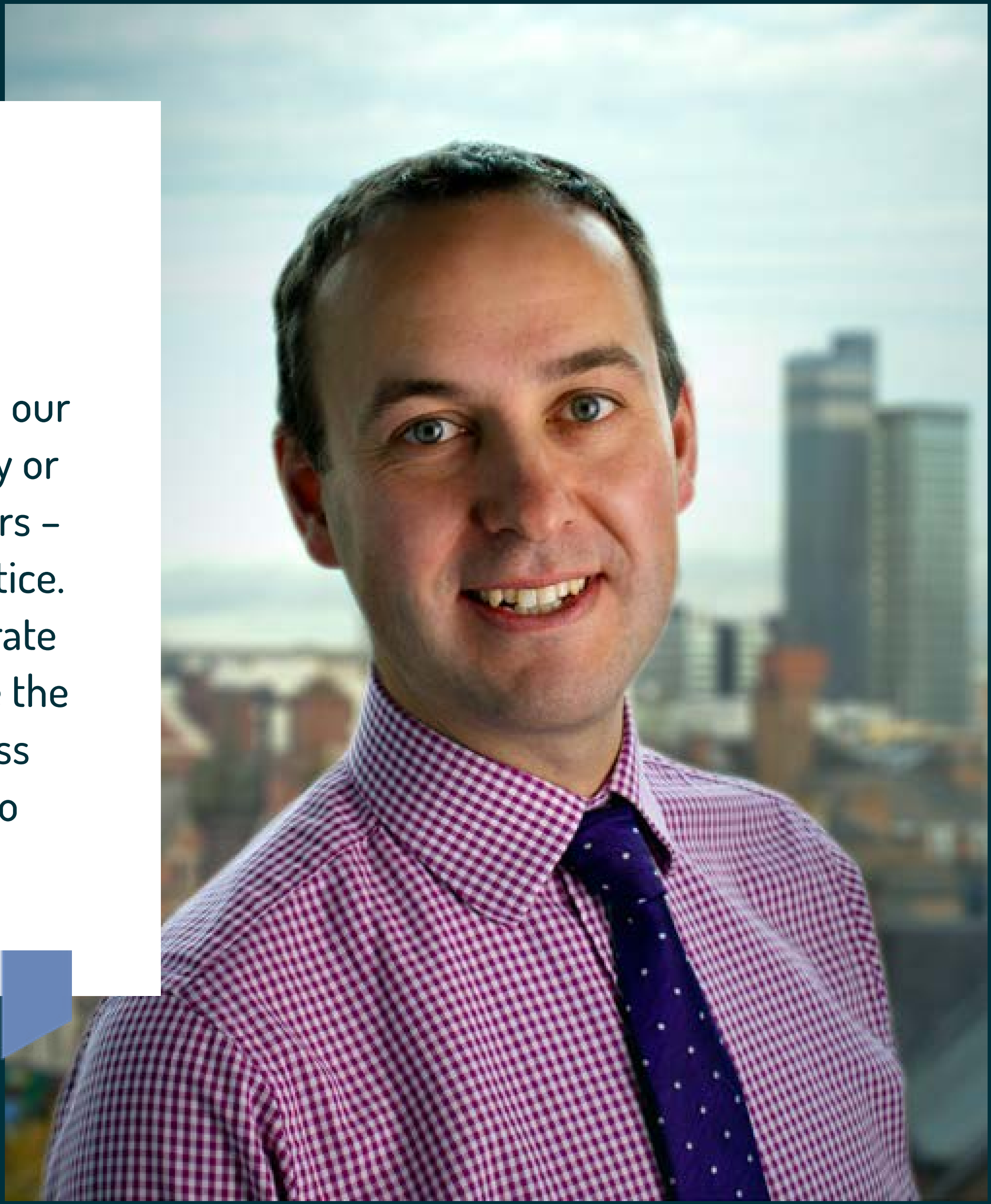
For our full list of industry terms and definitions please visit our website.

	TERM	DEFINITION
A	AIM	Alternative Investment Market - An investment exchange initially established in 1995 to promote the growth of smaller companies seeking public equity finance. Owned by the London Stock Exchange group, AIM is a Recognised Investment Exchange.
	AGM	Annual General Meeting - a mandatory annual assembly of a company's executives, directors, and interested shareholders.
C	Carbon Footprint	A measure of a group, individual, company or country's greenhouse gas emissions.
	Circular Economy	An economy in which there is no waste because resources are never disposed of – they are continually recycled or re-used
E	Engagement	Engagement is about the interactions with an investee company, but it is much more than simply meeting with the company's management team. Engagement presents an opportunity to help shape and gain insight into a company's long-term approach to its management of its social and environmental impacts. It also gives us the opportunity to share our expectations on corporate behaviour and governance standards as well as to influence company interactions with their stakeholders.
	E.S.T.	Environmental, Social, Transparency and Governance issues. These provide a set of parameters to measure the social and environmental positives and negatives of a potential investment. Environmental criteria are used to evaluate the environmental impact a business has (such as its carbon emissions or levels of waste generated). Social criteria address issues such as human rights policies and responsible employment practices, while transparency and governance criteria include the running of a business or best practice, such as its political contributions, executive pay or shareholder rights.
G	Greenwashing	This relates to the false communication as to the environmental or E.S.T. credentials of a product, service, fund or organisation in order to make it appear to be more environmentally friendly than it really is.
R	Responsible Investment	Responsible Investment can mean different things to different people and covers all manner of investment approaches. Primarily it is an investment approach that considers E.S.T. risks and opportunities as part of the investment process and uses engagement and voting in order to generate long-term financial returns. It enables an investor to avoid companies whose activities they do not wish to support, while investing in those whose practices and values reflect their own values.
S	Science Based Target	A carbon reduction target that is aligned with what the latest climate science considers necessary to meet the aims of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.
	Scope 1 Emissions	Relates to the direct emissions that come from sources owned or controlled by the emitter, such as emissions from company vehicles.
	Scope 2 Emissions	Relates to indirect emissions from sources owned or controlled by the emitter, such as emissions from the electricity used in a company's office.
	Scope 3 Emissions	Relates to indirect emissions from sources not owned or controlled by the emitter, but which indirectly impact the emitter's supply chain, such as emissions from a company's employees commuting to work.
	Significant Votes	For votes to be classified as significant, we consider the following factors: ▪ Votes against or abstentions for resolutions proposed by management. ▪ The content of the resolution, or voting rationale, is related to a Castlefield priority engagement topic, such as climate change or diversity. ▪ Shareholder resolutions.
	Stewardship	This relates to actively influencing the responsible allocation, management and oversight of an investee's capital in a way that creates long-term, sustainable value. It includes the voting and engagement activity we carry out as investment managers on behalf of our clients.
T	Thoughtful Investor ®	Castlefield's trademarked investment approach. We offer values-based investing from the perspective of being a values-based organisation.

"Welcome to our Annual Stewardship Report, covering all our activity in 2024 conducted on behalf of you, our clients. As usual, you'll find a comprehensive report describing areas such as our engagement with companies – whether directly or in collaboration with other like-minded investors – and how our investment process works in practice. Examples from each of our funds help to illustrate how we translate policy into practice, alongside the outcomes they lead to. As before, you can access each section by clicking on the tags on page 3 to direct you to the relevant page."

Simon Holman

Partner



FOREWORD

Written by
Simon Holman

In last year's foreword, I highlighted the change underway in our industry as the regulator – the Financial Conduct Authority (FCA) – was setting about tackling 'greenwashing'. The purpose of the changes is to ensure that consumers wishing to have their personal values reflected in their investments were being properly catered for and could trust the suitability of the products and services offered. These considerations were part of the UK's Sustainability Disclosure Requirements (SDR). We've shared information on that previously and explain the developments again in this report, so you can understand the backdrop and context of how and why we implement our Thoughtful Investor approach. There's more to come from SDR in 2025, and with the full impact of the regulation still to be identified and worked through, it's highly likely to feature in our 2025 report too.

Last year's foreword also referenced the criticisms levelled at what is broadly referred to as 'ESG investing', or investment approaches explicitly referencing environmental, social & governance factors. That – regrettably, yet unsurprisingly – has continued. Multiple legal challenges have been mounted to such approaches in the United States, while here in the UK strident voices continue to criticise areas such as Net Zero plans and diversity considerations, to name two examples of factors which often feature in the analyses carried out by values-led investment managers such as us.

These vocal critics miss the point. The UK has made huge strides in decarbonising the energy system while still seeing economic growth: they are categorically not mutually exclusive. Furthermore, meeting the legal obligations to contribute to slowing rising temperatures are, well, legal obligations, while the increasing intensity of weather events such as floods, fires and storms brings with them the substantial costs of repairing the damage they cause. The recent fires in California brought wider attention to the situation where homes in some areas there have become virtually uninsurable. Identifying and investing in companies with products and/or services which might mitigate or help prevent these trends worsening in the long-term seems simply good sense.

Diversity, meanwhile, is another term where raising one's head above the parapet tends to attract volleys of ill-considered criticism. Boiled down to its simplest form, it's the desire to have the best-suited people doing a job, whether in the boardroom or throughout a company. That's all. The long history of companies listed on stock markets which have singularly failed to provide good shareholder returns owing to the failures of their executive management teams is proof enough that trying to encourage different voices around the table might lead to better investor outcomes. We see that as a sign of management strength, not weakness, and are delighted when we can share such instances with you.

Finally, we've now reached the five-year anniversary of the Covid pandemic breaking out. While many facets of daily life have returned to normal, the upheaval to society is still being worked through, be that in the economic situation or in the altered rhythms of daily working life from changes such as hybrid working. The Covid experience for many was a salutary experience in reminding what we have (and what many do not) and what we might lose. Our belief is that we can invest on your behalf in a way that reflects your and our shared values while still achieving your desired financial objectives.

This latest Annual Stewardship Report sets out how we achieve this in practice and on the behalf of the Castlefield team, I trust you'll find it informative and illuminating. As ever, please get in touch with your thoughts and questions as we'd be delighted to hear from you.

THOUGHTFUL INVESTMENT AT CASTLEFIELD

INVESTMENT PROCESS

Summary: Our own Thoughtful Investor approach integrates three important elements – all of which are necessary, in our view, to meet the investment needs and values of our clients:

1. **Exclusionary investment screen:** this filters out from the start companies and activities which our clients tell us they find unacceptable. Things like pornography, tobacco and high interest-rate lending, for example.
2. **Our proprietary B.E.S.T. framework:** The 'B' in B.E.S.T. stands for 'Business' – looking from the financial viewpoint. We always look for businesses which fundamentally make good investments on this basis. However, we also look for companies which score well on the basis of Environmental, Social and Transparency considerations too (the E.S.T. bits of B.E.S.T.).
3. **Stewardship:** Ongoing and active engagement with investee company management, on our investors' behalf. This involves voting at shareholder meetings as a minimum... but much more besides. The objective is to make sure that the management teams we entrust our investors' money to remain true to the principles of best governance practice. We explain these in more details over the coming pages, but the graphic on the right helps to illustrate how we integrate E.S.T. considerations into our investment process.

HOW WE INTEGRATE ENVIRONMENTAL, SOCIAL AND TRANSPARENCY & GOVERNANCE (E.S.T.) FACTORS INTO OUR INVESTMENT PROCESSES

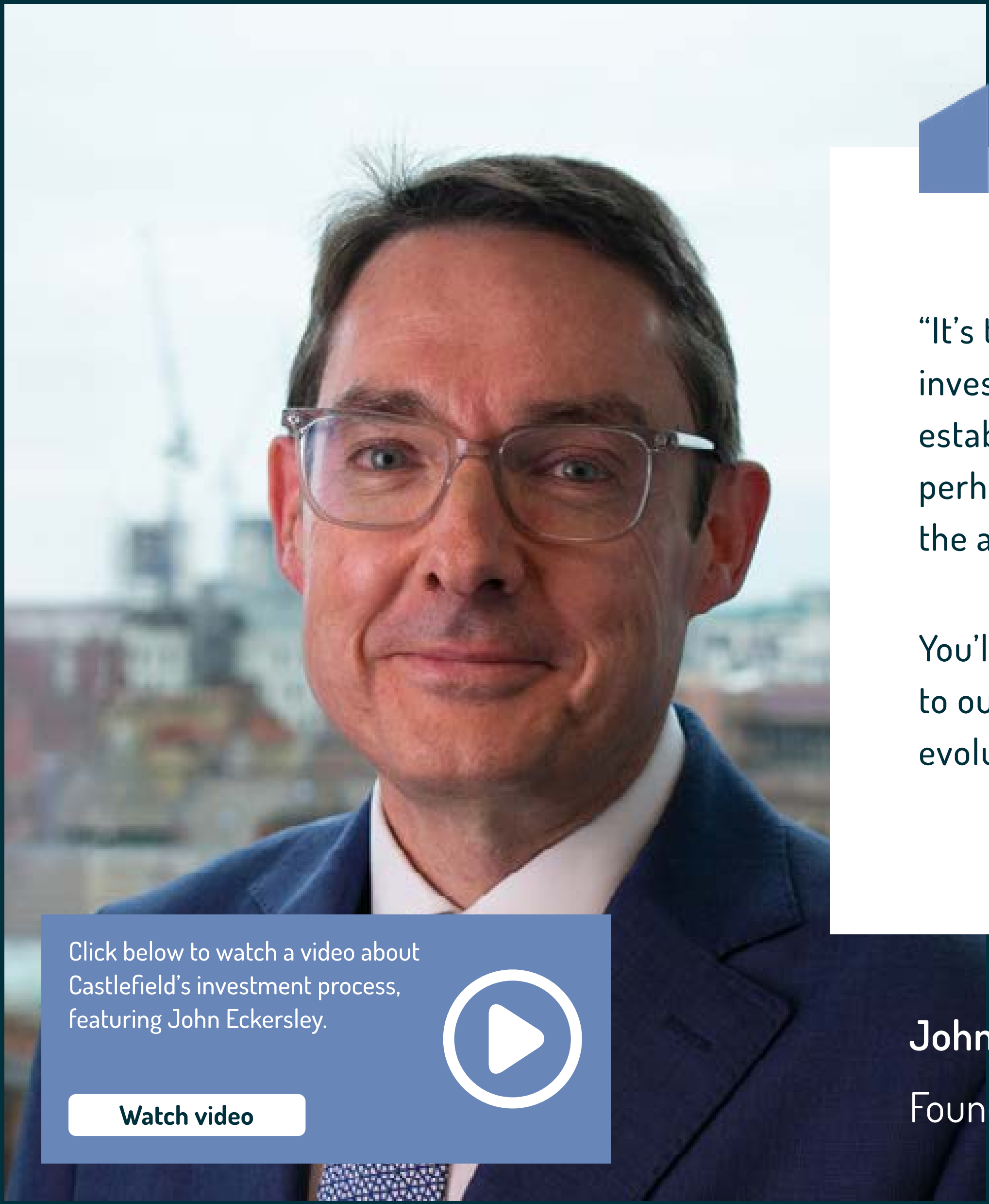
The graphics below provide an overview of how we take E.S.T. considerations into account in our investment process. This is followed by a more detailed explanation of each aspect of the approach.

The Thoughtful Investor approach to equity funds

- Reject investments that do not meet our screening policy.
- Select investments with strong financial criteria (B of B.E.S.T.). See page 11 for details of B.E.S.T.
- Assess the E.S.T. (environmental, social, transparency & governance) credentials of potential investments against our criteria.
- Ensure that investments achieve our E.S.T threshold i.e. at least 70% of the fund is invested in companies which achieve 50% or more of the E.S.T criteria.
- Actively engage with investments and vote on behalf of our clients.

The Thoughtful Investor approach to Portfolio Funds

- Reject investments that do not meet our screening policy.
- Select investments with strong financial criteria (B of B.E.S.T.).
- Assess the E.S.T. (environmental, social, transparency & governance) credentials of potential investments against our criteria.
- Assess the values-led methodology of 3rd party managers and the E.S.T. characteristics of each strategy's underlying portfolio.
- Actively engage with investments and vote on behalf of our clients.



Click below to watch a video about Castlefield's investment process, featuring John Eckersley.

Watch video

"It's true to say that 'ethical' or 'responsible' or 'sustainable' investing has changed since Castlefield was first established. Exclusion as a methodology was the main, or perhaps the sole, focus two or three decades ago – with the avoidance of bad companies and activities being key.

You'll see that things have developed quite a lot to get us to our current Thoughtful Investor Approach, and that evolution is bound to continue."

John Eckersley

Founder and Chair

THE B.E.S.T. FRAMEWORK

Along with the screening policy, our B.E.S.T. framework enables us to incorporate environmental, social and transparency & governance considerations in our investment process.

B **Business & Financial:**
Assessment of investment's business and financial credentials.

E **Environmental:**
Company performance compared to peers on carbon, waste and fresh water use. Revenues from products or services that align with environmental United Nations Sustainable Development Goals.

S **Social:**
Company performance compared to peers on ratio of executive pay to average employee pay. Level of tax avoidance/controversies. Revenues from products or services that align with social United Nations Sustainable Development Goals.

T **Transparency & Governance:**
Assessment of board independence. Board diversity. The absence of bribery and corruption.

USING THE B.E.S.T. FRAMEWORK IN OUR EQUITY FUNDS

We assess each holding in our equity fund range against its peer group using the following environmental, social and transparency & governance metrics:

▪ Tonnes of Scope 1 & 2 carbon emissions per $1M revenue	▪ Company revenues allocated to environmental solutions as defined by UNSDGs
▪ Tonnes of Scope 3 carbon emissions per $1M revenue	▪ Revenues allocated to help alleviate social issues as defined by UNSDGs
▪ Tonnes of waste generated per $1M revenue	▪ Revenues allocated to environmentally destructive industries as defined by UNSDGs
▪ Thousand cubic metres fresh water used per $1M revenue	▪ Revenues allocated to industries aggravating social issues as defined by the UNSDGs
▪ Percentage of women on boards and in top management	▪ Median income weighted by geographic economic activity
▪ Ratio of executive level pay to average employee pay	▪ Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)
▪ Percentage of independent board members	▪ Estimated % tax avoided by corporate tax mitigation schemes

We ensure that at least 70% of the fund is invested in companies which achieve 50% or more of the E.S.T. criteria.

Principle 1 1 Principle 7 7

USING THE B.E.S.T. FRAMEWORK IN OUR PORTFOLIO FUNDS

The table below outlines how we use the B.E.S.T. framework across different types of investment:

INVESTMENT TYPE	E.S.T. ASSESSMENT
Direct investments in, for example, company shares and bonds	We conduct a full E.S.T. assessment, as outlined on page 9.
Investment in Castlefield Thoughtful funds	We conduct a full E.S.T. assessment, as outlined on page 9.
Investment in third-party funds	We cannot conduct a full E.S.T. assessment. However, we do assess the fund manager for their approach to incorporating E.S.T. considerations into their decision-making process. We will not invest in a fund if the fund manager is not able to provide any of the information that we would include in an E.S.T. assessment.

SCREENING POLICY

APPLYING THE SCREENING POLICY TO OUR EQUITY FUNDS

Our screening policy applies to our Castlefield Thoughtful Equity Funds and the individual accounts that we manage for our clients on a discretionary basis. The screening policy states that the our equity funds and individual accounts will not invest in any enterprise or company if it derives revenues or profits (whichever is the greater figure) exceed 10% derived from:

- **Alcohol:** the manufacture and retailing of alcohol
- **Animal Testing:** animal testing for cosmetic purposes
- **Consumer Credit:** Consumer credit companies offering egregiously high interest rate loans and home-collected credit
- **Fossil fuels:** The extraction, mining, processing and production of carbon emitting fossil fuels
- **Fur:** Breeding, rearing or trapping of animals for fur and the retailing of fur products
- **Gambling:** Including casinos and betting, gaming machine operators and lotteries
- **Infant formula:** Where the retail or manufacture contravenes international guidelines
- **Mining:** the extraction of non-renewable resources
- **Nuclear military:** nuclear-related military activities such as design of weapons systems
- **Nuclear power:** power generation, mining or processing fuel
- **Pornography:** The production, distribution and retailing of pornography
- **Tobacco:** The manufacture and retailing of tobacco and tobacco-related products
- **Weapons:** The manufacture and distribution of weapons and weapons systems

The screening policy also sets out our approach to those activities or industries where the situation is not clear cut (for example, companies which provide a positive service such as environmental remediation or safety solutions to an excluded industry). The full screening policy is available on our website.

APPLYING THE SCREENING POLICY TO OUR PORTFOLIO FUNDS

We endeavour to apply the screening policy to our Thoughtful Portfolio Funds insofar as this is possible. The table below sets out how we apply the screening policy to different investments in the portfolio funds:

Application of Castlefield Thoughtful Investor Screening Policy to the Thoughtful Portfolio Funds

INVESTMENT TYPE	APPLICATION OF SCREENING POLICY
Directly held shares and bonds	Screening policy applies in full
Other Castlefield funds	Screening policy applies in full
Third-party funds	We cannot guarantee that all third-party fund investments align with our screening policies. However, we ensure that the portfolio funds do not include investment schemes lacking an exclusions policy where relevant. For example, a third-party equity or bond fund would typically have an exclusions policy, while a fund focused solely on renewable infrastructure may not, given its inherently narrow investment scope.

Principle 1 1 Principle 7 7

HOW OUR INVESTMENT APPROACH APPLIES TO ADDITIONAL FUNDS AND SERVICES

Castlefield Real Return Fund

The Real Return Fund is the only fund that sits outside of our Thoughtful fund range. This is due to the strategy employed by this fund and the inclusion of index-tracking instruments that reference whole-of-market indices. Nevertheless, we endeavour to apply the screening policy as far as possible to the Real Return Fund and do not own any single-issuer securities from entities that contravene the screening policy.

View our Screening Policy by clicking here, or by scanning the QR Code

Discretionary Client Accounts

In addition to our range of collective funds, we manage individual discretionary managed accounts for individuals, charities and businesses. We offer three main services for these clients: our Managed Portfolio Service (MPS), our Premium Portfolio Service (PPS) and our AIM Premium Portfolio Service. The MPS generally invests in our own and third-party collective funds, while the AIM Premium Portfolio service invests exclusively in shares. The Premium Portfolio Service (PPS) typically invests in a combination of shares and collective funds.

For individual discretionary managed client accounts, any asset held directly will be subject to our Thoughtful Investor approach including the screening policy, as outlined on page 14. In addition, environmental, social, transparency and governance considerations can be tailored to meet clients' individual needs via our Premium Portfolio Services (PPS). These accounts may also contain exposure to our single-strategy Thoughtful funds, which are also managed in accordance with the Thoughtful Investor approach outlined on page 9, and our Real Return Fund, about which there is further detail above.

STEWARDSHIP & ENGAGEMENT IN ACTION

COLLABORATIVE AND PUBLIC POLICY ENGAGEMENT

Written by
Barney Timson

2024 CDP NON-DISCLOSURE CAMPAIGN UPDATE

Summary: This year we once again took part in CDP's non-disclosure campaign, encouraging companies to report on their sustainability data

For the fourth year running, Castlefield participated in CDP's non-disclosure campaign, which seeks to encourage companies to disclose their climate, water, forestry, plastics and biodiversity risks. The 2024 iteration is aligned with the ISSB climate standard and is now fully integrated, with every company required to complete a climate change segment alongside sections on biodiversity and plastics. Water security and forestry sections are shown if the company meets the materiality assessment. This new approach attempts to reduce the duplication of any answers and encourages a more holistic approach to environmental management.

In 2024, we approached five names across the fund range, three (AB Dynamics, Idox and Learning Technologies Group) on the topic of climate change the other two (Strix and Park Plaza Hotel Group) on water. All of the names we approached were UK-listed but notably included companies of varying size as measured by market capitalisation. Historically this has not been the case, but the recent expansion of the campaign from CDP this year to also include AIM-listed companies has increased the pool of names we can approach within our fund range. To help these smaller companies disclose their data (for what might be the first time in many cases), CDP has created a slimmed-down version of its questionnaire and offers additional support.

We spoke directly with senior management at several companies to encourage their participation in the campaign, ultimately managing to get one of our five target companies to disclose. We were especially encouraged by the conversations we held with some of the smaller AIM-listed companies we approached, who were very receptive to our requests, with one disclosing and another vowing to take part in the future. This trend emphasises the positive influence we can have on some of the smaller names we hold across the fund range. Ultimately, the ambition of these companies is to grow, and as they do, there will be increasing requirements for the reporting of sustainability-related data. It therefore makes sense for these companies to start the process early, making it more manageable moving forwards as they grow larger.

Outcome: Out of the five UK-listed companies we engaged, one disclosed and another vowed to take part in the future, emphasising the positive influence we can have on investee companies.

Written by
Ita McMahon

WDI: 2024 CAMPAIGN

Summary: This year we supported the Workforce Disclosure Initiative (WDI) once again. The initiative uses investor influence to encourage companies to be more transparent about workforce and employee data.

Castlefield has actively supported the Workforce Disclosure Initiative (WDI) since 2018. The WDI is co-ordinated by the Thomson Reuters Foundation and each year works with a coalition of investors to send out a survey to hundreds of companies globally. Currently, the WDI comprises of 35 institutions that manage $7.5 trillion in assets in aggregate.

Their aim is to collate standardised and comparable data on workforce issues such as health and safety, diversity and inclusion, human rights and so on. Over the past decade, it has become commonplace for companies to produce environmental data in a common format using standardised metrics. WDI aims to do the same for employment and human rights data too.

The investor role is to use their influence as shareholders to contact companies and encourage them to participate.

In 2024, we approached 14 companies and four agreed to participate. This included companies that had previously completed the WDI survey and those that had not.

Outcome: We were successful in getting four companies to respond, including one company, Gym Group, that had not previously participated in the WDI.

"The WDI's aim is to collate standardised and comparable data on workforce issues such as health and safety, diversity and inclusion, human rights and so on."

ENGAGING ON GENERICS USING ANALYSIS BY THE ACCESS TO MEDICINES FOUNDATION

Summary: Castlefield is a supporter of the Access to Medicines Foundation (ATMF). Using data collated by the ATMF, we collaborated with Stewart Investors on an engagement with Hikma Pharmaceuticals on opportunities to expand specific generics into new markets in North Africa.

In 2024, analysis by the ATMF highlighted opportunities for Hikma Pharmaceuticals to consider expanding access to certain products by making them available in new low- and middle-income markets in North Africa. Hikma is a specialist producer of generics, operating primarily in the Middle East and Africa, although its headquarters are in London. Generics have the same pharmaceutical properties as their branded counterparts but can only be marketed once the patent protection on the original branded product has expired[1].

We used the analysis produced by ATMF to inform our engagement and collaborated with Stewart Investors to show that this topic was of interest to a broad investor base. ATMF's research suggested that there was an opportunity for Hikma to expand registration of essential cancer drugs into additional markets in North Africa. It also highlighted an opportunity to expand access to oxytocin in Iraq. Oxytocin is used to alleviate postpartum haemorrhaging, a leading cause of maternal mortality in Iraq.

1. BGMA - About generics

In our conversation, Hikma was very open in their discussions with us. They were keen to stress their heritage as a generics business operating largely in underserved markets. In addition, they were frank in the challenges that they face to get new medicines registered and to have public health services recognise certain products. For example, oxytocin isn't used in the Iraqi public health system.

Outcome: As investors, it was useful to hear first-hand the challenges, both financial and legal, of expanding into new markets. We were able to feed these considerations back to the ATMF to help inform their research in the future.

Principle 10 10

CASTLEFIELD SIGNS INVESTOR STATEMENT ON ANTIMICROBIAL RESISTANCE

Summary: In 2024, we signed a joint investor statement on Antimicrobial Resistance (AMR). The statement, co-ordinated by Investor Action on AMR Initiative, had been timed to coincide with United Nations High-Level Meeting on AMR held in the autumn.

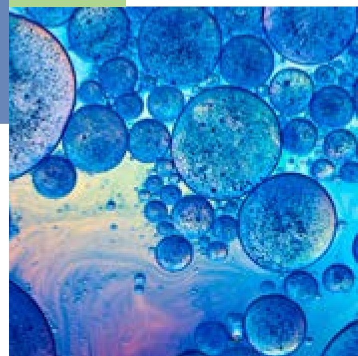
Outcome: Castlefield was one of over 80 investors from Europe, the US and Asia to sign the statement. The High-Level Meeting itself resulted in a commitment by global leaders to setting clear targets and actions to reduce deaths from AMR.

According to the World Health Organization, the causes of antibiotic resistance include over-prescribing to patients and the over-use of antibiotics in farming. As well as the human cost, estimates suggest that the economic cost of AMR could reach $100 trillion by 2050[1].

The statement signals to policymakers around the world that AMR is an issue of significant concern to the investor community, from both a financial and humanitarian perspective. It also makes several requests, including:

- Establishing a global monitoring system with an independent expert panel to provide scientific assessment of AMR
- Encouraging policymakers to commit to reducing antibiotic use in farming
- Funding the development of antimicrobials
- Ensuring equitable access to novel and existing antimicrobials.

The full statement is available to read here.



1. Investor Action on AMR (IAAMR) Public Investor Statement | FAIRR

CFP CASTLEFIELD THOUGHTFUL UK OPPORTUNITIES FUND

INTRODUCTION TO THE FUND AND FUND MANAGER

INTRODUCTION TO THE FUND

This fund focuses on investing at least 80% of clients' money in UK company shares, selected using our own B.E.S.T. investment methodology and subject to our main Screening Policy.

The fund's approach is firmly rooted in investing for at least five years and based on our own analysis of company fundamentals, where we aim to identify those firms that can grow their profits. This could be through, for example, accessing a growing niche within a wider industry, having access to superior pricing from technological or market dynamics or by owning assets which we feel are fundamentally undervalued.

The fund typically holds 35-45 holdings and is run using an unconstrained, conviction style of investment. The fund has a multi-market capitalisation remit, extending from large companies down to small companies and some AIM-quoted stocks.

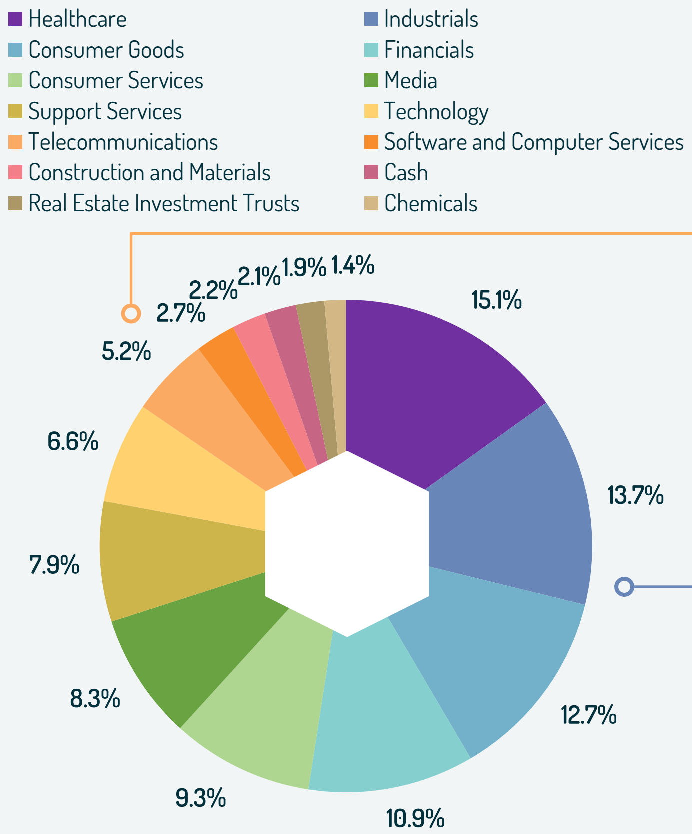
View the UK Opportunities Fund factsheet by clicking here, or by scanning the QR Code (left)

INTRODUCTION TO THE FUND MANAGER

"I'm Mark Elliott, a Partner at Castlefield and Head of the Investment Management team. I'm the lead manager of the CFP Castlefield Thoughtful UK Opportunities Fund and the CFP Castlefield Real Return Fund. I'm 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)."

Principle 1 1 Principle 6 6 Principle 7 7

FUND BREAKDOWN AND HOLDINGS



Source: Castlefield as at 31 Dec 2024

EXAMPLE INVESTEE COMPANY

Company: Gamma Communications

Sector: Telecommunications

Description: The Gamma Communications Group of companies is a leading provider of Unified Communications as a Service (UCaaS). UCaaS solutions provide a single platform for communications like voice, text chat, video, and file sharing. It operates in the UK, Dutch, Spanish and German business markets, supplying communication solutions directly and also via a network of channel partners. Gamma has developed a comprehensive portfolio of communications services with a significant amount of intellectual property, allowing it to disrupt the market with innovative and market-leading cloud-based services. Its customers are businesses of all sizes.

EXAMPLE INVESTEE COMPANY

Company: Experian

Sector: (Industrials) Professional Services

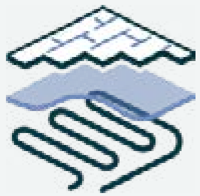
Description: Experian is a data and technology company operating through two segments, Business-to-Business and Consumer Services. Experian provides clients with insights into credit risk, fraud prevention, identity management, customer service and engagement, account processing and account management services alongside data analysis and R&D services. It serves customers in financial service, direct-to-consumer, health, retail, software and professional services, automotive, insurance, media and technology, telecommunications and utilities as well as government and public sectors.

NEW HOLDING: GENUIT

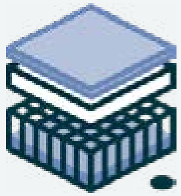
Sector: Industrials, building products

We added an investment in Genuit Group PLC to our CFP Castlefield Thoughtful UK Opportunities Fund during the year under review. Probably best known for its Polypipe brand, Genuit manufactures a wide range of environmentally-friendly products for heating, plumbing, drainage and ventilation. It is in the top ten largest manufacturers in Europe of piping systems for the residential, commercial, civils and infrastructure sectors. It is also a leading designer and manufacturer of energy efficient heating systems, so it's very much in our sweet spot with its environmental credentials. In the public consciousness, the construction industry is not associated with a commitment to the environment, but that isn't the case these days. Genuit's growth strategy is firmly based on improving the energy-efficiency of the built environment, for example through the use of a majority of recycled materials in the manufacture of its products. The company operates through three divisions: Climate Management Solutions, Water Management Solutions and Sustainable Building Solutions.

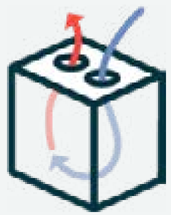
Genuit is very well placed to benefit from factors such as the increase in extreme weather events, with wetter winters and hotter summers, as well as the general shortage of housing. New legislation as well as greater demand for recycled materials in building works are all supportive of the investment case.



In Climate Management, Genuit has developed new low-carbon heating and cooling technologies to facilitate the energy transition in built-up areas. For example, if a chilly old school or church building needs to re-lay its floor, highly efficient Polypipe underfloor heating can be installed with minimal effect on the aesthetics of the building but a positive impact on the comfort of those using it.



In Water Management, Genuit is a leader in what are known as blue-green roof technologies. Blue-green roofs operate like a sophisticated roof garden; they combine a selection of hardy plants rooted in soil-filled beds and planters which soak up rainwater with "blue" technology which collects excess rainwater, stores it and dispenses it back to the building's residents for watering plants and flushing toilets.



In Ventilation Management, the company's Nuaire division installs systems which, when combined with natural ventilation, offer high levels of both fresh air and heat recovery. These systems are ideal for schools, health centres and offices.

FUND METRICS

The metrics displayed below are used to assess the Fund's performance against a suitable benchmark (Morningstar – UK index). These metrics cover all fund holdings, except for cash. This represents 99% of the fund.

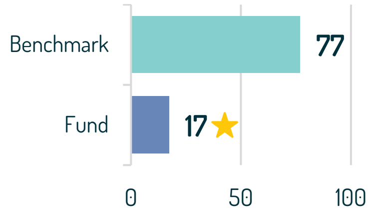
These metrics reflect the core values of the 'Thoughtful Investor'® approach and can be used to monitor whether the Fund is achieving its values-led objective.

Fund · Benchmark · ★ Better performer

Scope 1 & 2 carbon

Tonnes of Scope 1 & 2 carbon emissions per $1M revenue

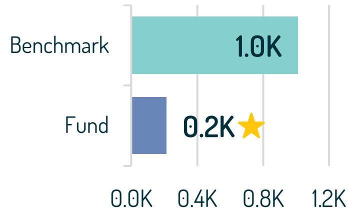
6% of Fund data, and 1% of benchmark data, is estimated.



Scope 3 carbon

Tonnes of Scope 3 carbon emissions per $1M revenue

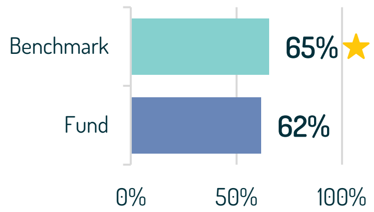
24% of Fund data, and 15% of benchmark data, is estimated.



Board independence

Percentage of independent board members

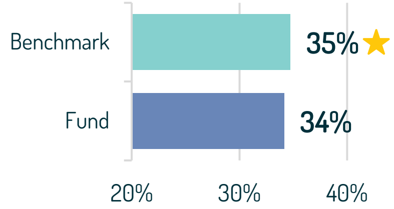
9% of Fund data, and 3% of benchmark data, is estimated.



Board diversity

Percentage of women on boards and in top management

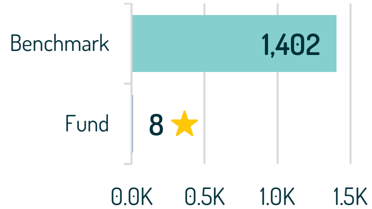
8% of Fund data, and 3% of benchmark data, is estimated.



Waste

Tonnes of waste generated per $1M revenue

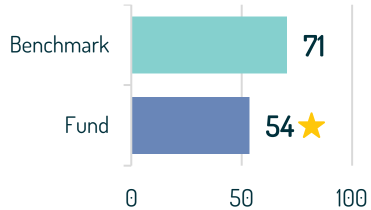
41% of Fund data, and 19% of benchmark data, is estimated.



Executive pay

Ratio of executive level pay to average employee pay

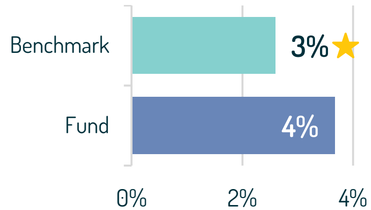
36% of Fund data, and 30% of benchmark data, is estimated.



Tax responsibilities

Estimated % tax avoided by corporate tax mitigation schemes

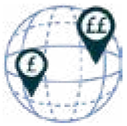
0% of Fund data, and 0% of benchmark data, is estimated.



Source: See overleaf

Principle 6 6
Principle 7 7

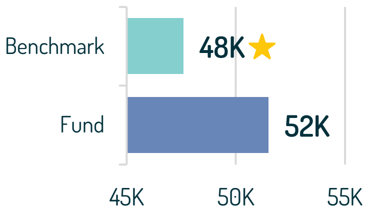
Fund Benchmark ★ Better performer



Geographic Median Income

Median income weighted by geographic economic activity

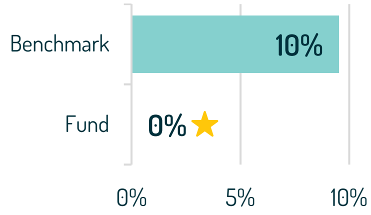
0% of Fund data, and 0% of benchmark data, is estimated.

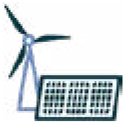


Social harm

Revenues allocated to industries aggravating social issues as defined by the UNSDGs

0% of Fund data, and 0% of benchmark data, is estimated.

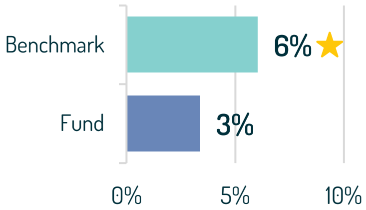


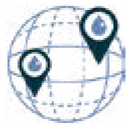


Environmental good

Company revenues allocated to environmental solutions as defined by UNSDGs

0% of Fund data, and 0% of benchmark data, is estimated.

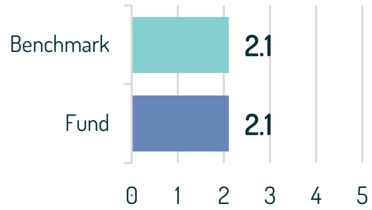




Geographic water use

Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)

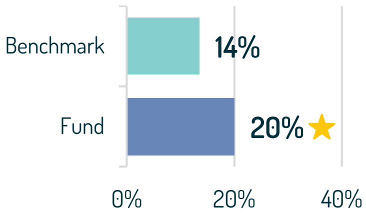
0% of Fund data, and 0% of benchmark data, is estimated.



Social good

Revenues allocated to help alleviate social issues as defined by UNSDGs

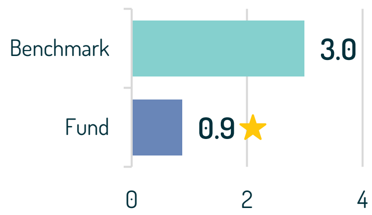
0% of Fund data, and 0% of benchmark data, is estimated.



Water efficiency

Thousand cubic metres fresh water used per $1M revenue

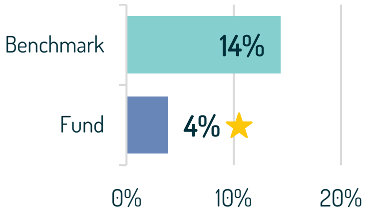
54% of Fund data, and 21% of benchmark data, is estimated.



Environmental harm

Revenues allocated to environmentally destructive industries as defined by UNSDGs

0% of Fund data, and 0% of benchmark data, is estimated.



Source: Data for the metrics was extracted from the Impact Cubed platform on 18/11/24, using Castefield equity fund data from 27/09/24 and external party fund data from June 2024. Impact Cubed uses estimated data when reported data isn't available. The use of estimated data ranges from 0% to 54%, depending on the metric. The estimated figures are provided above each metric. View important information regarding the Impact Cubed metrics on page 106.

UK OPPORTUNITIES FUND ENGAGEMENT CASE STUDIES

Written by
Ita McMahon

UNILEVER EXITS RUSSIA

Summary: We hold Unilever in our UK Opportunities and European funds. We noted with interest that the company announced the sale of its Russian operations in October 2024. We had engaged with the company on this issue at the time of the Russian incursion into Ukraine to understand why the company had not sought a local buyer, unlike so many of its peers.

At the time of our initial engagement, the company said that it had been unable to find a suitable buyer that would safeguard its 3,000 local staff. It pointed out that its Russian operations were producing food and hygiene products, rather than non-essential items, and that Russia only represented 2% of global revenue. The company was keen to stress that it was operating under UK sanctions law, whereby the Russian business was ring-fenced off from the remainder of Unilever's operations. In addition, no profit was being repatriated to Unilever's headquarters. We kept a close eye on the situation and followed up with the investor relations team again some months later. Although not ideal, our view was that the company was attempting to work through the issue carefully.

We also recognised that the ubiquitous nature of multinational companies means that, with the ebb and flow of world events, it is inevitable that there will be some exposure to controversial markets at some point.

Outcome: Although the company had made a statement denouncing the invasion, its continued presence in Russia made it an outlier amongst its Western peers. We were uneasy about Unilever's continued presence in the region and, as such, we are supportive of Unilever's decision to sell the Russian business.

Principle 9

Written by
Ita McMahon

ENGAGING ON MATERIAL SUSTAINABILITY ISSUES

Summary: At the beginning of the year, we participated in Britvic's stakeholder engagement exercise, providing our views on material sustainability issues to feed into the reformulation of the company's sustainability strategy. Following this, we met with the company to discuss various issues including single-use packaging.

Britvic is a soft drinks manufacturer which was held in our UK Opportunities Fund in 2024 until the company was acquired and it is now no longer held in the fund. Britvic is an example of a company making good, incremental progress at improving its social and environmental impacts and its wide-reaching sustainability programme covers its most significant areas of impact, namely the calories per serve and the packaging needed for its products.

At the start of 2024, we were approached by Britvic to participate in a stakeholder engagement exercise to provide views on the sustainability issues that the company should be tackling as a priority. We were one of ten investors contacted, even though we were far from being a top ten shareholder in terms of the size of our holding. This shows that by asking questions regularly about social and environmental performance, on top of the financials, we become one of the investors that companies consult when they're looking to update their sustainability strategy.

In terms of the consultation itself, we covered a range of topics. On climate change, for example, we acknowledged that Britvic has a science-based target for reducing emissions and encouraged the company to continue to consider the impact of global warming on fruit sourcing and supply chain stability. We know that calorie and sugar content is another contentious topic for the company, so we suggested that the company do more to ensure that "grab and go" products are sold in single-serve portions. Single use packaging and the need to do far more to address this problem formed another key part of the discussion – Britvic has been very transparent about the difficulties it has faced in sourcing high-quality PET and sourcing from countries with good labour standards.

Outcome: Our engagements do not always yield immediate, definitive outcomes, but they are no less impactful. These ongoing discussions- whether we're offering support and encouragement or posing challenges- serve as a vital reminder for investee companies to stay focused on making progress. By consistently challenging and supporting investee companies on social and environmental issues alongside financial performance, we encourage continuous progress while positioning ourselves as a trusted voice and influential investors, regardless of our stake size.

ENGAGING WITH PARK PLAZA ON MODERN SLAVERY AND CLIMATE RISKS

Summary: In 2024, we engaged with PPHE Hotel Group (formerly Park Plaza Hotel Europe) on modern slavery, net zero targets and climate risk.

This engagement with PPHE is indicative of many of our ongoing conversations with investee firms. We had contacted the company in 2023 to understand their approach to addressing modern slavery. We were pleased with the company's awareness of the issue and the action that they had taken to date to reduce risks in the supply chain and employee base, but also in terms of training employees to recognise signs of human trafficking.

We followed up with the company in 2024 where the company was able to provide an update on modern slavery and highlighted the action, they undertake to address the higher risks in their Croatian operations due to the seasonality of the workforce.

The company also outlined the work they have begun to assess human rights risks in the key commodities that they source, primarily meat, fish, palm oil and cotton. PPHE has been consolidating their supply chain, which makes it easier to assess suppliers.

We also talked to the company about their target of achieving net zero by 2040. They were quick to highlight recent achievements: PPHE's new hotel in Hoxton, for example, is rated BREEAM[1] Excellent. They also explained that a small percentage of total revenue from each hotel goes back into the hotel for energy efficiency improvements, whereby the site team and the central technical team can suggest measures to implement.

1. BREEAM is a certification system that assesses the environmental performance of buildings

We appreciated that the company was also willing to be open about the challenges it faces. Retrofitting old properties means that they are often not able to achieve the highest standards of accreditation and cited a recently refurbished hotel in Rome, which could only achieve a BREEAM Very Good rating. They also talked about the challenges of measuring scope 3 data, which is a common problem for many companies across industries. For hotel developers, construction and customer travel are some of the hardest scope 3 emissions to measure and address but industry standards are developing in this area, and they are participating in a specialist industry group on this.

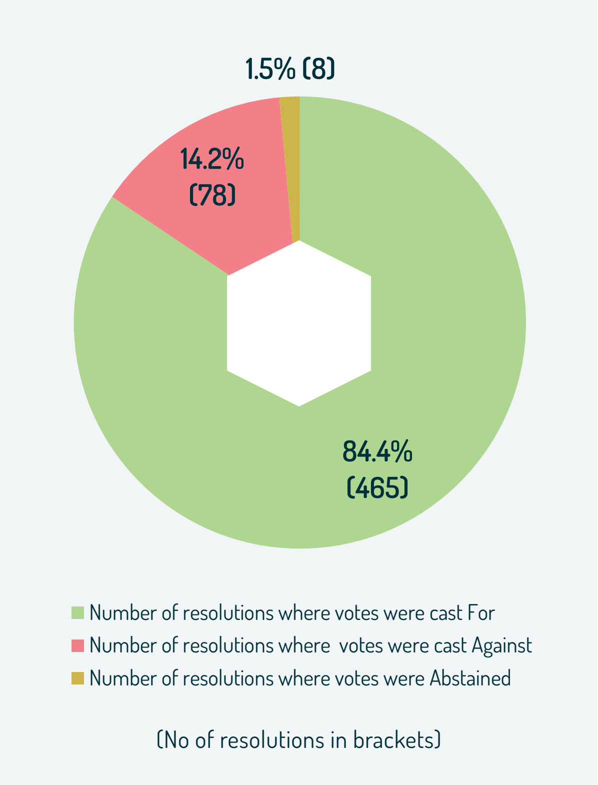
Finally, we talked about climate risk and how this will affect their business and the hospitality industry more generally. PPHE explained that site-level assessments would be beginning in 2024 and would consider locations and their propensity to flood or experience extreme weather such as heat waves.

Outcome: This engagement reinforced our confidence in PPHE's commitment to its sustainability initiatives while highlighting the importance of investor scrutiny in driving incremental progress. By engaging on these critical topics, we signal that long-term issues like climate risk and human rights are not just priorities for businesses but imperatives for investors as well.

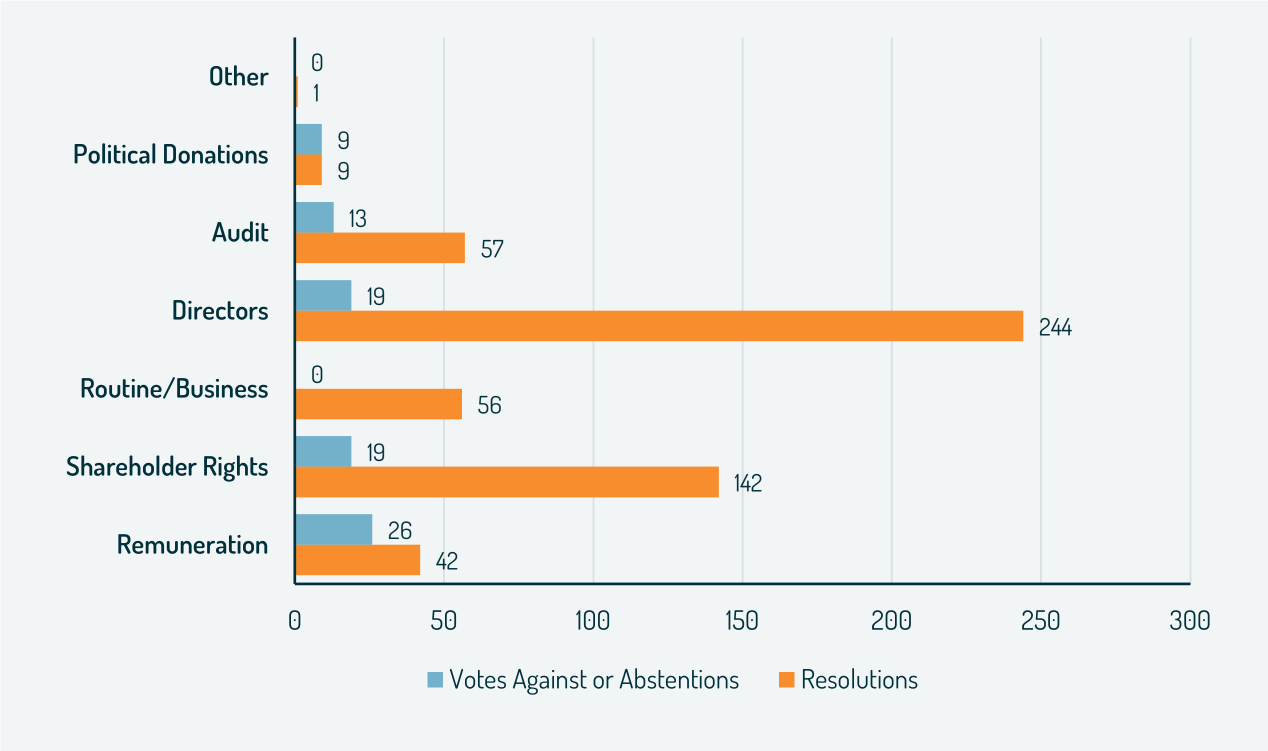
ANNUAL VOTING: UK OPPORTUNITIES FUND

Summary: During 2024, we voted at 36 meetings hosted by our investee companies in the UK Opportunities Fund, with a total of 551 resolutions. Out of these 551 resolutions, 87 (15.8%) were classed as being significant. Please see the glossary on page 5 for a definition of significant votes.

RESOLUTIONS



RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:

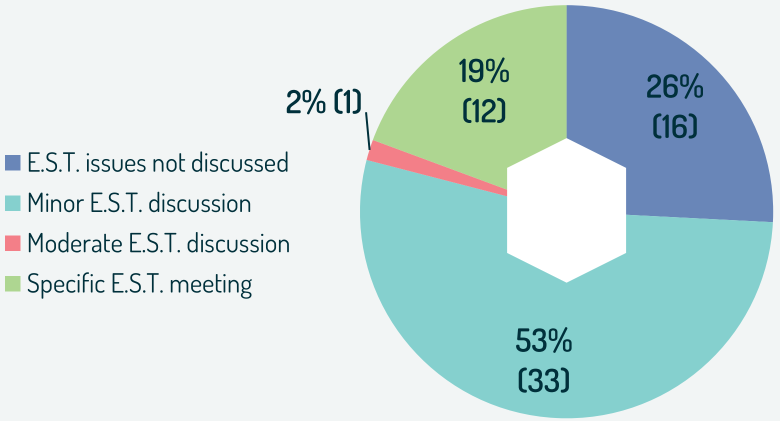


ANNUAL ENGAGEMENT: UK OPPORTUNITIES FUND

We're in regular contact with the holdings in our fund to discuss a range of issues. As well as financial performance, we discuss a range of environmental, social and transparency and governance issues.

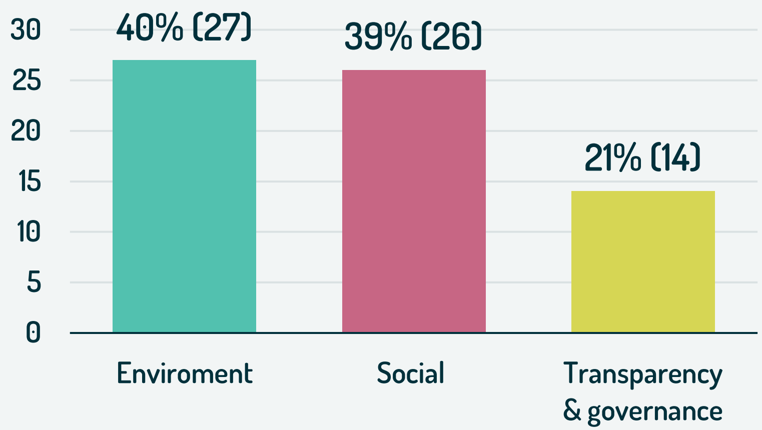
COMPANY MEETINGS IN 2024

This chart shows that E.S.T. issues were discussed in some way at 74% of meetings with holdings and prospective holdings for the UK Opportunities Fund.



TOPICS DISCUSSED IN COMPANY MEETINGS

This chart shows the frequency with which environmental, social and transparency and governance issues were raised. The most commonly raised topic was climate change, followed by waste, financial inclusion and data security.



Definitions

Meetings: this includes investor group calls and results webinars as well as meetings between Castlefield and company representatives.
Minor E.S.T. discussion: At least one E.S.T. issue discussed as part of a broader meeting
Moderate E.S.T. discussion: Approx. 30% of meeting time taken up by discussion of E.S.T. topics
Specific E.S.T. discussion: Meeting held specifically to discuss E.S.T. issues

CFP CASTLEFIELD THOUGHTFUL EUROPEAN FUND

INTRODUCTION TO THE FUND AND FUND MANAGER

INTRODUCTION TO THE FUND

The Castlefield Thoughtful European Fund aims to grow the value of clients' money by investing at least 80% of its value in the shares of European companies, whose underlying future profit potential is not yet understood by the market.

The Castlefield Thoughtful European Fund invests across countries, sectors and market capitalisation in search of the best ideas across the European continent.

As with all our single-strategy and portfolio funds, the B.E.S.T. investment process caters for thoughtful investors who wish to incorporate environmental, social, transparency and governance issues when making investment decisions.

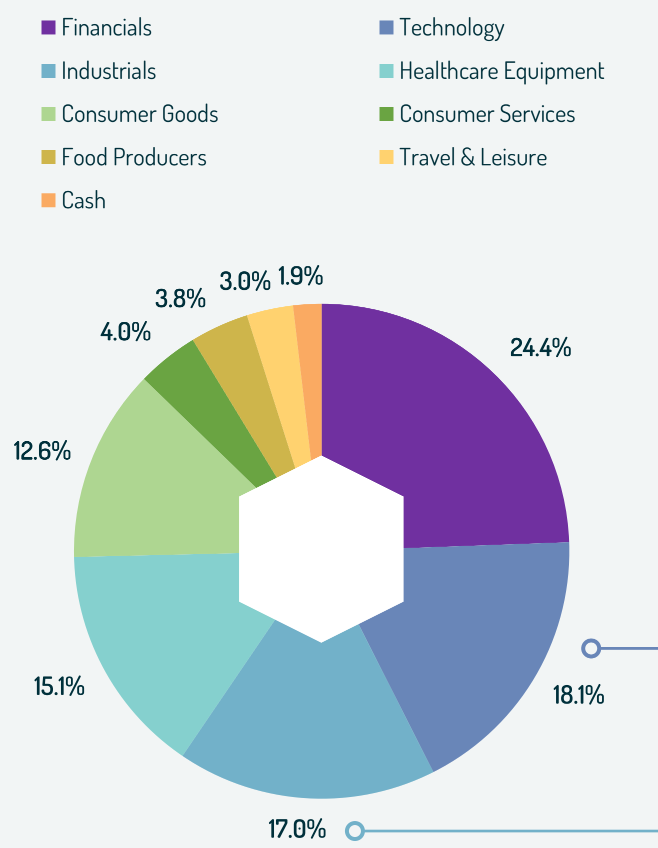
View the European Fund factsheet by clicking here, or by scanning the QR Code (left)

INTRODUCTION TO THE FUND MANAGER

"I'm James Buckley, a member of Castlefield's Investment Management Team and the lead manager of CFP'S Castlefield Thoughtful European Fund. I joined Castlefield in September 2023 from Cantor Fitzgerald in Ireland, where I was Head of Equity Research. Before this, I ran Baring's large-company European equity fund for more than fourteen years. I hold an MBA from Cambridge University, plus I hold the CFA Certificate in ESG Investing".

Principle 1 1 Principle 6 6 Principle 7 7

FUND BREAKDOWN AND HOLDINGS



Source: Castlefield as at 31 Dec 2024

EXAMPLE INVESTEE COMPANY

Company: SAP

Sector: Information Technology

Description: SAP provides enterprise application software and software-related services. Its Applications, Technology, and Services segments include the sale of software licenses, support offerings, and cloud subscriptions. Its Qualtrics segment sells experience management cloud solutions. The Services segment offers professional services, premium support services, implementation services for software products, and education services on the use of products. The company was founded in 1972 and is headquartered in Germany.

EXAMPLE INVESTEE COMPANY

Company: Schneider Electric

Sector: Industrials

Description: French company Schneider Electric is a leading global supplier of electrical and industrial automation equipment. The group has four end markets: buildings, data centres, infrastructure and industry, each of which relies on Schneider's products and solutions to make their clients' operations run safely and efficiently. Energy management services represent the majority of total revenues, with industrial automation making up the balance.

NEW HOLDING: ALLIANZ

Sector: Insurance

During the period under review, we added an investment in the German company Allianz SE to the CFP Castlefield Thoughtful European Fund. Established in 1890, Allianz provides insurance and investment advisory services, and it operates mainly through the following segments:

- The Property-Casualty segment offers insurance on personal accidents, general liability, fire, legal expense, credit and travel.

- The Life/Health segment consists of annuities; endowment and term insurance; unit-linked and investment-oriented products; private and supplemental health; and long-term care insurance.

- The Asset Management segment provides institutional and retail asset management products and services. The company's third-party asset management business includes the world's largest bond manager, PIMCO.

A key strength of the company and one of the main drivers of growth is its skill in underwriting, which is fortunately not correlated to the capital markets.

Allianz has published a Group Annual Sustainability Report for more than twenty years and has advocated for better business for a long time. In 2020, the company was involved in a controversy over structured products within its Allianz Global Investors division, which caused some share price weakness at the time, but management dealt with these effectively and the company has increased its efforts to foster responsible growth and its commitments in this area are impressive.

Insurance is all about managing risk and so the company has a vested interest in addressing and ameliorating climate change because climate change threatens people's incomes, homes and health, just as it puts companies' physical assets and business continuity at risk. Allianz has had a climate change strategy in place since 2005 and published its Net Zero Transition Plan in 2023.

Recent operational performance at Allianz has been good and prospects for the global insurance industry remain favourable, as new risks relating to population growth and climate change emerge.

FUND METRICS

The metrics displayed below are used to assess the Fund's performance against a suitable benchmark (Morningstar - Developed Markets Europe ex UK). These metrics cover all fund holdings, except for cash. This represents 99% of the fund.

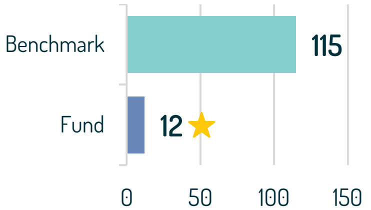
These metrics reflect the core values of the 'Thoughtful Investor'® approach and can be used to monitor whether the Fund is achieving its values-led objective.

Fund   Benchmark   ★ Better performer

Scope 1 & 2 carbon

Tonnes of Scope 1 & 2 carbon emissions per $1M revenue

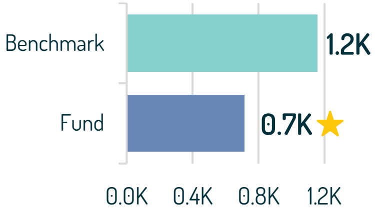
6% of Fund data, and 3% of benchmark data, is estimated.

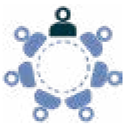


Scope 3 carbon

Tonnes of Scope 3 carbon emissions per $1M revenue

29% of Fund data, and 15% of benchmark data, is estimated.

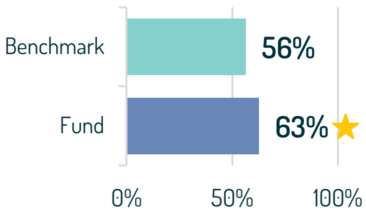




Board independence

Percentage of independent board members

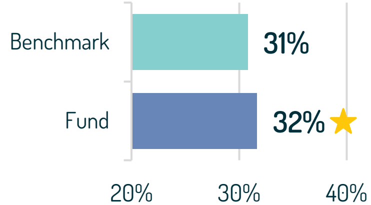
0% of Fund data, and 3% of benchmark data, is estimated.



Board diversity

Percentage of women on boards and in top management

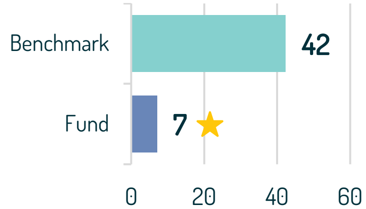
5% of Fund data, and 4% of benchmark data, is estimated.

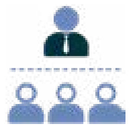


Waste

Tonnes of waste generated per $1M revenue

14% of Fund data, and 17% of benchmark data, is estimated.

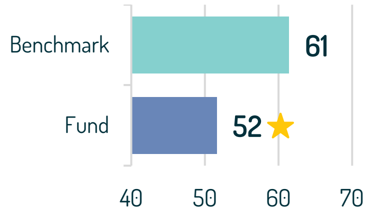




Executive pay

Ratio of executive level pay to average employee pay

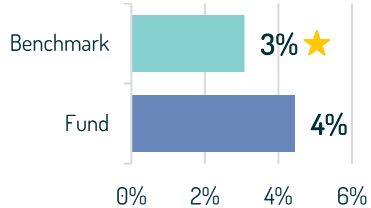
21% of Fund data, and 16% of benchmark data, is estimated.



Tax responsibilities

Estimated % tax avoided by corporate tax mitigation schemes

0% of Fund data, and 0% of benchmark data, is estimated.



Source: See overleaf

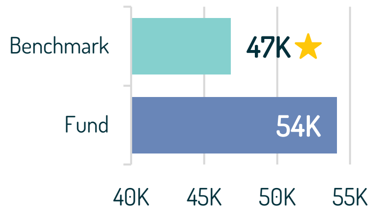
Principle 6 6   Principle 7 7

Fund | Benchmark | ★ Better performer

Geographic Median Income

Median income weighted by geographic economic activity

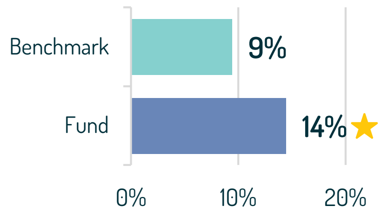
0% of Fund data, and 0% of benchmark data, is estimated.



Environmental good

Company revenues allocated to environmental solutions as defined by UNSDGs

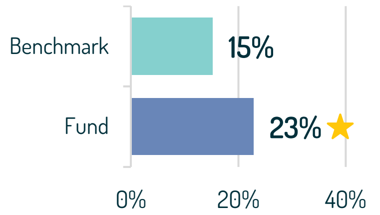
0% of Fund data, and 0% of benchmark data, is estimated.



Social good

Revenues allocated to help alleviate social issues as defined by UNSDGs

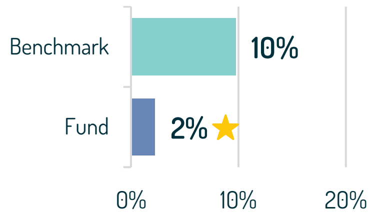
0% of Fund data, and 0% of benchmark data, is estimated.



Environmental harm

Revenues allocated to environmentally destructive industries as defined by UNSDGs

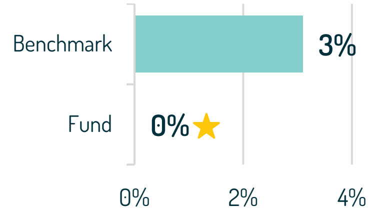
0% of Fund data, and 0% of benchmark data, is estimated.



Social harm

Revenues allocated to industries aggravating social issues as defined by the UNSDGs

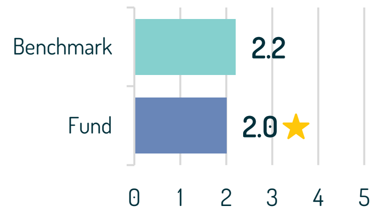
0% of Fund data, and 0% of benchmark data, is estimated.



Geographic water use

Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)

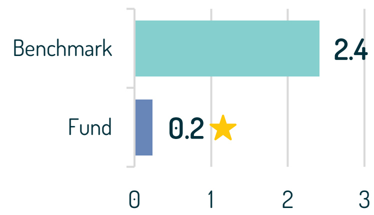
0% of Fund data, and 0% of benchmark data, is estimated.



Water efficiency

Thousand cubic metres fresh water used per $1M revenue

18% of Fund data, and 15% of benchmark data, is estimated.



Source: Data for the metrics was extracted from the Impact Cubed platform on 18/11/24, using Castefield equity fund data from 27/09/24 and external party fund data from June 2024. Impact Cubed uses estimated data when reported data isn't available. The use of estimated data ranges from 0% to 29%, depending on the metric. The estimated figures are provided above each metric. View important information regarding the Impact Cubed metrics on page 106.

EUROPEAN FUND ENGAGEMENT CASE STUDIES

HEALTHY MARKETS: UNILEVER PROGRESSES TOWARDS ITS HEALTH AND NUTRITION COMMITMENTS

Summary: The Healthy Markets Coalition met with Unilever to discuss progress against its health and nutrition commitments and understand the strategies that will be employed to achieve these, particularly in the context of a change in leadership and strategic direction.

The Healthy Markets Coalition, coordinated by ShareAction, helps investors collectively engage with companies to promote healthier consumer diets and drive change across the food and drinks industry. One-third of all deaths worldwide can be attributed to the overconsumption of certain products including alcohol, tobacco and food and drinks products – the scale of the problem is indisputable.[1]

In 2021, the Healthy Markets Initiative and an alliance of investors filed a resolution at the company's Annual General Meeting (AGM) to increase disclosures around the sale of healthier products. The company engaged in constructive conversations with the Healthy Markets Coalition prior to the AGM, and a sufficient agreement was reached that led to the withdrawal of the resolution. In October 2022, Unilever publicly disclosed its targets and new disclosure practices, pledging to:

- Achieve its target of 85 percent of the 'servings' it delivers to comply with its own nutrient profiling model – the Unilever Science-based Nutrition Criteria (USNC) by 2028.
- Publish annual assessments of the healthiness of its product range on a global basis, as well as for 16 key strategic markets, in line with government-endorsed nutritional criteria and disclose this data in their annual reports.

The most recent engagement took place in March this year, where Unilever presented the Coalition with an update following the second year of healthier sales disclosures. For investors, the aim was to gain a clearer understanding of how Unilever is progressing towards its commitments, particularly in the context of a change in leadership and strategic direction. **Currently, 81% of the company's portfolio is compliant with the UNSC signalling good progress towards the 85% target.**

Following full-year results for 2023, CEO Hein Schumacher stated that sustainability efforts will be honed around Climate, Plastic, Nature and Livelihoods, leading the Coalition to question how exactly health will fit into this revised commitment. Representatives from Unilever on the call were keen to establish that as one of the largest food manufacturers in the world, health and nutrition remains an important topic and the company strives to become a "World-Class Force for Good in Food". In order to help people transition to healthier diets, Unilever is committing to an annual €1.5 billion sales target by 2025 from plant-based products, as well as a doubling in the number of products that deliver positive nutrition by 2025.[2]

Outcome: this multi-year engagement with Unilever, facilitated by the NGO ShareAction, has resulted in increased reporting by the company on the nutritional profile of its product range.

1. ShareAction I Improving people's health
2. The world's food system needs to change I Unilever

Written by
Ita McMahon

ENGAGEMENT ON SCHNEIDER ELECTRIC'S SUSTAINABILITY STRATEGY

Summary: We were invited by the French company Schneider Electric to give our views on how the company can update its sustainability strategy and targets, which are due to be renewed next year. We also talked to the company about its work on reducing its supply chain emissions.

Schneider Electric, a French firm held in our European Fund, provides products and solutions in the areas of electrification, automation and digitisation. The company has an extensive sustainability strategy in place and has a good track record on incorporating sustainability into its products and services. For example, it has recently acquired EcoAct, a sustainability consultancy with 1,000 consultants employed globally.

In our conversation with Schneider we acknowledged the good work that the company has undertaken to date and congratulated the firm for being an early adopter of the Science Based Target Initiative (SBTi) Corporate Net Zero Standard. This means that the company's planned pathway to net zero has been accredited by an independent body, the SBTi. The company talked about the most challenging area of carbon reduction – its supply chain emissions, and its plan to engage 1,000 of their top suppliers and help them reduce their emissions by 50%.

In terms of our recommendations for the future development of their sustainability strategy, we suggested that they focus on the idea of the circular economy, i.e. where products are not disposed of at the end of their useful life but instead are repaired or repurposed. 22% of Schneider's 'product families' have a circular option available[1] and we think there's opportunity to go further still, so we suggested that their updated strategy include a target for increasing this further. The company's representatives took the comment on board and talked about Schneider's programme to embed 'eco-design' into their research and development processes so that circularity can be considered at the outset.

Outcome: All in all, this was a positive meeting, with a company that is already a leader in sustainable business and that is open to hearing from investors and other stakeholders on setting ambitious targets for the future. We wait to hear from the company on the next phase of its sustainability strategy and will see then if the suggestions we made have been incorporated.

1. Page 8, Natural Resources Report 2023

ENGAGING WITH UNICREDIT ON FOSSIL FUEL FINANCING

Summary: We engaged with UniCredit, an Italian listed, pan-European commercial bank that we hold within our CFP Castlefield Thoughtful European fund on lending to new fossil fuel projects and on its presence in Russia.

Banks are in a unique position; in that they can wield a significant amount of influence by leveraging their corporate loan books and either refusing loans outright for specific sectors or placing conditions on loans that will create some form of sustainability or societal improvement.

Given this, we wanted to engage with UniCredit to better understand how they were using their influence to encourage the transition towards net zero and stop facilitating the expansion of fossil fuels. According to Banking on Climate Chaos, an annual ranking of banks and their levels of fossil fuel financing, UniCredit has much lower exposure than many of its peers. Nevertheless, we engage regularly with the company to encourage them to continue tightening their policies and further limit lending to the oil, gas and coal sectors.

In addition, as a pan-European bank, UniCredit has operations in Russia, therefore we also wanted to better understand how the situation was being managed given the imposition of country-wide sanctions and receive an update on future plans relating to the subsidiary.

We spoke with the dedicated ESG investor relations team who began by explaining that they have set targets for high-emission sectors including oil & gas, power generation, automotive, steel, and have a policy in place for the phasing out of coal by 2028. Separately, the team also indicated that targets will be in place for both shipping and real estate in due course. The team also highlighted that they have set KPIs for ESG Lending, with 13% of medium to long-term notes now environmentally, socially or sustainability linked. Separately, 48% of Investment Products are classified as Article 8 or Article 9 sustainable investments. Turning to bonds,18% of all bonds issued are classified as sustainable. For each of these categories, current performance is tracked against targets for 2024. UniCredit has also published its first Natural Capital and Biodiversity statement, highlighting its progress so far and setting out ambitions for the future.

> “We spoke with the dedicated ESG investor relations team who began by explaining that they have set targets for high-emission sectors including oil & gas, power generation, automotive, steel, and have a policy in place for the phasing out of coal by 2028. ”

The conversation then turned to fossil fuel financing. UniCredit operates a client classification system, which places clients in different buckets depending on the percentage of revenues generated from unconventional oil & gas, arctic oil & gas and coal. The services that a client can receive from UniCredit depend on the bucket they are placed into, with the worst offenders unable to receive even basic banking services. This approach is utilised to encourage high emitters to move through the categories and reduce their carbon footprint. The current framework will evolve over time with thresholds tightened and additional scope added.

We also discussed the topic of facilitating fossil fuel expansion and how the most recent Banking on Climate Chaos report had UniCredit listed as one of the largest investors into the Arctic. The team refuted those numbers arguing that they could not reconcile many of the figures published by NGOs and that often deals were over-stated. We argued that in these situations, being more transparent and publishing the data themselves would help to resolve future issues, which was a point they took on board.

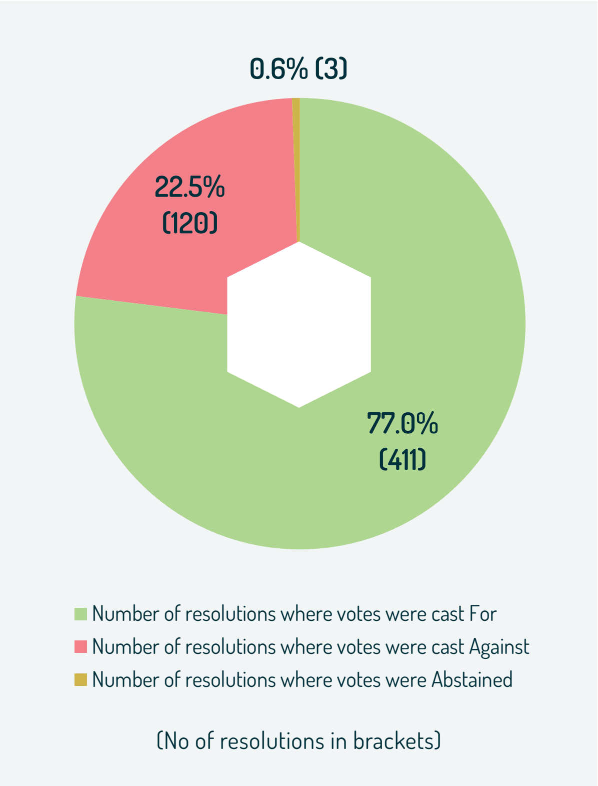
Finally, we touched upon the topic of Russia, which through its subsidiaries, UniCredit does have some operations. The overarching strategy is to manage down the assets as quickly as possible however, due to the sanctions placed upon Russia, any potential sale requires approval from both the Kremlin and the ECB, which makes things far more complicated. There are still 3100 employees working in Russia, and from a social and employee wellbeing perspective, rather than totally cut off contact, they remain in touch. As interest rates have risen, and currencies have fluctuated, Russian operations have become more profitable. However, it is worth noting that these are more technical reasons, and not an active strategic decision taken by management. Separately, despite deposits still being paid in, the loan book is shrinking, indicating that operations are winding down.

Outcome: Overall, the call with UniCredit was encouraging and we are pleased to see that a large pan-European bank is open to engagement across a variety of topics. We do see room for improvement in certain areas, however, simply taking the time to listen to shareholder concerns is a positive sign. We will continue to monitor and engage.

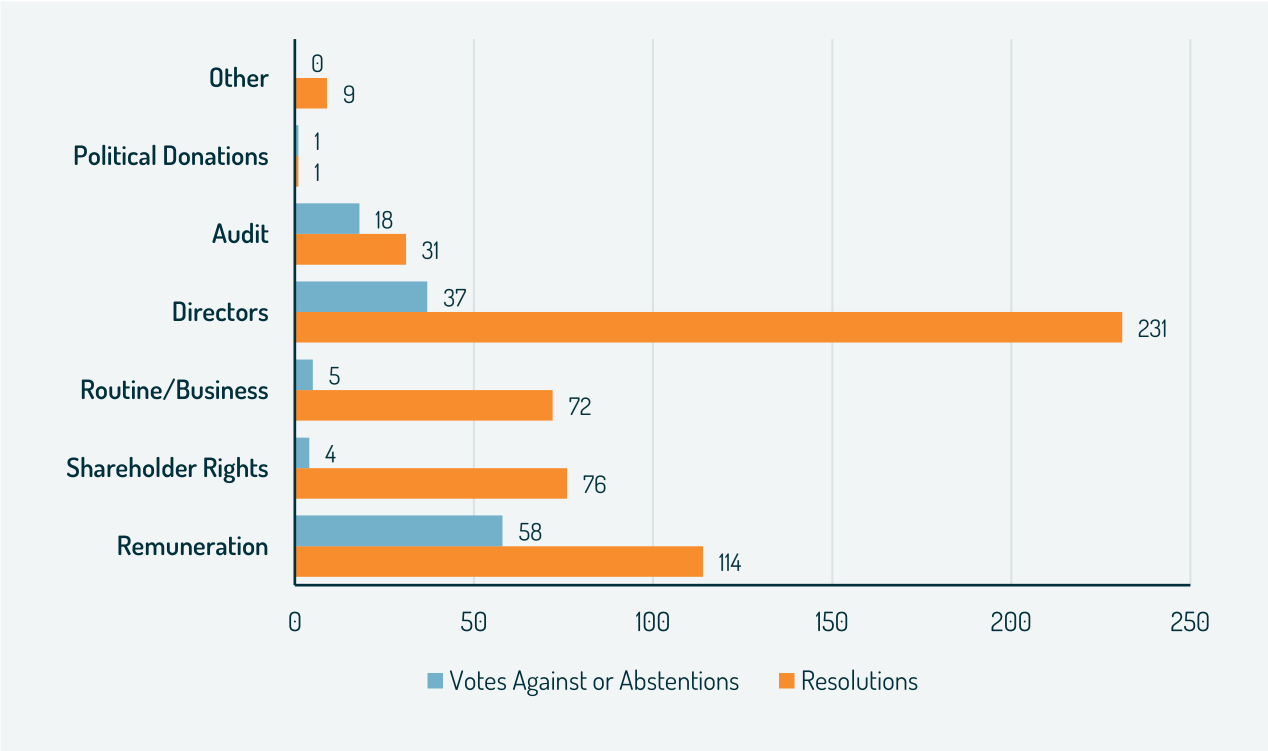
ANNUAL VOTING: EUROPEAN FUND

Summary: During 2024, we voted at 27 meetings hosted by our investee companies in the European Fund, with a total of 534 resolutions.
Out of these 534 resolutions, 128 (24.0%) were classed as being significant. Please see the glossary on page 5 for a definition of significant votes.

RESOLUTIONS



RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:

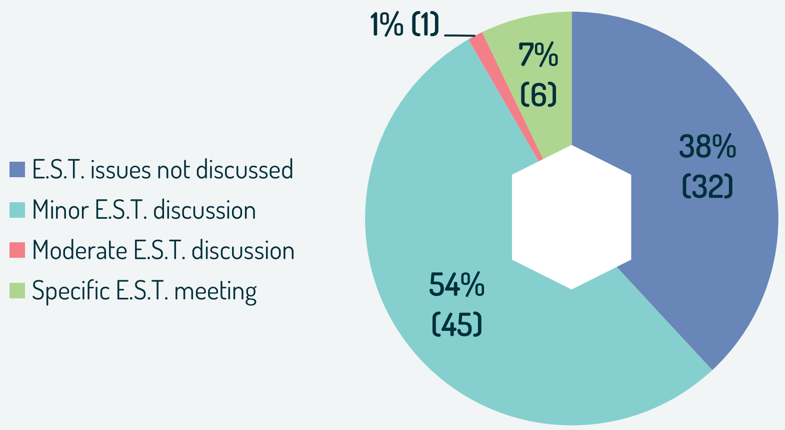


ANNUAL ENGAGEMENT: EUROPEAN FUND

We're in contact with companies in the European fund on a regular basis to discuss financial performance as well as environmental, social and transparency and governance issues.

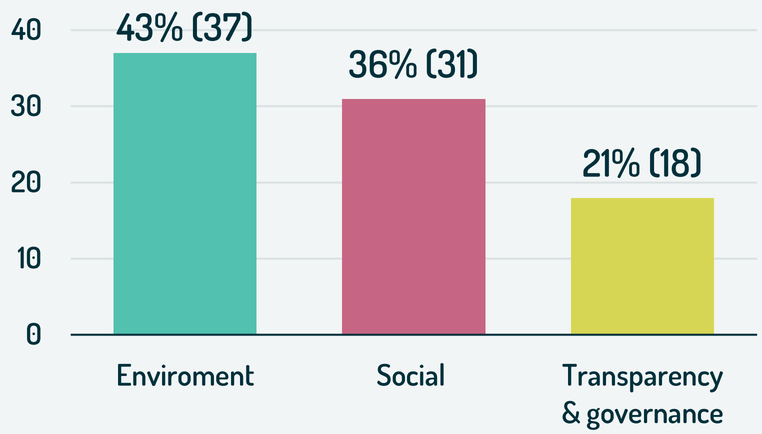
COMPANY MEETINGS IN 2024

This chart shows that E.S.T. issues were discussed in some way at 62% of meetings with holdings and prospective holdings for the European Fund.



TOPICS DISCUSSED IN COMPANY MEETINGS

This chart shows the frequency with which environmental, social and transparency and governance issues were raised. The most commonly raised topic was climate change, followed by E.S.T. reporting and transparency, diversity and environmental management.



Definitions

Meetings: this includes investor group calls and results webinars as well as meetings between Castlefield and company representatives.
Minor E.S.T. discussion: At least one E.S.T. issue discussed as part of a broader meeting
Moderate E.S.T. discussion: Approx. 30% of meeting time taken up by discussion of E.S.T. topics
Specific E.S.T. discussion: Meeting held specifically to discuss E.S.T. issues

CFP CASTLEFIELD THOUGHTFUL UK SMALLER COMPANIES FUND

INTRODUCTION TO THE FUND AND FUND MANAGER

INTRODUCTION TO THE FUND

The investment philosophy of the CFP Castlefield Thoughtful UK Smaller Companies Fund is to harness the long-term growth potential of UK smaller businesses, following our proprietary B.E.S.T. investment process. Investing in well-managed UK smaller companies that are financially sound, have a distinct competitive advantage and are capable of long-term growth, we believe we have developed a truly distinctive fund to harness the growth potential of this asset class.

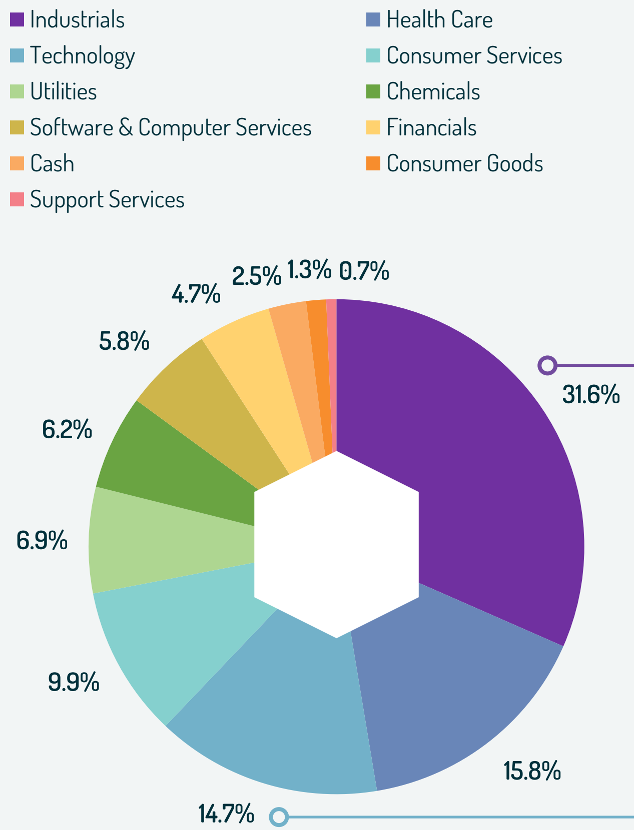
The Thoughtful UK Smaller Companies Fund focuses on investing in shares within a portfolio of typically 30 to 50 listed or AIM-quoted UK smaller company shares. The approach of the Thoughtful UK Smaller Companies Fund is firmly rooted in investing for a time horizon of at least five years.

View the UK Smaller Companies Fund factsheet by clicking here, or by scanning the QR Code (left)

INTRODUCTION TO THE FUND MANAGER

"I'm David Elton, a Partner at Castlefield and a member of our Investment Management team. I'm the lead fund manager of the CFP Castlefield Thoughtful UK Smaller Companies Fund and our AIM IHT service. I joined Castlefield in 2011 after graduating with a first-class Accounting & Finance degree. Having assisted on the UK Smaller Companies Fund since 2013, I became a manager in 2017."

FUND BREAKDOWN AND HOLDINGS



Source: Castlefield as at 31 Dec 2024

EXAMPLE INVESTEE COMPANY

Company: Wilmington

Sector: Industrials – professional services

Description: Wilmington supports customers who are operating in regulated sectors and in the governance, risk and compliance (GRC) markets. The company provides critical data and information to enable customers to make the decisions needed to maintain compliance with the rules and regulations that apply to them. Wilmington also provides training and education to equip customers with the knowledge and skills to carry out their activities in line with best practice.

EXAMPLE INVESTEE COMPANY

Company: IDOX

Sector: Information Technology

Description: IDOX is a leading supplier of specialist information management software and geospatial data solutions to the public and asset-intensive sectors. The company's business areas are: Land, Property and Public Protection; Geospatial; Community Solutions; Assets. These industries are characterised by the dual challenge of improving productivity and service standards while addressing continued pressure on expenditure. The requirement to drive greater efficiency through digital transformation supports continued investment in software in these markets.

NEW HOLDING: PAYPOINT

Sector: Financials, Financial Services

Over the past couple of decades, we've all watched in dismay as so-called high street banks have left the high street. From 1986 to 2023, the number of bank branches and building societies operating in the UK fell 60% and 72% respectively.[1] Why so?

- Cost. Running a retail branch network is expensive. Bank branches cost an average of £590,000 per year to run and only around 25% of customers visit their bank in person.[2]
- Less localisation, more centralisation. The traditional bank manager is long-gone.
- Technology. Who remembers writing a cheque?
- The decline of cash. We see this in the big decline in the number of ATMs.
- Security and convenience. Many retailers don't want to handle cash and neither do most of their customers.

The trouble is, this situation doesn't suit everyone, and it can leave sections of society feeling left behind financially. Over one million Britons don't have a bank account[3] and 1.5m adults still depend on cash for day-to-day spending, using it to pay most or all of their bills[4]. Most badly affected by the shift to digital banking and branch closures are those living in rural areas, the elderly, the disabled and the less well-off.

1. Statistics on access to cash, bank branches and ATMs
2. High street banking: what does the future hold? - Risk Business
3. It's time for an Enlightenment on financial inclusion I FC
4. Rise in cash-only spenders driven by cost of living crisis - BBC News
5. PayPoint and Lloyds Bank announce major strategic partnership expansion I PayPoint

One company stepping in to help with financial inclusion is PayPoint Group PLC, whose shares we own in this Fund. The business serves a wide range of customers, from corner shopkeepers to the likes of EDF, Monzo, Asda and Amazon. PayPoint's network of over 28,000 retailers and terminals is bigger than all the banks, supermarkets and Post Offices combined, putting them at the heart of communities nationwide[5] and offering services such as:

1. Counter Cash - cashback without purchase as well as balance enquiries
2. Central & local government cash payments (e.g. DWP) to and from individuals
3. Bill payments using cash, e.g. energy bills
4. Cash through to digital - cash deposit and withdrawal services for customers of challenger banks such as Monzo and Revolut
5. Longer opening hours than traditional banks and building societies
6. Online shopping parcel drop-off and collection, via Collect+

For the retailer, PayPoint helps bring customers into the shop in an era when fewer people are buying things like newspapers and tobacco. The shares have performed well over the last year as retailers, consumers and investors have recognised the value of the range of services offered by the company.

FUND METRICS

The metrics displayed below are used to assess the Fund's performance against a suitable benchmark (Morningstar – UK Small Cap). These metrics cover 91% of the fund's holdings. The analysis excludes cash and two holdings not covered by our third party data provider.

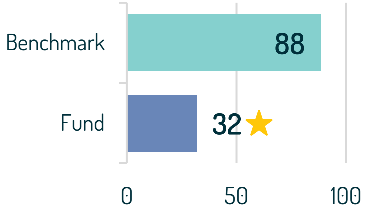
These metrics reflect the core values of the 'Thoughtful Investor'® approach and can be used to monitor whether the Fund is achieving its values-led objective.

Fund Benchmark ★ Better performer

Scope 1 & 2 carbon

Tonnes of Scope 1 & 2 carbon emissions per $1M revenue

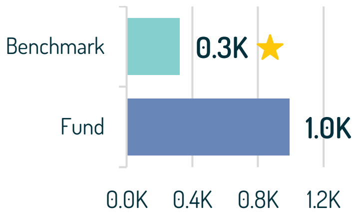
16% of Fund data, and 9% of benchmark data, is estimated.



Scope 3 carbon

Tonnes of Scope 3 carbon emissions per $1M revenue

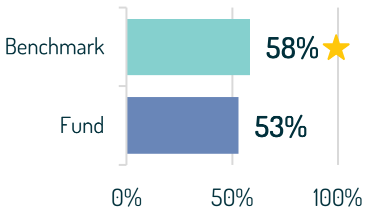
72% of Fund data, and 29% of benchmark data, is estimated.



Board independence

Percentage of independent board members

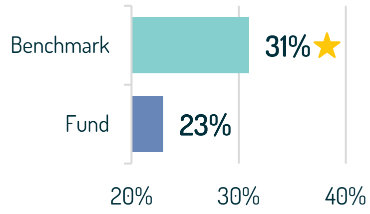
6% of Fund data, and 0% of benchmark data, is estimated.



Board diversity

Percentage of women on boards and in top management

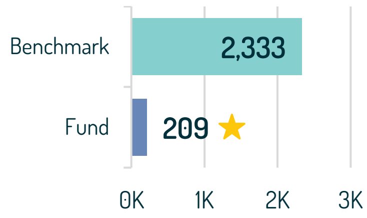
1% of Fund data, and 0% of benchmark data, is estimated.



Waste

Tonnes of waste generated per $1M revenue

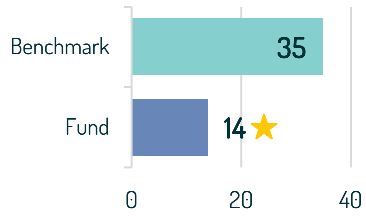
77% of Fund data, and 57% of benchmark data, is estimated.



Executive pay

Ratio of executive level pay to average employee pay

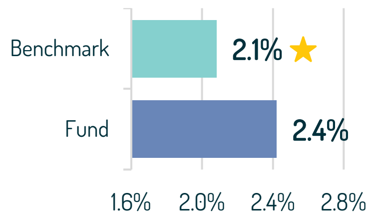
41% of Fund data, and 19% of benchmark data, is estimated.



Tax responsibilities

Estimated % tax avoided by corporate tax mitigation schemes

0% of Fund data, and 0% of benchmark data, is estimated.



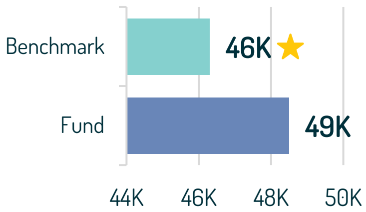
Source: See overleaf

Fund Benchmark ★ Better performer

Geographic Median Income

Median income weighted by geographic economic activity

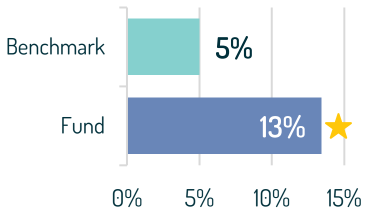
0% of Fund data, and 0% of benchmark data, is estimated.



Environmental good

Company revenues allocated to environmental solutions as defined by UNSDGs

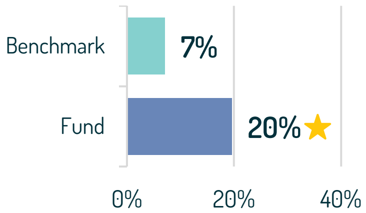
0% of Fund data, and 0% of benchmark data, is estimated.



Social good

Revenues allocated to help alleviate social issues as defined by UNSDGs

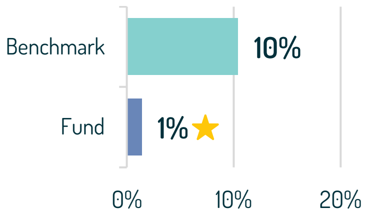
0% of Fund data, and 0% of benchmark data, is estimated.



Environmental harm

Revenues allocated to environmentally destructive industries as defined by UNSDGs

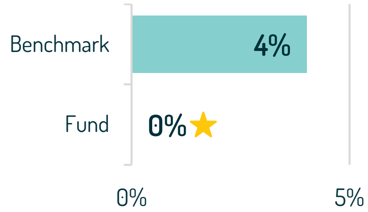
0% of Fund data, and 0% of benchmark data, is estimated.



Social harm

Revenues allocated to industries aggravating social issues as defined by the UNSDGs

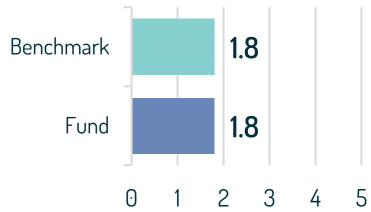
0% of Fund data, and 0% of benchmark data, is estimated.



Geographic water use

Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)

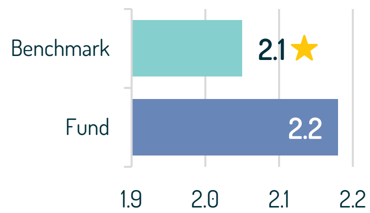
0% of Fund data, and 0% of benchmark data, is estimated.



Water efficiency

Thousand cubic metres fresh water used per $1M revenue

85% of Fund data, and 65% of benchmark data, is estimated.



Source: Data for the metrics was extracted from the Impact Cubed platform on 18/11/24, using Castefield equity fund data from 27/09/24 and external party fund data from June 2024. Impact Cubed uses estimated data when reported data isn't available. The use of estimated data ranges from 0% to 85%, depending on the metric. The estimated figures are provided above each metric. View important information regarding the Impact Cubed metrics on page 106.

UK SMALLER COMPANIES FUND ENGAGEMENT CASE STUDIES

THE GYM GROUP: FOSTERING A SAFE ENVIRONMENT FOR GYM USERS AND PREVENTING HARASSMENT

Summary: We engaged with The Gym Group on the topic of gym safety, discussing the policies and procedures that are already in place to foster a safe environment for gym users. We also discussed ways in which this approach could be strengthened further – for example, supporting the 'Ask for Angela' initiative and improving public reporting on the topic of harassment.

The Gym Group is a national provider of low cost, 24/7, no contract gyms which is held in our Thoughtful fund range, both in the Thoughtful UK Opportunities Fund and the Thoughtful UK Smaller Companies Fund.

After its success in bars and clubs across the country, an 'Ask for Angela' trial has been launched across a number of fitness and leisure centres. The initiative encourages those in an unsafe or vulnerable situation to discreetly ask staff for help by using the code word 'Angela'. This follows a number of recent articles calling out gym harassment, and a rise in social media trends encouraging women to speak out about their experiences. It is thought that the initiative could be rolled out nationally across the fitness industry later in the year. Against this background, we felt it was important to approach The Gym Group to better understand how it promotes a safe environment for gym users.

The company stressed that there are strong policies and procedures already in place to respond to and prevent instances of harassment. A key focus is training staff to identify the signs of harassment and the company runs face-to-face training to ensure they are well-equipped to respond effectively and escalate where necessary. Staff are also made aware of 'lower level' issues such as staring and taking photographs which can run the risk of evolving into larger problems. For example, the company operates a policy on photos and videos to ensure that other members are not photographed. While staff are encouraged to intervene if this rule is breached, policing this may well prove challenging, particularly amid the popularity of fitness influencers on social media.

"A key focus is training staff to identify the signs of harassment and the company runs face-to-face training to ensure they are well-equipped to respond effectively and escalate where necessary."

As a 24/7 gym, a member of staff is not always on site and we wanted to understand how gym users can report an incident and access support during 'off-peak' hours. We asked the company whether there are any technology-based solutions in place to manage this, for example, a built-in tool on the company's app to effectively report incidents and provide support. Currently, a customer service line is accessible on the website which customers can use to report an incident day or night and the company explained that improvements to its app are due this year, which will include the option to contact customer service directly through the app. Further, there are emergency buttons located throughout the gym which will alert a 24/7 team immediately.

Principle 9 9

While The Gym Group's public reporting on topics such as D&I and Health & Safety is strong, we believe that this could be strengthened by reporting on its approach to identifying, responding to and preventing harassment. We asked the company whether there would be scope to improve reporting on this topic, for example (i) instances of harassment, (ii) the action that was taken, and (iii) the remedial action taken to prevent a reoccurrence. The company already use a Health & Safety portal to internally collate the number, and the type, of incidents which we suggested could form the basis of its external reporting. We acknowledged the company's point that disclosing this information without context felt 'risky' given it is not common practice in the sector and therefore could be difficult to identify where best practice lies. However, we reiterated the advantage of being on the front foot and shaping the narrative – in fact greater transparency is likely to position the company as a leader on a topic which, undeniably, affects the gym experience for many women.

Outcome: We followed up with the company on this topic in late 2024 and they are assessing the findings from the Ask for Angela pilot. Gym Group is also considering including information in their sustainability report on how they address issues around harassment.

Written by
David Elton

WHEN ENGAGEMENT REACHES ITS LIMIT: LESSONS FROM OUR UK SMALLER COMPANIES FUND

Summary: Investor engagement often highlights success stories, and rightly so. But sometimes an engagement doesn't deliver the desired outcome. Here, we share an example of a longstanding dialogue we had over a number of years with a company regarding its corporate governance.

Our UK Smaller Companies fund provides a unique perspective on stewardship, as we frequently engage directly with senior people in the business. These high-quality dialogues allow us to have candid conversations about areas for improvement. However, investing in smaller companies can also reveal governance challenges. These often stem from legacy practices that predate the company's listing. Two recurring issues we frequently encounter are:

- **Long-standing directors exceeding the recommended nine-year tenure**, which can foster an overly familiar culture and diminish critical challenge.
- **Smaller board sizes**, which limit diversity of thought and perspectives critical for robust decision-making.

At one company within the fund, both issues arose and persisted. Over six years, we observed the board shrinking in size and its independence waning. Concerned about the escalating governance risks, we launched an engagement campaign spanning several years.

We voiced this to the company on multiple occasions and also raised the matter with the firm's broker. In addition, we expressed our dissatisfaction by voting against the reappointment of certain directors at the AGM. While the company acknowledged the validity of our concerns, they did not take immediate action.

> "We expressed our dissatisfaction by voting against the reappointment of certain directors at the AGM. While the company acknowledged the validity of our concerns, they did not take immediate action."

During this time, the company made an acquisition and added a director from the acquired business to its board. While the appointment increased board size and was presented as an improvement, the situation was more complex. The new director was not independent due to a significant shareholding and prior ties to the acquired company. Consequently, the board's overall independence continued to decline.

Given the heightened governance risk, we reduced our holding in the company. Subsequent discussions with management clarified that no further board changes were planned, nor did the company share our concerns about the risks of a majority non-independent board.

We often hear companies assert that non-independent directors can act independently in practice, but such claims are difficult to substantiate. As fiduciaries, we must rely on verifiable governance standards, not assurances.

Ultimately, our engagement reached its limit. When this happens, we assess whether the status quo is acceptable. In some cases, we can agree to disagree, or even adjust our perspective if compelling justifications exist for governance deviations. However, in this instance, the risks outweighed the potential benefits. We therefore made the rare decision to divest from the company.

To be clear, the investment performed satisfactorily over the years and there is nothing to suggest that the governance risks are anything but risks at this stage. Ultimately though, we are here to serve our clients. If we can achieve the same returns but with lower risk by investing elsewhere, then that's what we are obligated to do.

We have chosen not to disclose the name of the company in question. We do not believe in "naming and shaming" as a constructive tactic and remain hopeful that we can continue to reflect our views to the board, even post-disinvestment.

Outcome: Even though the engagement didn't yield the intended results, it was far from futile. The process offered valuable insights into management's thinking, which informed our decision to divest. In stewardship, success isn't always about achieving immediate change. Sometimes, it's about recognising when to walk away in the best interests of our clients while maintaining an open door for future dialogue.

"Ultimately, our engagement reached its limit. When this happens, we assess whether the status quo is acceptable. (...) In this instance, the risks outweighed the potential benefits."

David Elton

Partner, Investment Management

Written by
Barney Timson

EKF DIAGNOSTICS AGM ENGAGEMENT

Summary: Ahead of the AGM, we engaged with leading UK-listed biotech company EKF Diagnostics, to discuss the topic of remuneration.

Earlier this year, we engaged with EKF Diagnostics, a leading biotech company held within our Castlefield Thoughtful UK Smaller Companies fund. EKF specialises in developing and manufacturing high-quality, cost-effective tools which enable early detection, accurate diagnosis and monitoring of a variety of illnesses.

Ahead of the Annual General Meeting (AGM), we contacted the Senior Independent Director to discuss the topic of remuneration, to help inform our voting decisions. Our main concern surrounded a discretionary payment made to the incumbent Chief Financial Officer during the year under review. We wanted to understand the rationale behind this payment and how this sum was determined.

Under normal circumstances, it is best practice for performance conditions to be attached to bonus payments, in order to align management interests with the long-term performance of the company. The Senior Independent Director explained that the discretionary payment was made in an attempt to retain his services. The CEO had recently departed, and the Board did not want any further instability or change. The Board wanted to make sure that the figure was meaningful relative to his base salary, ultimately however this did not succeed.

We highlighted that in the absence of a separate remuneration report resolution, our Proxy Research advisor ISS, had recommended voting against the annual report and accounts. For context, voting against the report and accounts is typically carried out as a method of last resort and implies dissatisfaction with the management team. At Castlefield we operate our own internal voting policy, therefore we are not required to follow the recommendations of our Proxy Research providers.

Outcome: We felt that voting against the Report and Accounts would be excessive, however equally we felt that the rationale for the discretionary payment was not strong enough to support the resolution. We therefore took the decision to abstain on the report and accounts. We encouraged the Board to table a separate remuneration resolution in the future to help prevent similar scenarios from reoccurring, and we were reassured by their response, which was of genuine understanding and consideration. We look forward to seeing these changes being implemented into next year's ballot.

Written by
Barney Timson

INVINITY REMUNERATION

Summary: We consulted with the Vanadium flow battery manufacturer Invinity throughout the year on the topic of remuneration, reviewing their current arrangements and sharing examples of best practice to further improve their own approach and reporting.

Earlier this year, we engaged with Invinity Energy Systems, the Vanadium flow battery manufacturer owned in our CFP Castlefield Thoughtful UK Smaller Companies fund. Like many of our engagements, this was initially born out of the need for further information in order for us to vote at the Annual General Meeting (AGM).

Ahead of the AGM, we had a meeting with the investor relations function at Invinity on the topic of remuneration. We highlighted that our Proxy Research advisor had recommended voting against the remuneration report because the executive team had been granted nil-cost share options. For context, Invinity are pre-profit, therefore paying out cash bonuses to management as an incentive is not the most appropriate use of funds. Options can be a low-cost and sensible way of aligning management interests with the long-term performance of the company. However, our preference is typically for a wider basket of performance metrics, rather than a single measure. The team were very engaged throughout our conversation and vowed to share our feedback with the board.

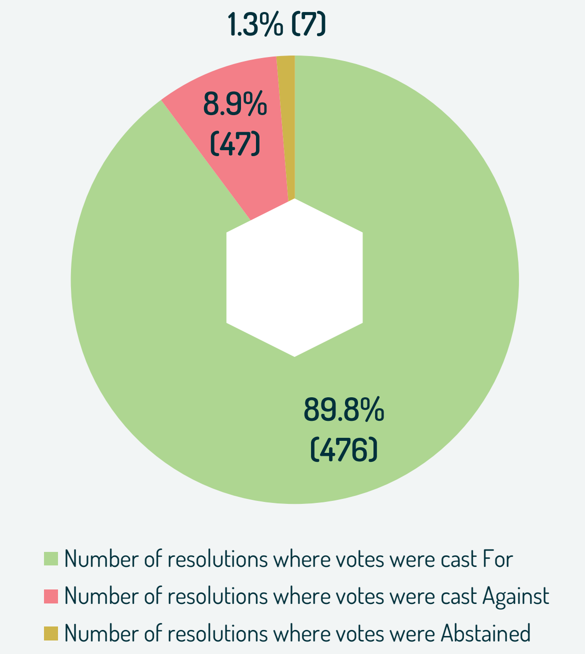
This, however, was not the end of our engagement. A short while after our initial conversation, Invinity requested that we meet the CEO, so that we could provide an investors perspective on their remuneration arrangements. We have previously carried out this kind of consultation with our investee companies and we are always pleased to take part because it enables us to influence company strategy. In the meeting, we discussed our expectations regarding what we like to see, alongside a number of best practice examples of remuneration reporting.

Outcome: Our suggestions were well received by Invinity and work is currently underway to review the way they award and report on their remuneration packages. In early 2025, the company asked for a follow-up meeting to introduce the new Finance Director and to provide him with an investor perspective on the characteristics of a well-structured remuneration scheme.

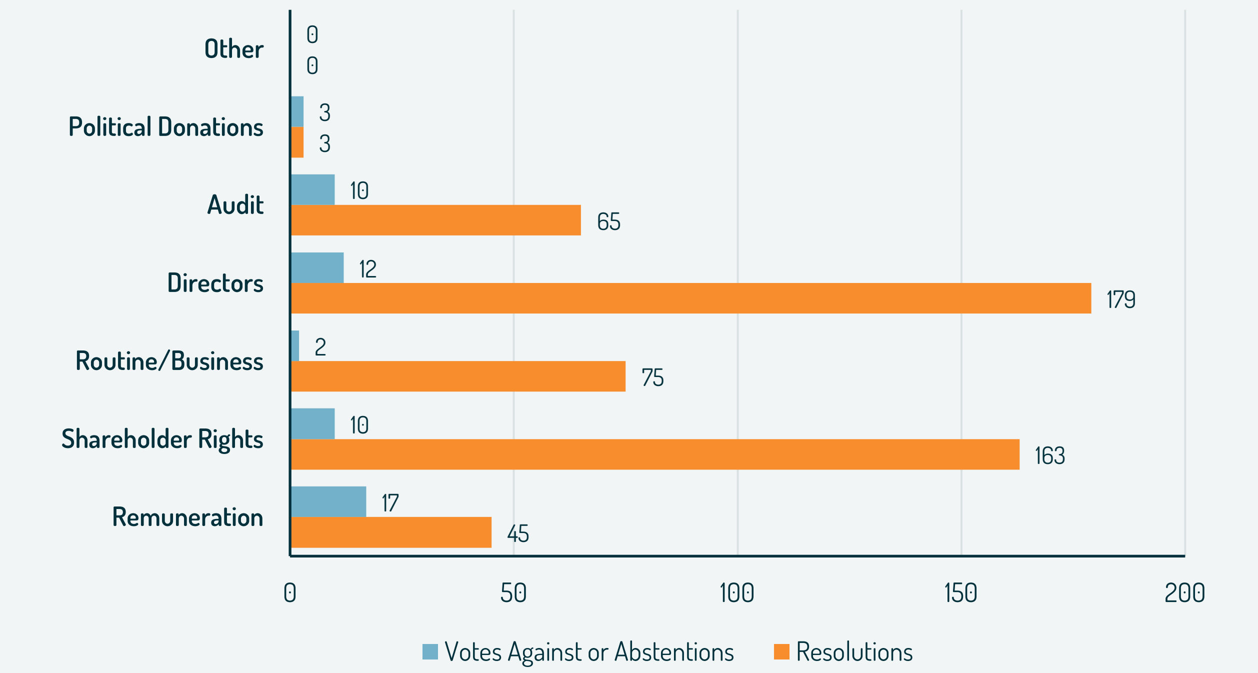
ANNUAL VOTING: UK SMALLER COMPANIES FUND

Summary: During 2024, we voted at 47 meetings hosted by investee companies in the UK Smaller Companies Fund, with a total of 530 resolutions. Out of these 530 resolutions, 54 (10.2%) were classed as being significant. Please see the glossary on page 5 for a definition of significant votes.

RESOLUTIONS



RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:

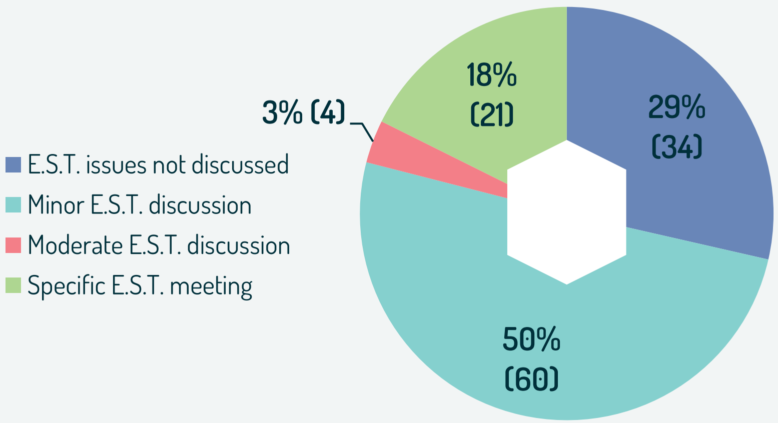


ANNUAL ENGAGEMENT: UK SMALLER COMPANIES FUND

We contact the companies in our UK Smaller Companies Fund regularly, discussing environmental, social and transparency and governance issues as well as financial performance.

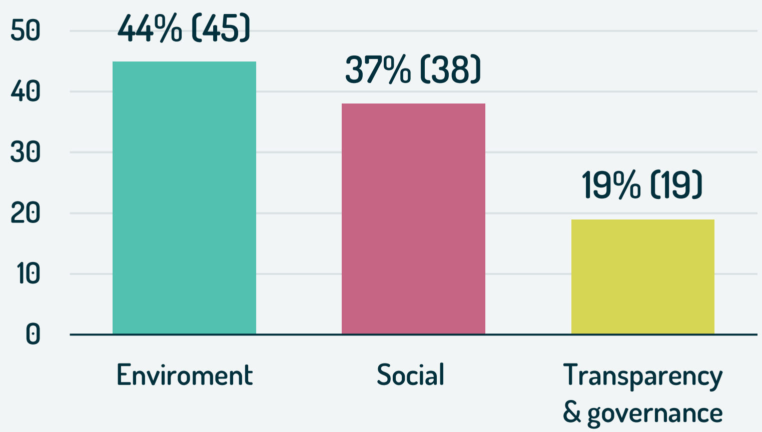
COMPANY MEETINGS IN 2024

This chart shows that E.S.T. issues were discussed in some way at 71% of meetings with holdings and prospective holdings for the UK Smaller Companies Fund.



TOPICS DISCUSSED IN COMPANY MEETINGS

This chart shows the frequency with which environmental, social and transparency and governance issues were raised. The most commonly raised topic was climate change, followed by E.S.T. reporting and transparency, health and wellbeing and waste.



Definitions

Meetings: this includes investor group calls and results webinars as well as meetings between Castlefield and company representatives.
Minor E.S.T. discussion: At least one E.S.T. issue discussed as part of a broader meeting
Moderate E.S.T. discussion: Approx. 30% of meeting time taken up by discussion of E.S.T. topics
Specific E.S.T. discussion: Meeting held specifically to discuss E.S.T. issues

CFP CASTLEFIELD THOUGHTFUL PORTFOLIO FUNDS

INTRODUCTION TO THE FUNDS AND FUND MANAGER

INTRODUCTION TO THE PORTFOLIO FUNDS

Portfolio Growth Fund

The CFP Castlefield Thoughtful Portfolio Growth Fund aims primarily to achieve capital growth and also to provide some income consistent with this primary objective. It's aimed at investors who are comfortable with an investment time horizon of at least five years. To achieve this objective, we expect to invest at least 50% in other collective investment funds - some managed by ourselves and some managed by other highly regarded investment houses we carefully select.

Portfolio Income Fund

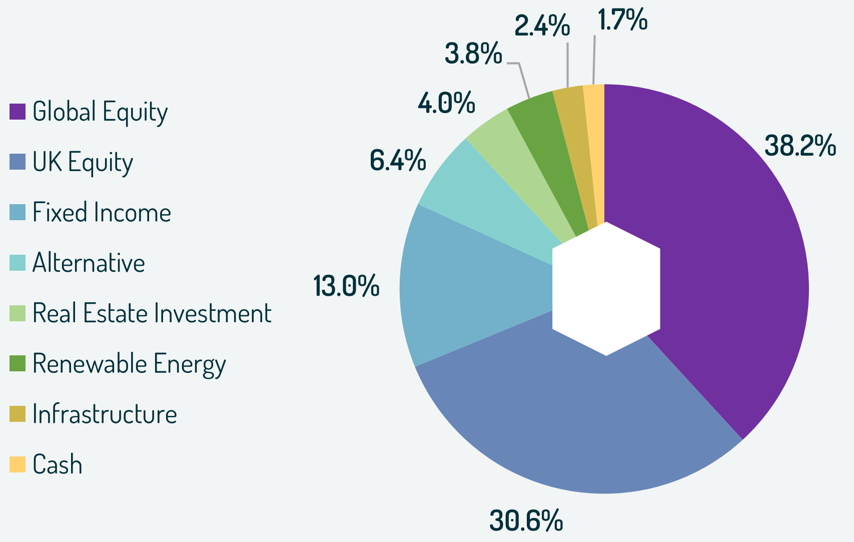
This CFP Castlefield Thoughtful Portfolio Income Fund aims primarily to provide income to investors, with a target minimum income return of 3% per annum, together with capital growth consistent with this primary objective, with a time horizon of at least five years. To achieve this objective, we expect to invest at least 50% in other collective investment funds - some managed by ourselves and some managed by other highly regarded investment houses we in turn carefully select.

INTRODUCTION TO THE FUND MANAGER

"I'm Callum Wells, an Investment Manager at Castlefield and a member of our Investment Management team. I joined Castlefield in 2023, after working within Brown Advisory's Private Client team. I manage both Castlefield Thoughtful Portfolio Funds and contribute to the team's investment research activities. I also hold the CISI's Chartered Wealth Manager qualification."

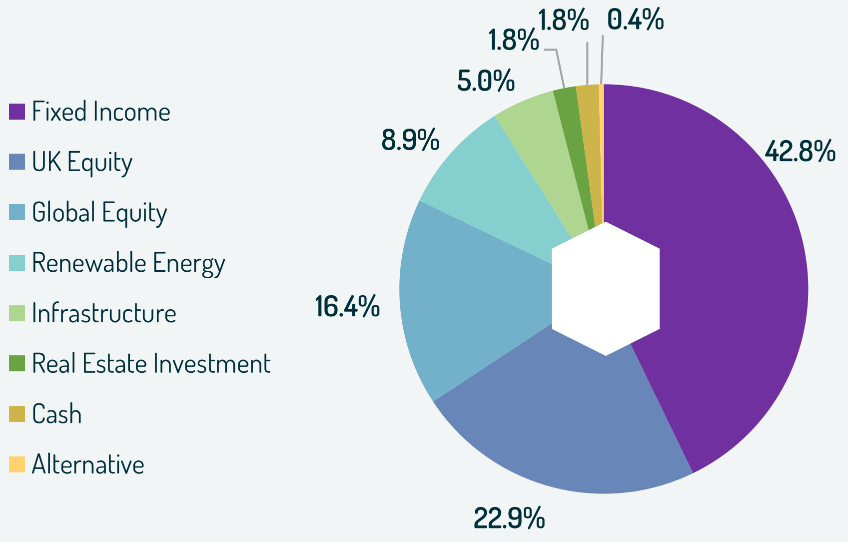
FUND BREAKDOWN AND HOLDINGS

PORTFOLIO GROWTH FUND BREAKDOWN



Source: Castlefield as at 31 Dec 2024

PORTFOLIO INCOME FUND BREAKDOWN



Source: Castlefield as at 31 Dec 2024

View the Portfolio Growth Fund factsheet by clicking here, or by scanning the QR Code (left)

View the Portfolio Income Fund factsheet by clicking here, or by scanning the QR Code (left)

PORTFOLIO GROWTH FUND METRICS

The metrics displayed below are used to assess the Fund's performance against a suitable benchmark (Composite benchmark reflecting the asset classes and geographic exposure of the funds, ie UK and global equities, corporate bonds, UK real estate and developed markets infrastructure). These metrics cover 83% of holdings.

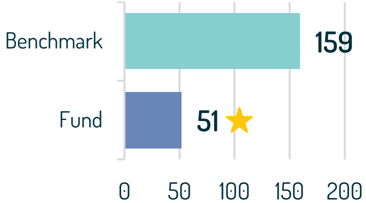
These metrics reflect the core values of the 'Thoughtful Investor'® approach and can be used to monitor whether the Fund is achieving its values-led objective.

Fund Benchmark ★ Better performer

Scope 1 & 2 carbon

Tonnes of Scope 1 & 2 carbon emissions per $1M revenue

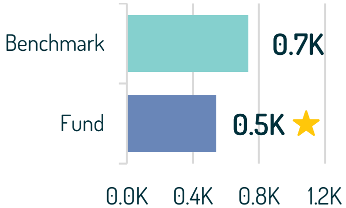
10% of Fund data, and 9% of benchmark data, is estimated.

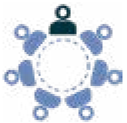


Scope 3 carbon

Tonnes of Scope 3 carbon emissions per $1M revenue

36% of Fund data, and 28% of benchmark data, is estimated.

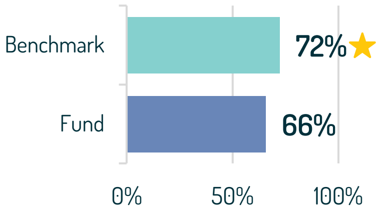




Board independence

Percentage of independent board members

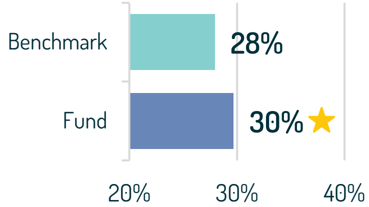
5% of Fund data, and 1% of benchmark data, is estimated.



Board diversity

Percentage of women on boards and in top management

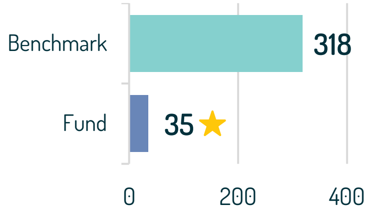
4% of Fund data, and 2% of benchmark data, is estimated.

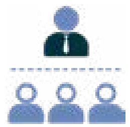


Waste

Tonnes of waste generated per $1M revenue

43% of Fund data, and 30% of benchmark data, is estimated.

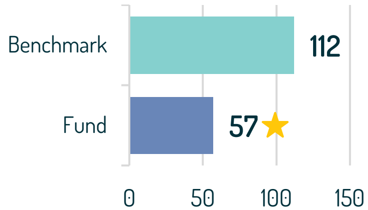




Executive pay

Ratio of executive level pay to average employee pay

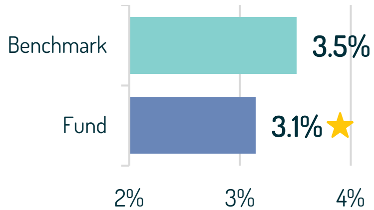
32% of Fund data, and 19% of benchmark data, is estimated.



Tax responsibilities

Estimated % tax avoided by corporate tax mitigation schemes

0% of Fund data, and 0% of benchmark data, is estimated.



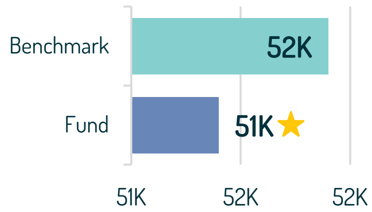
Source: See overleaf

Fund Benchmark ★ Better performer

Geographic Median Income

Median income weighted by geographic economic activity

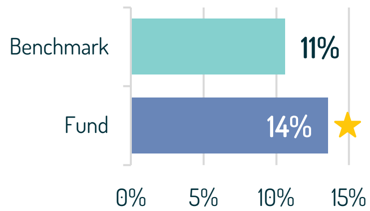
0% of Fund data, and 0% of benchmark data, is estimated.



Environmental good

Company revenues allocated to environmental solutions as defined by UNSDGs

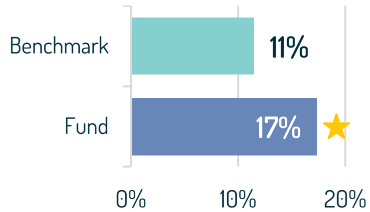
0% of Fund data, and 0% of benchmark data, is estimated.



Social good

Revenues allocated to help alleviate social issues as defined by UNSDGs

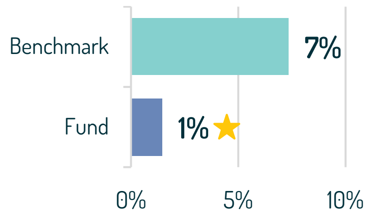
0% of Fund data, and 0% of benchmark data, is estimated.



Environmental harm

Revenues allocated to environmentally destructive industries as defined by UNSDGs

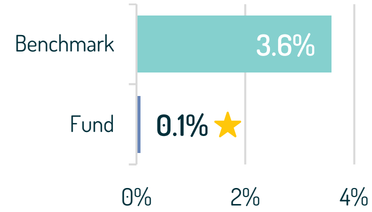
0% of Fund data, and 0% of benchmark data, is estimated.



Social harm

Revenues allocated to industries aggravating social issues as defined by the UNSDGs

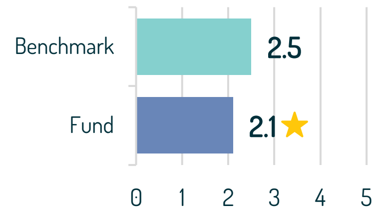
0% of Fund data, and 0% of benchmark data, is estimated.



Geographic water use

Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)

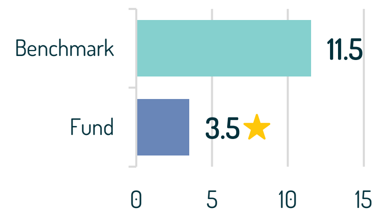
0% of Fund data, and 0% of benchmark data, is estimated.



Water efficiency

Thousand cubic metres fresh water used per $1M revenue

45% of Fund data, and 24% of benchmark data, is estimated.



Source: Data for the metrics was extracted from the Impact Cubed platform on 18/11/24, using Castefield equity fund data from 27/09/24 and external party fund data from June 2024. Impact Cubed uses estimated data when reported data isn't available. The use of estimated data ranges from 0% to 45%, depending on the metric. The estimated figures are provided above each metric. View important information regarding the Impact Cubed metrics on page 106.

PORTFOLIO INCOME FUND METRICS

The metrics displayed below are used to assess the Fund's performance against a suitable benchmark (Composite benchmark reflecting the asset classes and geographic exposure of the funds, ie UK and global equities, corporate bonds, UK real estate and developed markets infrastructure). These metrics cover 67% of holdings.

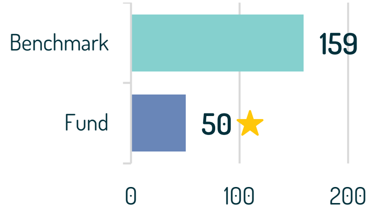
These metrics reflect the core values of the 'Thoughtful Investor'® approach and can be used to monitor whether the Fund is achieving its values-led objective.

Fund Benchmark ★ Better performer

Scope 1 & 2 carbon

Tonnes of Scope 1 & 2 carbon emissions per $1M revenue

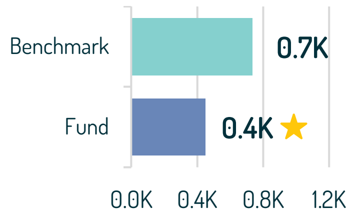
8% of Fund data, and 9% of benchmark data, is estimated.



Scope 3 carbon

Tonnes of Scope 3 carbon emissions per $1M revenue

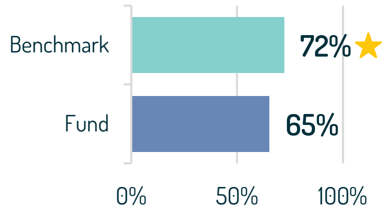
32% of Fund data, and 28% of benchmark data, is estimated.



Board independence

Percentage of independent board members

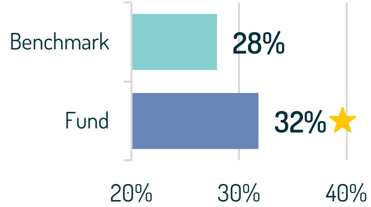
4% of Fund data, and 1% of benchmark data, is estimated.



Board diversity

Percentage of women on boards and in top management

4% of Fund data, and 2% of benchmark data, is estimated.



Waste

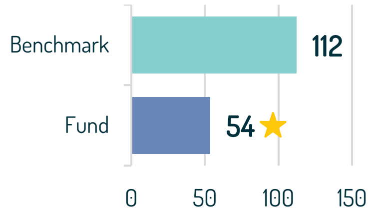
Tonnes of waste generated per $1M revenue

37% of Fund data, and 30% of benchmark data, is estimated.

Executive pay

Ratio of executive level pay to average employee pay

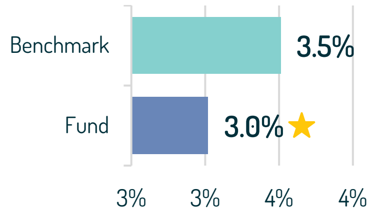
31% of Fund data, and 19% of benchmark data, is estimated.



Tax responsibilities

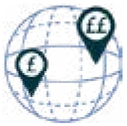
Estimated % tax avoided by corporate tax mitigation schemes

0% of Fund data, and 0% of benchmark data, is estimated.



Source: See overleaf

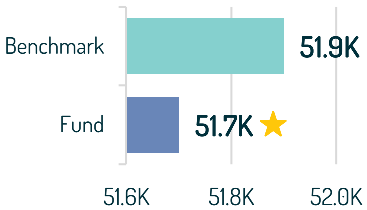
Fund Benchmark ★ Better performer



Geographic Median Income

Median income weighted by geographic economic activity

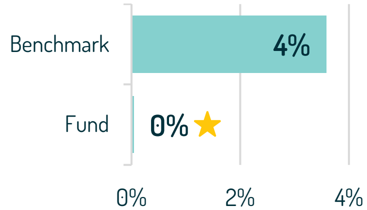
0% of Fund data, and 0% of benchmark data, is estimated.

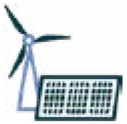


Social harm

Revenues allocated to industries aggravating social issues as defined by the UNSDGs

0% of Fund data, and 0% of benchmark data, is estimated.

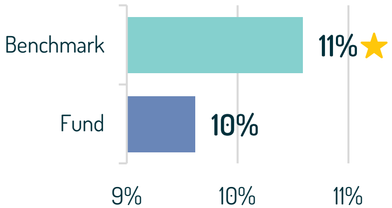


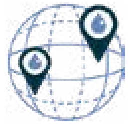


Environmental good

Company revenues allocated to environmental solutions as defined by UNSDGs

0% of Fund data, and 0% of benchmark data, is estimated.

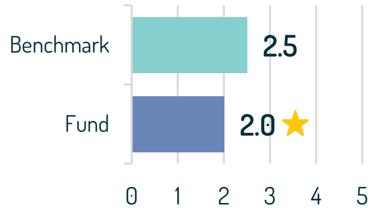




Geographic water use

Geographic water use (World Resource Institute scale 0-5 from least to most water scarce areas)

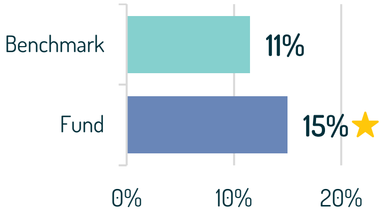
0% of Fund data, and 0% of benchmark data, is estimated.



Social good

Revenues allocated to help alleviate social issues as defined by UNSDGs

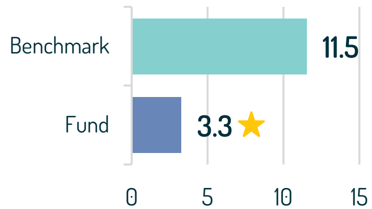
0% of Fund data, and 0% of benchmark data, is estimated.



Water efficiency

Thousand cubic metres fresh water used per $1M revenue

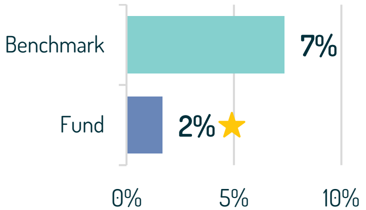
43% of Fund data, and 24% of benchmark data, is estimated.



Environmental harm

Revenues allocated to environmentally destructive industries as defined by UNSDGs

0% of Fund data, and 0% of benchmark data, is estimated.



Source: Data for the metrics was extracted from the Impact Cubed platform on 18/11/24, using Castefield equity fund data from 27/09/24 and external party fund data from June 2024. Impact Cubed uses estimated data when reported data isn't available. The use of estimated data ranges from 0% to 43%, depending on the metric. The estimated figures are provided above each metric. View important information regarding the Impact Cubed metrics on page 106.

PORTFOLIO FUNDS ENGAGEMENT CASE STUDIES

APPROACH TO ENGAGEMENT WITH EXTERNAL MANAGERS

Summary: We have an extensive process in place to assess third party funds prior to investment. Once invested, we monitor performance and the funds' commitment to environmental, social, governance and transparency issues on a regular basis.

For the funds we run in-house at Castlefield, we apply our own research process and expertise to determine which companies to invest in, all in line with our screening policy. However, for certain geographies and asset classes, we opt to use funds run by specialist managers and, in these instances, what is invested in will be determined by their investment teams and depends on their own processes and policies.

Therefore, we must be confident that the external funds we use on behalf of our clients are managed in line with the way that we would invest directly, as far as is possible. We believe a holistic approach to managing E.S.T. risks, when combined with detailed performance analysis, allows us to select funds and management teams aligned with our thoughtful investor philosophy.

> "We must be confident that the external funds we use on behalf of our clients are managed in line with the way that we would invest directly, as far as is possible."

To enhance this process, we developed a detailed E.S.T. questionnaire for external fund managers to complete.

The questionnaire ranges from questions about the organisation's diversity, levels of employee ownership and environmental policies, to the fund itself – its governance, E.S.T. objectives and outcomes, external resources and team training – and a long list of questions about the stewardship activities we would expect managers to carry out on our behalf, such as engagement and voting.

We've been asking managers to fill in the questionnaire as we carry out our regular research updates and have had a strong response rate from our core fund panel. These are teams we know very well and it is pleasing to see how keen they are to demonstrate the strength of their sustainability offerings.

We also like to see strong governance practices from the fund houses that we use.

While there is no right or wrong answer to many of the questions we ask external fund management teams, we look for a consistent and well-rounded approach to incorporating E.S.T. concerns, not only in the investments they make on our behalf, but also within their own business practices.

ENCOURAGING THIRD PARTY MANAGERS TO JOIN THE GOOD WORK COALITION

Summary: We encouraged one of the external fund managers that we hold in our portfolio funds to join an investor collaboration on ethnicity pay gap reporting.

We are part of the Good Work Coalition co-ordinated by ShareAction, a not-for-profit organisation that works with investors to bring about social and environmental improvements at listed companies. One of their campaigns in 2024 was on ethnicity pay gap reporting. Pay gap reporting increases transparency and can help employers identify and understand the reasons for disparities in pay across ethnic groups.

London Stock Exchange Group (LSEG) is one of the companies that the Coalition has been engaging with on this topic. Castlefield does not directly invest in LSEG but our portfolio funds invest in a third party fund that has a holding in LSEG. We contacted this external manager to make them aware of this engagement and encouraged them to get involved. They agreed and joined in the company engagement call, along with ourselves and other investors from the Good Work Coalition. The aim of the online meeting was to encourage LSEG to improve its ethnicity pay gap reporting.

LSEG began reporting their ethnicity pay gap in December 2022, following ShareAction engagement in April 2022. The objective of this engagement was to understand why they use a different methodology to their peers. The Coalition also highlighted the importance of reporting its ethnicity representation in each pay quartile, as well as disclosing the mean and median bonus pay gap.

The company explained that a key challenge in providing granular pay gap data, for example disaggregating UK data by ethnicity, is the smaller number of employees in each category. LSEG are focused on balancing the desire to improve transparency, whilst also retaining and building trust with staff.

Earlier this year, the UK government claimed it would require large companies to publish ethnicity pay gap reports. Gender pay gap reporting has been mandatory for companies with over 250 employees since 2017 and we are pleased that the government plans to take the same stance on ethnicity.

Outcome: As a result of our engagement, the third party fund manager joined the call with the London Stock Exchange on ethnicity pay gap reporting, thereby increasing the level of assets under management supporting the campaign.

INTEGRATING CLIMATE RISK INTO CAPITAL MARKET ASSUMPTIONS

Capital market assumptions (CMAs) provide an investment manager's view on the returns they expect from different asset classes. We're interested in incorporating climate risk into our CMAs and in 2024 we spoke to a number of external fund managers to understand what, if anything, others are doing in this area. This remains a new area for the sector and the theory is still developing. However, as a result of these conversations, we were able to identify what current good practice looks like and have begun incorporating climate risks into our own CMAs.

Outcome: This is very much still a work in progress and one issue that we're grappling with is the mismatch of time horizons. CMAs typically use a time horizon of around 10 years and climate modelling shows that most of the impact of climate change will occur beyond this point.

SUCCESSION PLANNING AND AGM VOTING

We hold Primary Health Properties directly in our Portfolio Growth and Portfolio Income Funds. It's a Real Estate Investment Trust (REIT) that specialises in providing modern healthcare properties, like medical centres.

We engaged with the company ahead of the AGM as we had some questions around the appointment of the former founder and CEO to the role of Chairperson. Our preference, in line with the UK Corporate Governance Code, is for an independent Chairperson to be appointed. The company rationale was that this appointment had been made to provide stability at a time when another senior figure in the business had departed. In addition, given the niche sector that the business operates in, PHP's board was concerned that they would not be able to find a suitable replacement for the outgoing founder and CEO. We could understand the reasoning behind this and acknowledged that the company had appointed an independent non-executive director to the board to increase the overall level of independence. However, our view is that the company still has a succession planning issue to resolve – as many businesses do when founders retire.

Outcome: We opted to abstain on the Chairperson's appointment, rather than to vote against, which would have been in line with our voting guidelines.

SPOTLIGHT ON THIRD-PARTY FUNDS

FORESIGHT GLOBAL REAL INFRASTRUCTURE FUND

The Foresight Global Real Infrastructure Fund (GRIF) is an open-ended investment company that invests in the publicly traded shares of companies that own or operate critical infrastructure assets that ensure the smooth functioning of economies, and that provide a net social or environmental benefit. These benefits are defined as increasing low-carbon energy capacity, generating low-carbon energy, reducing greenhouse gas emissions through products or business operations, or providing assets that facilitate essential services including transport, healthcare, education, and digital connectivity.

The fund is held in both our Castlefield Thoughtful Portfolio Income and Thoughtful Portfolio Growth funds. The team invests in several different asset types including data centres, transportation, wind, and solar power. Investment selection is carried out using a bottom-up approach (i.e., starting by looking at the companies rather than the broader economic picture) and the team favours assets with stable and predictable demand, high barriers to entry and long-term contracted revenue streams. For an asset to be included in the fund, its strategy must align with the ten principles of the UN Global Compact.

We like this fund for several reasons; firstly, it gives us access to an interesting asset class that is often overlooked in the portfolio construction process. Secondly, given the asset class has a low correlation with equities, this makes it a useful portfolio diversifier. The inflation-linked contracts of the fund's underlying infrastructure assets help to hedge against inflation and offer regular income whilst simultaneously providing the opportunity for capital appreciation. The focus on assets that provide a net social or environmental benefit differentiates it from other infrastructure offerings and will allow the team to benefit from structural tailwinds as governments globally become increasingly more conscious of their climate commitments and the infrastructure required to meet them.

ROYAL LONDON ETHICAL BOND FUND

The Royal London Ethical Bond fund is a holding used to form part of your fixed income exposure across our Castlefield Thoughtful Portfolio Fund range. Launched in 2007, the fund is managed by industry veteran Eric Holt, who possesses over 40 years of fixed-income experience, with more than half of that at Royal London. The fund aims to achieve a total return over the medium term (3-5 years) by investing primarily in sterling-denominated corporate bonds which meet pre-determined ethical criteria such as 10% revenue screens for securities with exposure to tobacco, gambling and armaments amongst others. The team focuses its work on under-researched areas of the market as a means of adding value through exploiting market inefficiencies and identifying mispriced risk.

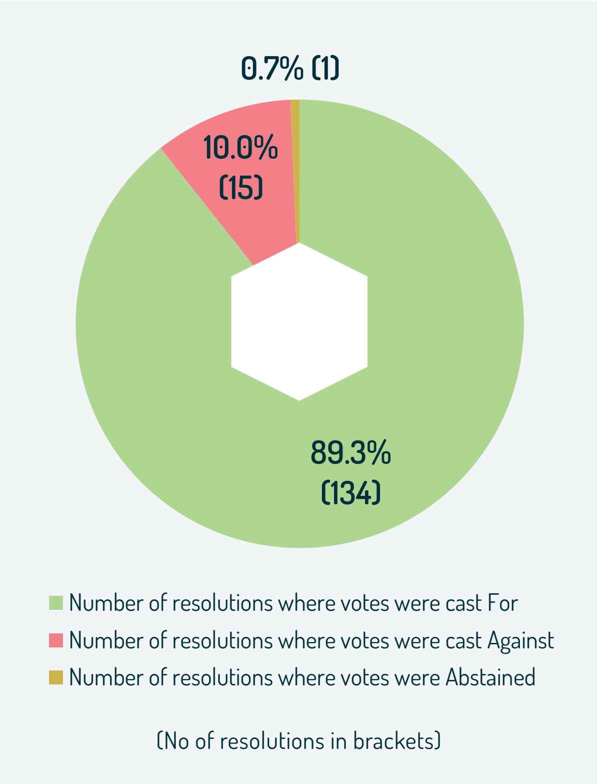
Both the mix of assets and the stock selections are anticipated to generate outperformance, an example being the meaningful allocation towards unrated bonds which many other managers are unwilling and unable to replicate because their credit research teams do not possess the required expertise.

We like the fund for several reasons; firstly, the fund provides strong diversification benefits with c.350 different holdings. Additionally, Royal London as an investment house are significant players in the UK and globally, and can leverage this influence to encourage change for the better amongst the companies they invest in.

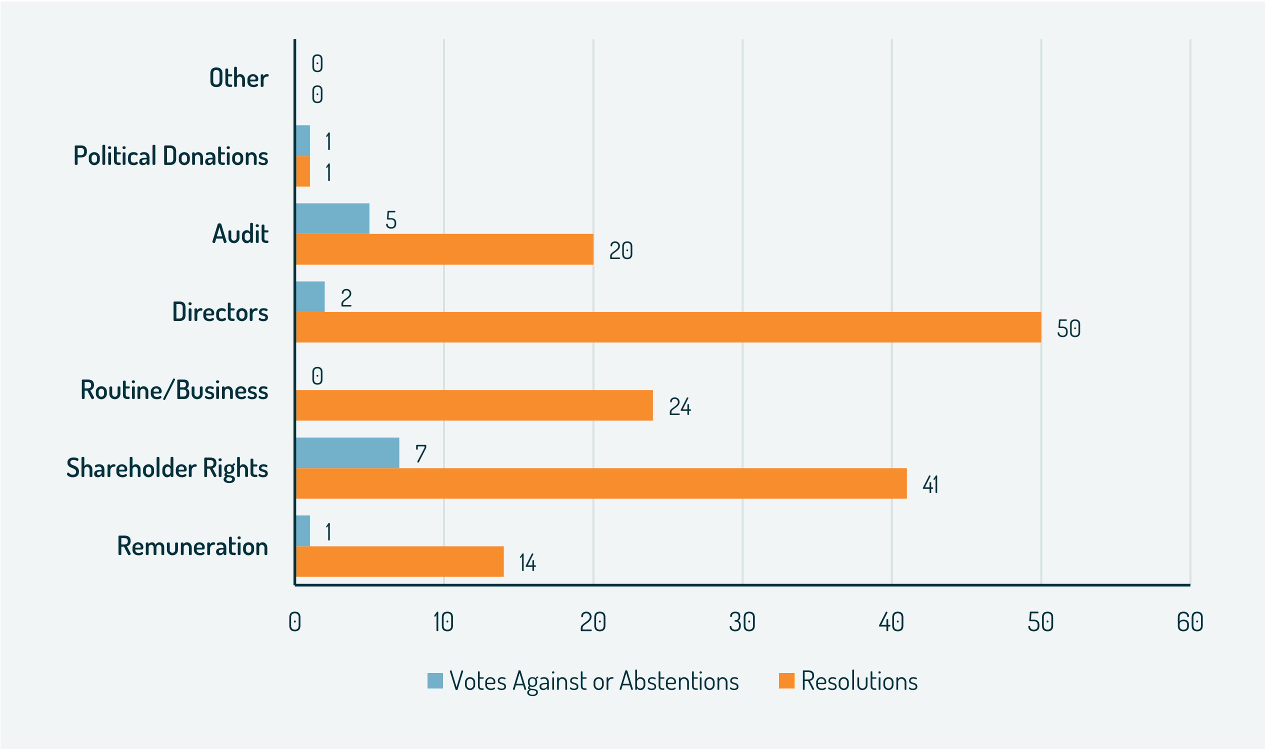
ANNUAL VOTING: PORTFOLIO GROWTH FUND

Summary: During 2024, we voted at 11 meetings hosted by our investee companies in the UK Opportunities Fund, with a total of 150 resolutions. Out of these 150 resolutions, 16 (10.7%) were classed as being significant. Please see the glossary on page 5 for a definition of significant votes.

RESOLUTIONS



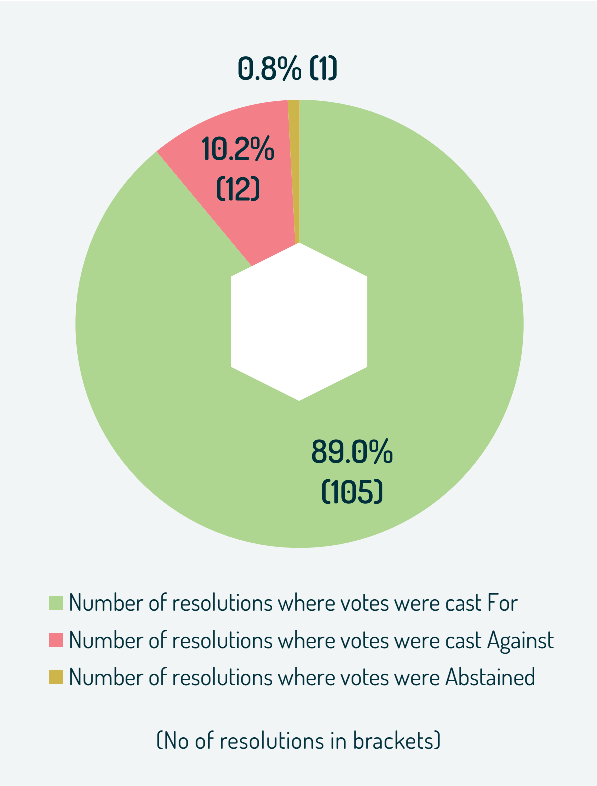
RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:



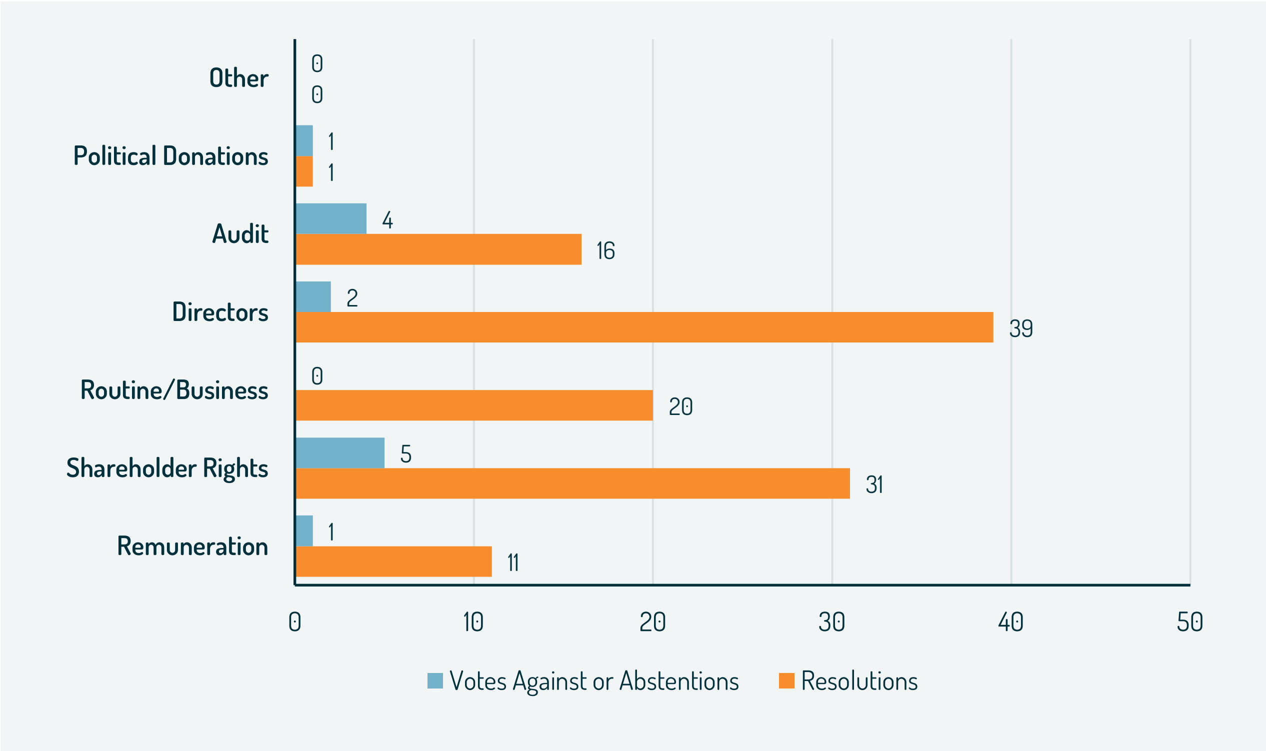
ANNUAL VOTING: PORTFOLIO INCOME FUND

Summary: During 2024, we voted at 8 meetings hosted by our investee companies in the UK Opportunities Fund, with a total of 118 resolutions. Out of these 118 resolutions, 13 (11.0%) were classed as being significant. Please see the glossary on page 5 for a definition of significant votes.

RESOLUTIONS



RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:

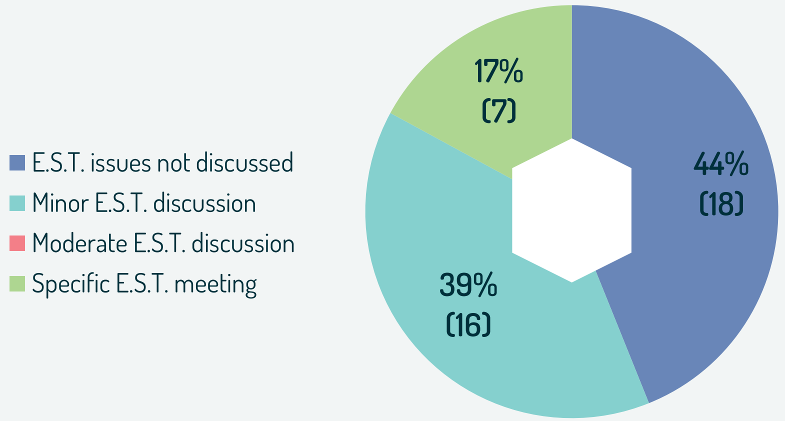


ANNUAL ENGAGEMENT: PORTFOLIO FUNDS

We meet regularly with holdings and prospective holdings for the portfolio funds. This includes third party fund managers, that we review on an annual basis (see page 64 for more information).

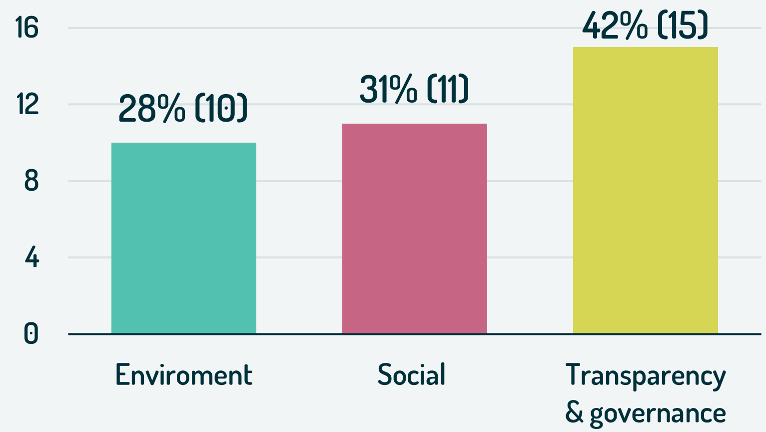
COMPANY MEETINGS IN 2024

This chart shows the extent to which environmental, social and transparency and governance issues are discussed when meeting with current and prospective holdings.



TOPICS DISCUSSED IN COMPANY MEETINGS

This chart shows the frequency with which environmental, social and transparency and governance issues were raised. The most commonly raised topics were E.S.T. reporting and transparency, health and wellbeing and climate change.



Definitions

Meetings: this includes investor group calls and results webinars as well as meetings between Castlefield and company representatives.
Minor E.S.T. discussion: At least one E.S.T. issue discussed as part of a broader meeting
Moderate E.S.T. discussion: Approx. 30% of meeting time taken up by discussion of E.S.T. topics
Specific E.S.T. discussion: Meeting held specifically to discuss E.S.T. issues

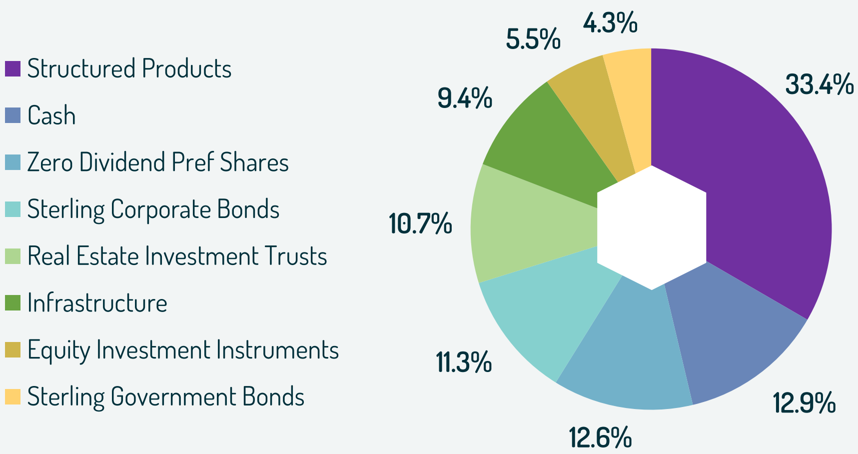
CFP CASTLEFIELD REAL RETURN FUND

INTRODUCTION TO THE FUND AND FUND MANAGER

INTRODUCTION TO THE FUND

The Real Return fund aims to deliver returns to investors in excess of UK inflation over a rolling three-year time horizon. It aims to provide returns broadly consistent with those you'd expect to see from a pool of "real" (inflation protected) assets but with a level of volatility (day to day price swings) more in line with typically less volatile fixed income investments.

FUND BREAKDOWN



Source: Castlefield as at 31 Dec 2024

INTRODUCTION TO THE FUND MANAGER

"I'm Mark Elliot, a partner at Castlefield and Head of the Investment Management team. I'm the lead manager of the CFP Castlefield Thoughtful UK Opportunities Fund and the CFP Castlefield Real Return Fund. I'm 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)."

Principle 1 | 1

Principle 6 | 6

ENGAGEMENT IN THE REAL RETURN FUND

The main opportunities for engagement in the Real Return Fund are with the Real Estate Investment Trusts and the infrastructure funds. As the name suggests, REITs invest in different kinds of property, which means that we can have good conversations with REIT managers about topics such as energy efficiency and carbon reduction. For example, in 2024, we spoke with the managers of the Schroders REIT managers about its sustainability strategy of improving the social and environmental profile of its properties over time, and how that progress is measured.

Similarly, we talked to the managers of the Cordiant Infrastructure Fund about the increased proportion of electricity contracted from renewables. The Group currently derives 71% of its electricity from renewable sources, up from 63% in 2022. They also explained that targets and transition plans are being set at the underlying portfolio company level. Currently, 40% of portfolio companies have already set renewable energy targets and a further 40% are in the process of setting them.

View the Real Return Fund factsheet by clicking here, or by scanning the QR Code (left)

REAL RETURN FUND: SPOTLIGHT ON DIRECT HOLDING

TRITAX BIG BOX REIT

In the CFP Castlefield Real Return Fund, we own shares in Tritax Big Box REIT, an Industrial Real Estate Investment Trust. The company is the largest listed investor in high-quality logistics warehouse assets or "industrial sheds." These assets are those extremely large warehouses usually sited next to major motorways, such as the M1, M25 or M62. Tritax Big Box focuses on well-located, modern logistics assets, typically let to institutional-grade tenants on long-term leases with upward-only rent reviews. The management team seeks to benefit from the significant opportunity provided by the imbalance between strong occupational demand and a persistent shortage of supply. For shareholders like us, Tritax Big Box aims to deliver attractive and consistent returns by investing in and actively managing existing built investments and land suitable for logistics development.

The buildings the company owns and manages are well-situated, long-lasting, adaptable and easy to upgrade. A typical Tritax Big Box asset is very adaptable and suitable for activities such as distribution, manufacturing, cold storage or manufacturing. These buildings are an essential part of the nation's economic infrastructure. The industries served by Tritax Big Box include online retail, food retail, homewares and DIY as well as manufacturing.

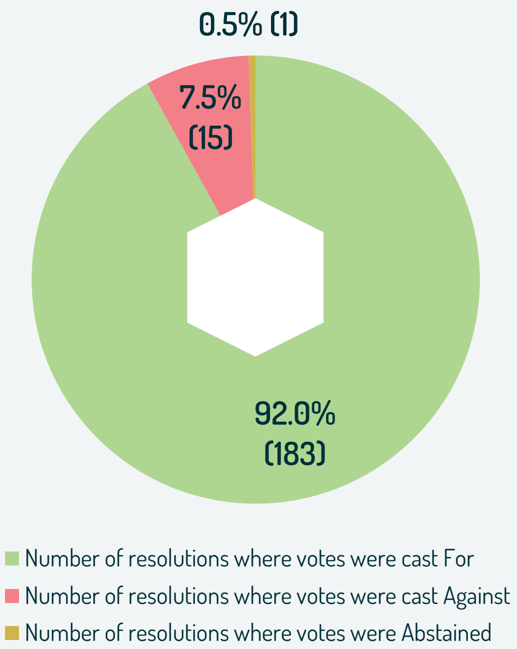
In the last couple of years, the company has acquired some smaller, urban or so-called last-mile warehouses. These complement the big boxes and are often let to the same clients as the large sheds. These smaller units offer scope to add value to shareholders through active management.

Recent financial performance has been pleasing, with encouraging levels of rental growth and net tangible assets. The company also has excellent green credentials, with its buildings conforming to extremely high environmental standards. This investment in Tritax Big Box REIT contributes towards the performance of the CFP Castlefield Real Return Fund by generating low-volatility, inflation-linked investment returns.

ANNUAL VOTING: REAL RETURN FUND

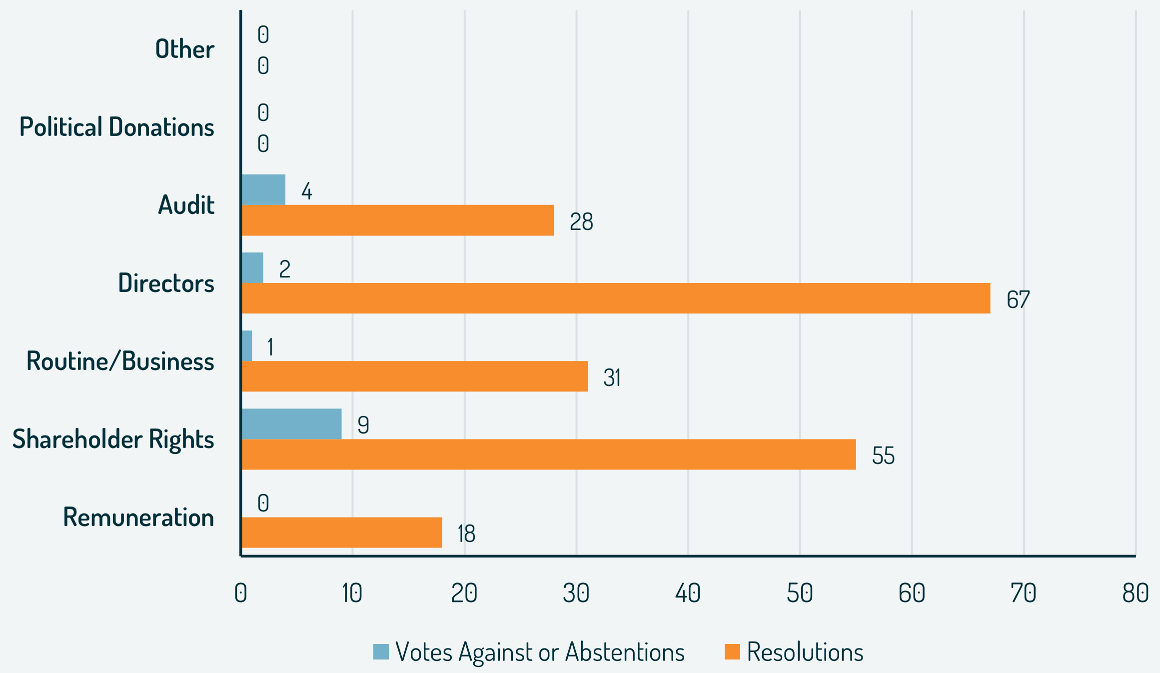
Summary: During 2024, we voted at 17 meetings hosted by our investee companies in the UK Opportunities Fund, with a total of 119 resolutions. Out of these 119 resolutions, 16 (8.0%) were classed as being significant. Please see the glossary on page 5 for a definition of significant votes.

RESOLUTIONS



(No of resolutions in brackets)

RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:

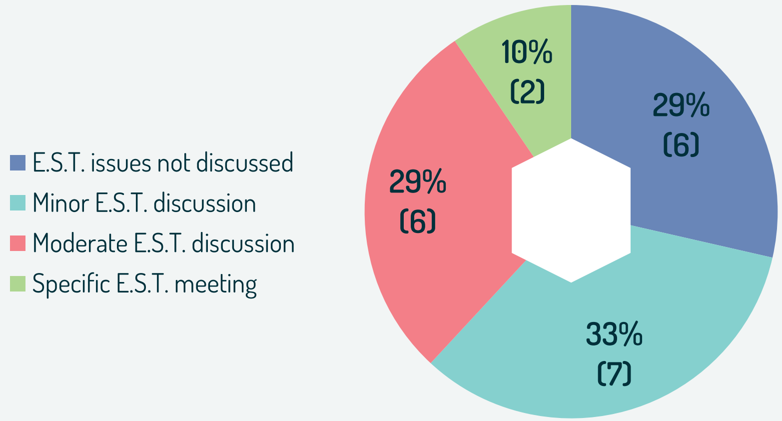


ANNUAL ENGAGEMENT: REAL RETURN FUND

There is a variety of investment instruments held within this fund and we often meet with the holdings, the fund manager or the issuers of the investment products to discuss financial as well as E.S.T. matters.

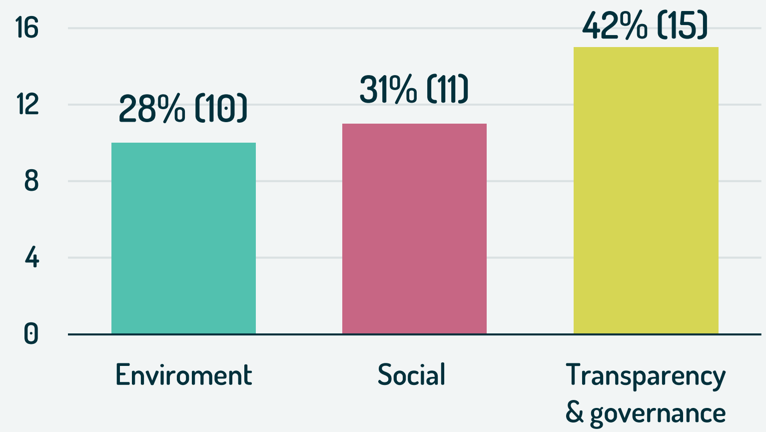
COMPANY MEETINGS IN 2024

This chart shows that E.S.T. factors were discussed in approximately three-quarters of the conversations with holdings and prospective holdings in this fund.



TOPICS DISCUSSED IN COMPANY MEETINGS

This chart shows the frequency with which environmental, social and transparency and governance issues were raised. The most commonly raised topics were E.S.T. reporting and transparency, climate change and environmental management.



Definitions

Meetings: this includes investor group calls and results webinars as well as meetings between Castlefield and company representatives.
Minor E.S.T. discussion: At least one E.S.T. issue discussed as part of a broader meeting
Moderate E.S.T. discussion: Approx. 30% of meeting time taken up by discussion of E.S.T. topics
Specific E.S.T. discussion: Meeting held specifically to discuss E.S.T. issues

REGULATION AND REPORTING

SUSTAINABILITY DISCLOSURE REQUIREMENTS (SDR)

What is SDR?

The **Sustainability Disclosure Requirements and Investment Labels (SDR)** is a new framework introduced by our regulator, the **Financial Conduct Authority (FCA)**.

It was established to enhance transparency, trust, and consistency in the market for sustainable investment products.

The SDR aims to address the growing demand for sustainable investment products and protect consumers from misleading or exaggerated sustainability-related claims, often referred to as "greenwashing."

What are the Sustainability Labels?

One of the more visible changes introduced by SDR that investors may see has been the introduction of sustainability labels for funds. The four fund labels introduced are "Impact", "Focus", "Improver" and "Mixed Goals" and they require a fund to adopt a specific "Sustainability Objective".

This requires a fund only to select investments that align with that objective and to report to investors on the progress towards achieving that.

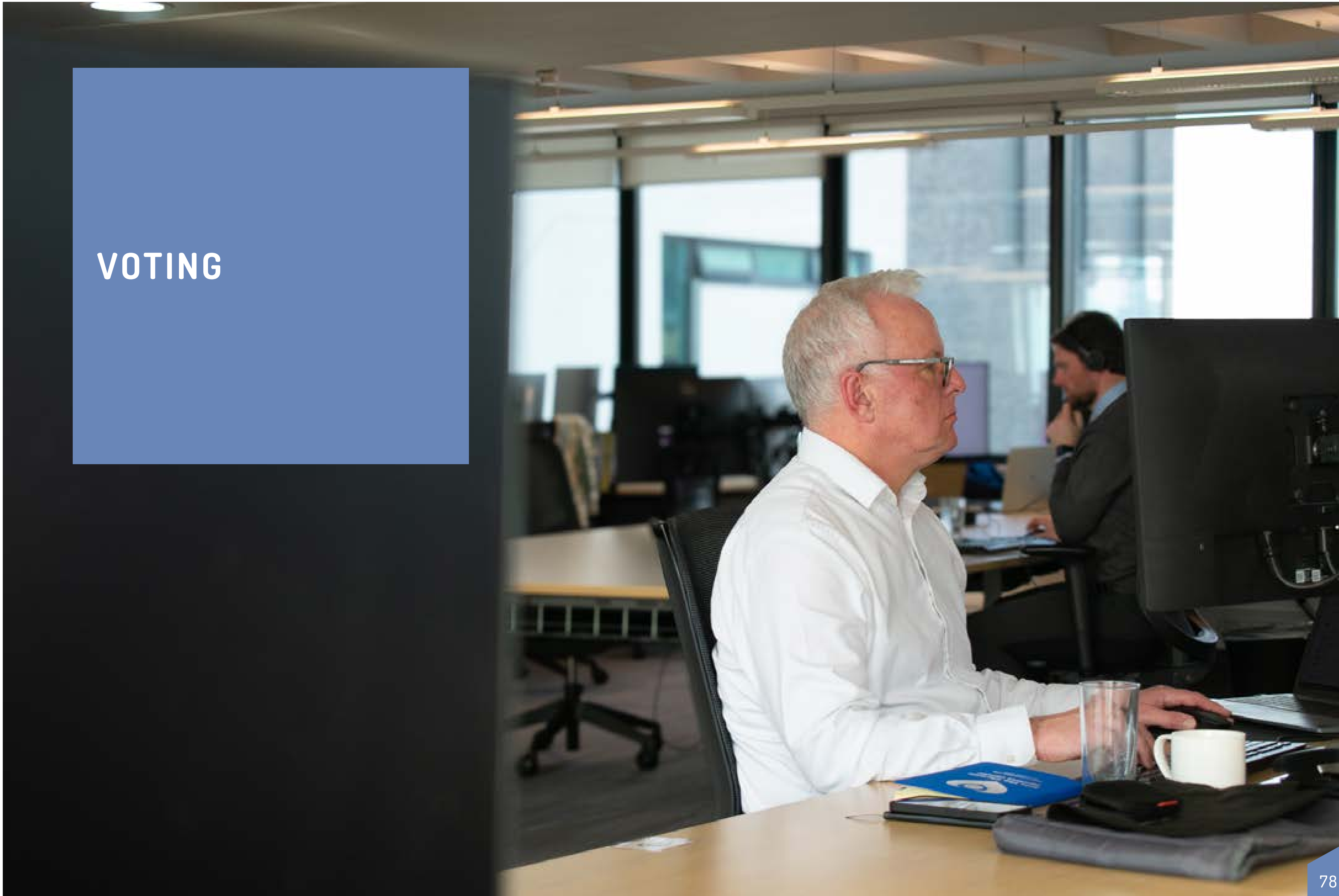
Is Castlefield using a label?

No, at least not initially. The reason why we are not using a label is because we invest in a wide range of companies and funds, from global businesses to smaller UK companies, from equities to direct bonds. We have not yet felt that a broad-based investment approach such as ours is suited to a narrower thematic goal or an approach that relies heavily on data-ranking without an understanding of what a company truly does.

Will Castlefield look at adopting a label in future?

Possibly. Although we will only ever do this where we believe it is in our clients' best interests to do so. Castlefield has been delivering values-led investment advice and management for over 20 years. In that time, we've seen a huge amount of positive change in the sustainable finance industry. Castlefield's 'Thoughtful Investor' approach remains robust, even as we adapt to regulatory developments.

More information on SDR can be found on our website or by scanning the QR code below.



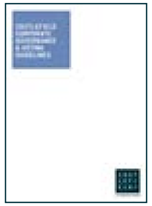
VOTING

VOTING AT CASTLEFIELD

As investors, we believe that we have a responsibility to our clients, as well as to the companies that we own, to vote on issues such as executive pay, director nominations and political donations. We aim to vote on all the stocks held in the collective funds we manage. We consider each resolution carefully and often engage with companies where we disagree with their stance. We have an in-house set of voting guidelines that we update annually. The guidelines ensure that we vote consistently across all our fund holdings; they are published on our website, as is our full voting history.

VOTING CATEGORIES

1.	Remuneration	We vote against excessive pay awards and awards that are not attached to sufficiently stretching performance targets. Particularly in light of the impact of coronavirus, we believe it is important that executive pay is reflective of the experiences and outcomes of all stakeholders.
2.	Director Independence & Effectiveness	Non-Executive Directors (NEDs) who sit on the boards of listed companies should be independent in order to be effective. The UK Corporate Governance Code sets limits on tenure which we apply across all geographies as a factor to determine independence. We have also long taken the view that directors should not hold a lot of other external positions. This is because, at a time of crisis, we expect directors to have enough additional time to dedicate to the company and the issues that it is facing.
3.	Shareholder Rights	This topic includes votes on issues such as share placings that a company might undertake to raise capital, as well as requests a company might make to repurchase its own shares. These requests have the potential to be detrimental to existing shareholders. One topic which falls under this heading, which we will always vote against, is the request to hold meetings with just 14 days' notice, as we do not believe this is sufficient time for shareholders to prepare to exercise their voting rights.
4.	Political Donations	We do not think it is appropriate for companies to make political donations and consequently will always vote against a resolution seeking permission to do so.
5.	The Audit Process	Auditor independence may be compromised if the auditor has been in place for a long time and no tendering process has been undertaken, or if fees paid are for services other than their primary audit function.
6.	Routine/ Business:	Items in this category include resolutions that are often uncontentious, such as accepting a company's Financial Report & Accounts for the previous year. It also includes resolutions to approve dividends.
7.	Other	This category may include certain resolutions proposed by shareholders and votes on topics such as Environmental, Social or Governance (E.S.T.) issues and reporting.

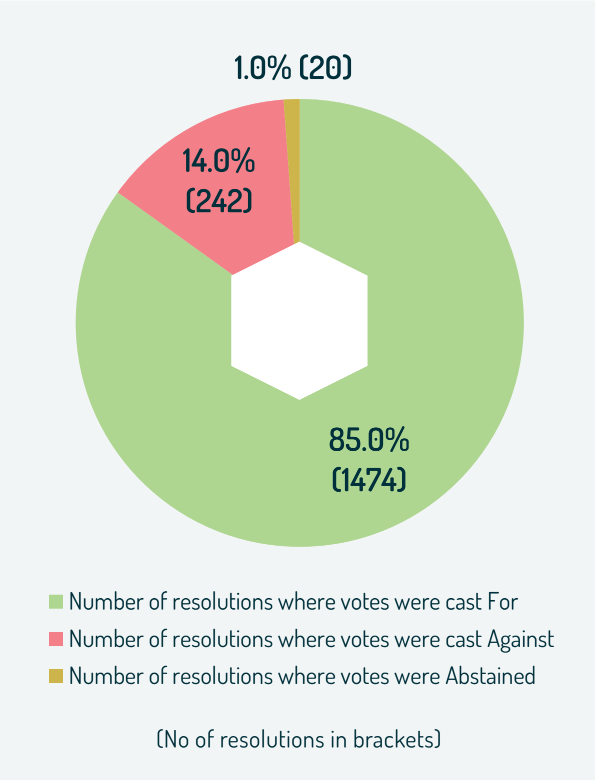


View the Castlefield Corporate Governance & Voting Guidelines by clicking here, or by scanning the QR Code (left)

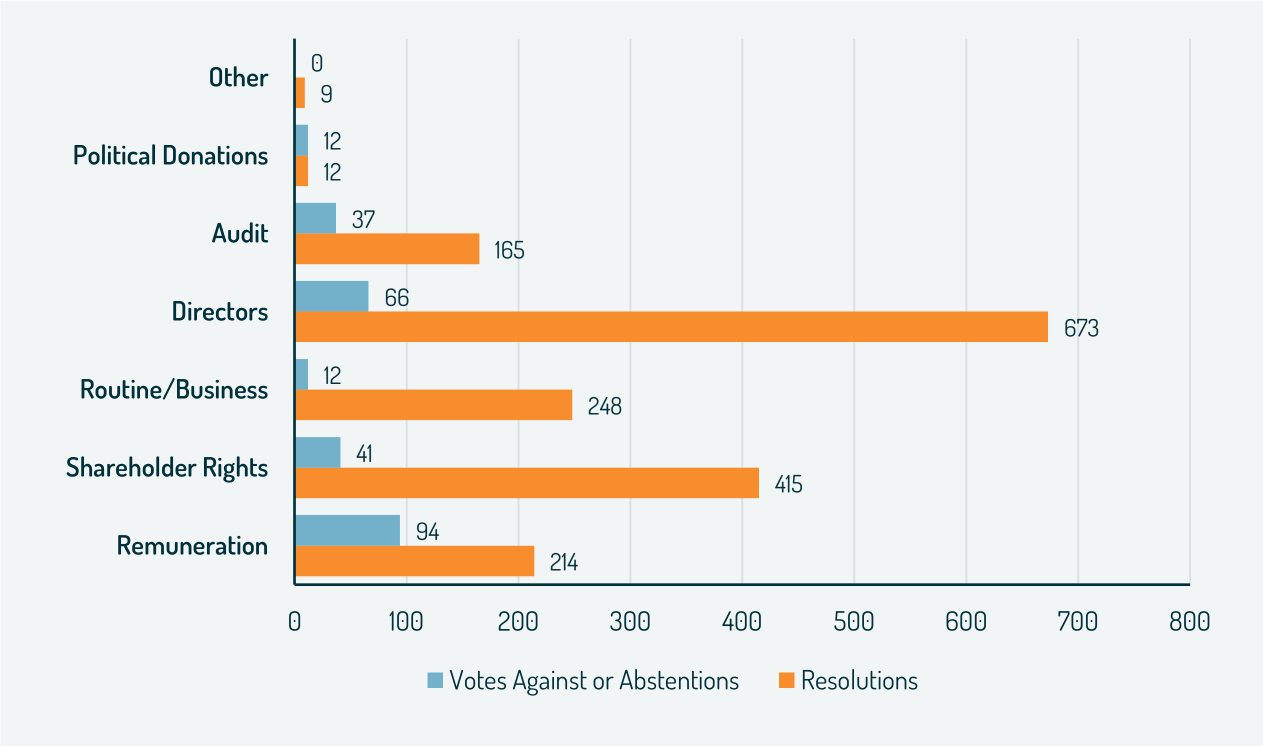
ANNUAL VOTING SUMMARY

Summary: During 2024, in total across our fund range, we voted at 124 meetings hosted by our investee companies, with a total of 1,736 resolutions.

RESOLUTIONS



RESOLUTIONS DURING THE YEAR BY CATEGORY AND HOW FREQUENTLY WE VOTED AGAINST OR ABSTAINED:



SIGNIFICANT VOTES

We have a clear framework in place for defining votes which we would consider to be significant, considering the following factors:

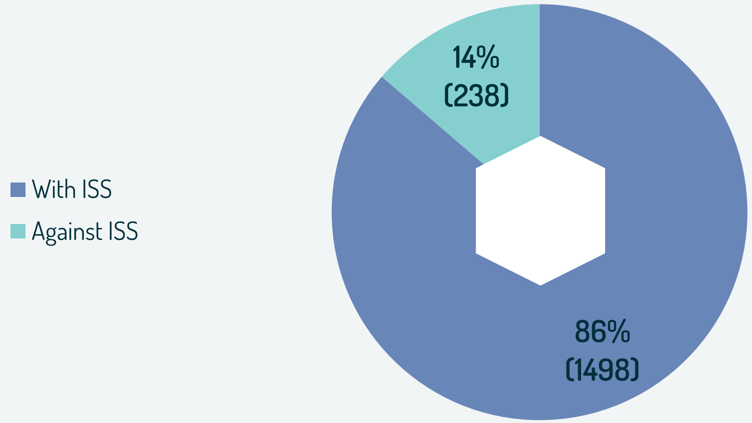
- Votes against or abstentions for resolutions proposed by management.
- The content of the resolution or the voting rationale is related to a Castlefield priority engagement topic (e.g. climate change) or a theme that's prominent in our voting guidelines (e.g. diversity).
- Shareholder resolutions.

Throughout the year, there were a total of 314 significant votes. The majority of these were votes against or abstentions and, as the chart on page 80 highlights, this was most frequently for director-related resolutions spanning a range of issues such as, tenure; too many external commitments, or skewing the independence of the board.

We saw a small number of climate-related resolutions that we were pleased to support. For example, Schneider Electric and Amundi sought approval of their climate transition plans, while Schroders REIT proposed the use of sustainability KPIs to measure the progress of its portfolio.

ALIGNMENT WITH ISS

We use the Institutional Shareholder Services (ISS) platform to implement votes for our fund range. We have access to their research and recommendations, but our own policy takes precedence. The votes cast on Castlefield Investment Partners ballots during the reporting period are aligned with management recommendations in 84% of cases. We vote against management far more frequently than ISS recommend and disagree with ISS's recommendations on 14% of resolutions, as illustrated in the chart below. Castlefield are active investors, and this extends beyond stock selection and into active stewardship processes



PURPOSE AND GOVERNANCE

STEWARDSHIP CODE REQUIREMENTS

To meet the reporting requirements of the Stewardship Code, we are providing more information about our internal processes. We hope this allows our clients to understand why we conduct our stewardship and engagement the way we do.

GOVERNANCE

Our stewardship and engagement are governed by an internal Stewardship Committee and an External Advisory Committee. This structure means the key investment decision-makers, including fund managers and the head of investment, set the agenda for our stewardship activity and have oversight across the entire programme.

This approach means that there is buy-in for our stewardship programme across the investment management team and, in fact, our fund managers often lead on company engagement on social and environmental issues. In addition, our External Advisory Committee, comprising clients and responsible business experts, provides an additional level of oversight and ensures that our approach is in line with client expectations.

	INTERNAL STEWARDSHIP COMMITTEE	EXTERNAL ADVISORY COMMITTEE
What is it?	An internal committee that oversees and implements Castlefield's stewardship activities	An external group that provides advice to Castlefield on stewardship issues
Who	Members of the investment and client-facing teams sit on the Committee, but meetings are open to, and attended by, all members of the Castlefield investment management team.	A committee made up of clients and experts in responsible business practices
When	Meets quarterly	Meets twice a year
Purpose	▪ To set and implement our stewardship strategy ▪ To make the Committee aware of emerging stewardship issues ▪ To define, re-evaluate and approve policies that the Committee has responsibility for, most notably our voting guidelines which are updated annually ▪ To evaluate and approve membership of any organisations or initiatives that support the company's stewardship efforts.	▪ Review Castlefield's current stewardship activity ▪ Act as a sounding board on current or prospective holdings where the investment team has E.S.T. concerns ▪ Consider investment themes presented by Castlefield co-owners to the Committee ▪ Advise on changes to the voting guidelines ▪ Bring emerging E.S.T. issues to our attention.

Principle 2 2 Principle 5 5 Principle 6 6

INTERNAL STEWARDSHIP COMMITTEE

Our Stewardship Committee meetings, attended by all members of the investment management team, are held quarterly to review our policies and processes as well as to discuss emerging E.S.T. issues.

We believe that regular Stewardship Committee meetings, in addition to the oversight offered by our External Advisory Committee, provide an effective structure to assess the quality of our stewardship and engagement activities. We have a team-based culture and these meetings are an opportunity for any of the team, regardless of seniority, to propose a topic for the agenda.

In the last 12 months, the Stewardship Committee meetings have reviewed our annual stewardship workplan, received updates on our collaborative engagement efforts and approved changes to our voting policy.

EXTERNAL ADVISORY COMMITTEE

We welcome a collaborative approach and want to ensure that our values continue to be aligned with those of the clients that we represent. With that in mind, we set up our External Advisory Committee in 2018, which is designed to provide impartial oversight on how we incorporate environmental, social and transparency & governance issues (E.S.T.) into our investment decision-making.

We hope that having the Committee in place sends a strong signal to our clients that we're not just paying lip-service to thoughtful investing, we're willing to have external experts and clients examine our approach and offer guidance.

In order to provide transparency, we publish a summary of the minutes of each meeting on our website to allow investors to see the content of the discussions and the Committee's recommendations.

The External Advisory Committee has oversight of key policy documents, such as our Screening Policy and Corporate Governance and Voting Guidelines, and our discussions with them help to set our future engagement priorities. Both the Committee members and investment team can table topics for discussion and this could cover emerging E.S.T. issues or concerns around a particular investment. While the Committee does not have formal veto powers due to regulatory reasons, its guidance is taken extremely seriously.

In 2024, there was a change to the composition of the committee, with Mike Hart from the United Reformed Church North West Synod replacing his colleague Geoff Side who stood down in 2023.

External Advisory Committee Members: Current membership & changes during 2024

Dr Ilma Nur Chowdhury

Assistant Professor in Marketing at Alliance Manchester Business School

Lisa Stonestreet

Head of Communications and Charity Impact at the EIRIS Foundation.

Juliana Burden

Head of Ethical Research at Ethical Screening.

Gilbert Stephenson

Evangelical Fellowship of Congregational Churches

Mike Hart

Transformation Director, United Reformed Church North West Synod (Appointed: May 2024)

STEWARDSHIP & ENGAGEMENT RESOURCE

All members of the investment team are involved in our stewardship and engagement activity. For example, all of our voting activity is approved by the lead fund manager where the asset is held within our fund range and voting proposals are circulated to the entire investment team for their views. It also means that our fund managers, who know our companies best, can raise governance questions as part of their routine meetings with companies. In our view, this helps to normalise E.S.T. questions as part and parcel of investor dialogue with company management.

In addition to the fund managers and analysts, who incorporate stewardship activity into their roles, there are two team members (1.8 full-time equivalent) dedicated to the co-ordination, implementation and external communication of Castlefield's stewardship programme. Across the investment team there is a good mix of experience: some of our fund managers have over 15 years' experience running ethical funds and conducting stewardship activity. This is balanced out by colleagues who are at the start of their career and who are learning, through qualifications and on-the-job training, about incorporating E.S.T. considerations into investment decision-making.

The list of qualifications of all members of the investment team is available on the "Meet the team" page of the Castlefield website. In addition, two members of the team have obtained the CFA Certificate in ESG Investing. In terms of diversity, 20% of the investment team is female. This is lower than in previous years due to personnel changes in the team and lower than the figures for the Castlefield workforce as a whole. See page 102 for further details.

In terms of reward and remuneration within the investment team, we do not have the kind of bonus-based pay that is typical within the industry. Instead, Castlefield is an employee-owned business. All colleagues can buy shares, build a stake in the company and benefit from the company's success over time. And because we specialize in thoughtful investing and values-based financial advice, business success is very much dependent on doing thoughtful investing well.

THOUGHTFUL INVESTMENT POLICY

In 2024, we revised our Responsible Investment policy to comply with new requirements from our regulator (see page 77). Renamed the Thoughtful Investment Approach, the document sets out our investment process and our approach to stewardship and engagement.

The full policy is available on our website here. Or you can scan the QR code below to access it.

SERVICE PROVIDERS

We have an integrated team working on all aspects of our stewardship and engagement activities. On voting, we review our policy ahead of each new voting season to ensure that it remains fit for purpose and incorporates any emerging concerns. We receive voting research from ISS and use the ISS platform to execute our voting for Annual General Meetings and other company meetings. The research from ISS is a useful input to our decision making, but we do not rely on it solely and all of our votes are discussed and agreed with the relevant fund managers before submission.

Having access to ISS research and their proxy voting platform enables our voting process, increases our ability to report to clients and maintain a clear audit trail. Our contract with ISS is reviewed annually by the Stewardship Committee and takes into account the views of all involved in the voting process. We engage with our client relationship manager at ISS where we believe services could be improved, and intermittently we speak to alternative providers to ensure we are getting the best value services on behalf of our clients.

Our E.S.T. research is undertaken in-house, with support from a third-party provider, Ethical Screening. Ethical Screening is not a rating agency and we have previously worked with them where we have information from our engagements that may change how a company is classified.

Since 2021, we have enlisted the services of Impact Cubed in order to provide fund-level sustainability metrics for our Thoughtful fund range. Impact Cubed were appointed following an extensive assessment of available market options with multiple team members, including fund managers, involved in product demonstrations and introductions to provide as much scrutiny as possible over the quality of the output. This service is also reviewed annually by the Stewardship Committee.

We raise questions with our service providers as a matter of course. For example, in 2024 we questioned instances where Impact Cubed has used estimated data instead of the actual data reported by a particular company. We have also queried data estimates that have been built using incorrect assumptions about a company's products or services. We are pleased that any queries relating to the quality or accuracy of data have been resolved through dialogue with the provider.

We do not have any service provider that conducts bespoke voting or engagement on our behalf. All the services we use form inputs to our process but are not the key determinant of our investment or engagement decision making.

ENGAGEMENT PRIORITIES

Our engagement priorities

When considering E.S.T. issues we aim to engage companies:

- On significant issues arising from the E.S.T. research that the investment team carries out on all prospective investee companies.
- On issues arising from our voting activity, particularly where we intend to vote against the board.
- On complex, thematic issues such as climate change, cyber security, human rights and water scarcity, that may pose a threat to our investments over the medium to long-term.
- In response to negative media coverage or alerts from our research providers on an investee company.
- In industry collaborations.

We also engage to provide positive feedback where, for example, a company has improved its management or disclosure of E.S.T. risks or has undertaken a sector-leading approach.

While many engagements can be deemed reactive, such as those in response to AGM resolutions, we also seek to conduct a number of more thematically led engagements. The priorities for these activities are determined through meetings of the Stewardship Committee and the External Advisory Committee, with any member of the investment team able to propose topics for engagement.

We are also involved in a number of collaborative engagement initiatives, which we believe to be an impactful way to engage with companies on specific topics. We are currently active participants in the following collaborative investor initiatives:

- Thomson Reuters Foundation – Workforce Disclosure Initiative (WDI)
- ShareAction – Healthy Markets and Long-term Investors in People's Health Initiative (LIPH)
- ShareAction – Good Work Coalition
- Access to Medicine Foundation
- Farm Animal Investment Risk & Return (FAIRR)
- Business Benchmark on Farm Animal Welfare (BBFAW)
- Carbon Disclosure Project (CDP)
- Investor Coalition on Food Policy

TYPES OF ENGAGEMENT

Direct engagement with investees	We engage regularly with current and potential investee companies, and issuers of other non-equity securities. This is a top priority, as our clients' capital is invested with these firms and we want to ensure that they act on E.S.T. risks before they materialize as financial risks. Further information on our engagement priorities is available on page 87.
Collaborative engagement	Collaborative engagement brings together investors to work on issues of mutual interest. We are strongly supportive of these initiatives; by working together with peers, we can increase our influence and speak on behalf of a much larger asset base. A full list of the collaborative initiatives that we're active participants of can be found on page 87.
Policy engagement	Any policy engagement we carry out tends to focus on responding to industry consultations, working with our trade association, UKSIF and signing letters to policymakers. Where we participate in any form of political engagement, it will be conducted in line with our wider stewardship and engagement strategy. Wherever possible, we will disclose our involvement publicly. We publish our full response to policy consultations on our website in the interests of transparency.
Third-party fund engagement	For certain geographies and asset classes, we opt to use funds run by external specialist managers. We engage with these managers to understand their willingness and ability to address E.S.T. issues. To enhance their investment processes in detail, we have developed a detailed questionnaire for external fund managers to complete. The questionnaire includes a list of questions about the stewardship activities we would expect managers to carry out on our behalf, such as engagement and voting. Read more about our approach to engagement with third-party managers on page 64

MEASURING ENGAGEMENT OUTCOMES

We measure the impact of our engagement by assessing a company's willingness to discuss and take on board the issues that we have raised. As a starting point, we are successful in instigating a dialogue with most of the companies we contact. Our aim is to build long-term, constructive relationships with the companies that we invest in, where we can ask for updates on E.S.T. issues on a regular basis.

However, not all engagement will generate immediate or direct improvements: we do not regard this as a failed engagement but a reason to continue to press the company to take our concerns onboard.

We do not select engagements on the likelihood of achieving an immediate, positive outcome but on the materiality to the company. There may be many reasons why a company is unwilling or unable to take action in the short term, hence the importance of sustained pressure over time from investors and other stakeholders.

Since 2021, we have carried out an assessment of the Thoughtful funds, using 14 metrics relating to environment, social, transparency and governance measures. It is our aim to build up a view of how the funds are performing with regards to their E.S.T. outputs over time. In order to ensure we are able to rigorously review the data fully, we have also elected to receive data on our holdings at an individual company level. Further information about the results of the most recent assessment can be found in each fund chapter.

Voting Policy

Castlefield seeks to vote at all company meetings for shares held within the Castlefield fund range. Where we act as a discretionary investment manager for segregated client accounts, our terms of business also allow us to cast votes over shares held in nominee. Castlefield will exercise its authority to vote all shares in holdings common to the fund ranges and segregated accounts. In practice, this accounts for the vast majority of direct holdings within client accounts. Unless there are compelling reasons to the contrary, we will vote in accordance with our Corporate Governance and Voting Guidelines. These guidelines are based on the recommendations of the FRC's UK Corporate Governance Code, although in many instances we go beyond the Code's requirements and set more stringent expectations of the companies we invest in. They are updated annually by our Stewardship Committee and reviewed by our External Advisory Committee.

Any other voting activity undertaken by Castlefield is on a case-by-case basis, with consideration for the number of holders and size of overall shareholding. There is a process by which clients can request to override the voting decisions of Castlefield Investment Partners, which involves an administration fee and a pass through of the additional charges incurred from the relevant custodian where applicable. We have not received any voting requests of this nature in 2024.

OUR VOTING AND ENGAGEMENT ESCALATION PROCESS

If we have any specific concerns about aspects of a company's strategy, performance or E.S.T. impact, we'll start by emailing our questions to the investor relations contact or management team of the company. We'll usually ask for a meeting to discuss the matter in detail. Alternatively, we may raise the issue as part of our regular, ongoing contact we have with company management or investor relations teams.

Where we do not receive a satisfactory response, we'll escalate. In the first instance this means requesting a meeting with management or with a relevant non-executive director. We also have the option of collaborating with other investors or raising the matter at the company's AGM.

On governance matters, our escalation process regularly involves us voting against AGM resolutions. This is most often the case on executive pay. So, if our conversations with the board have not provided sufficiently compelling reasons to support a new pay policy, for example, then we will vote against it at the AGM.

In rare instances, our escalation process results in the decision to sell our interest in the related asset. Full detail of our escalation process is available in our Thoughtful Investor policy document, available online.

STOCK LENDING

We do not engage in stock lending.

MARKET WIDE AND SYSTEMIC RISKS

In order to help promote a well-functioning financial system, Castlefield is always aware of, and seeks to respond to, both market-wide and internal risks.

Consideration of systemic risks runs through our investment decision-making and governance processes. Risk reports are presented by the head of Risk and Compliance to the board which convenes three times a year; the meetings are attended by our Chair, designated partners, and members of our senior management team. The board considers systemic risks and emerging threats as well as more day-to-day risks. Although we can never eliminate risk, nor should we, as it is the basis for investment returns, the reporting disciplines embedded have been very effective in reducing Castlefield's exposure to risks. Systemic risks such as interest rate and currency changes are considered carefully by our Investment Committee which meets quarterly.

Systemic sustainability issues such as climate change and biodiversity loss have the potential to cause substantial damage to the real economy. By their very nature, systemic risks are complex, and cannot be solved by any single actor.

Systemic risks such as climate change are addressed through:

- Our screening policy, where we will not invest in companies deriving more than 10% of revenue or operating profit (whichever is higher) from the extraction, mining, processing and production of fossil fuels, as well as oilfield services companies.
- Our stock selection process, where environmental considerations are factored into our company analysis
- Our fund selection process, where we look for funds and managers which take issues such as climate change as seriously as we do.
- Our engagement with companies: we regularly engage with companies on setting carbon reduction targets aligned to reputable initiatives like the Science-based Targets Initiative.
- Our voting activity, where we vote for resolutions that advocate action on climate change
- Our collaborative engagement: in 2024, we supported initiatives like the Carbon Disclosure Project and the Access to Medicines Index that look to address systemic environmental and health issues. We also signed an investor statement on the need to address anti-microbial resistance.

As we have noted before, we also collaborate, where possible, with other investors and stakeholders to try to promote continued improvement in the functioning of financial markets.

HOW OUR CLIENTS INFORM OUR APPROACH

At Castlefield our client base is predominantly retail investors and consequently the vast majority of our reporting efforts are designed to speak to the individual investor. We welcome feedback on our Stewardship Reports and our investment approach and Screening Policy have been directly informed by our discretionary client base. Our approach is also overseen by our External Advisory Committee, which contains representatives of our long-standing charity clients.

Previously input has involved a client-wide survey and, more recently, we have used client questionnaires – part of our onboarding process for clients with directly invested portfolios – to assess the most common client concerns and interests. We have conducted an exercise to map these responses to our screening policy to assess the areas most important to our client base.

REPORTING TO CLIENTS

We aim to report to clients on our stewardship and engagement activities on a regular basis and publish quarterly stewardship reports which covers a number of examples of our dialogues with companies and issuers and involvement with collaborative initiatives as well as a summary of our voting activity. In addition, we publish a monthly disclosure of our voting activity, which includes our voting decision and rationale for each resolution to increase the level of transparency.

This report has also been reviewed by our compliance team to ensure that our reporting is fair, balanced, and understandable. We have not chosen to subject the report to external audit as we believe that our internal capacity is sufficient to ensure the veracity of the information provided and that additional scrutiny would not add value to clients, while increasing the cost of our services.

"We publish a monthly disclosure of our voting activity, which includes our voting decision and rationale for each resolution to increase the level of transparency."

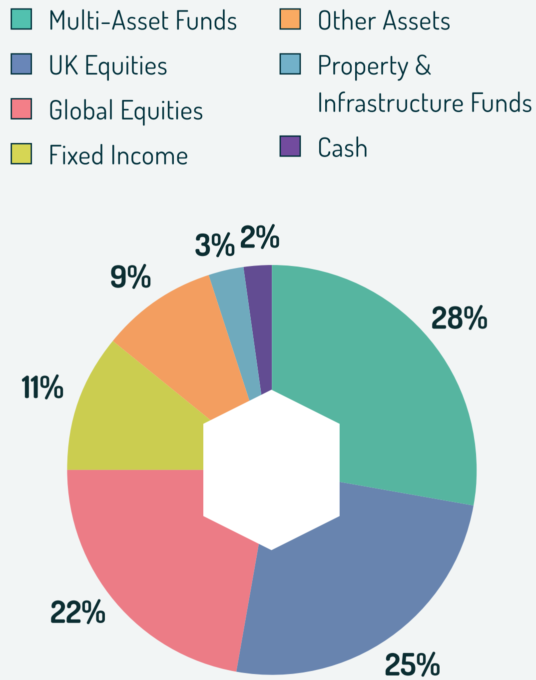
DISCRETIONARY ASSETS UNDER MANAGEMENT (AUM)

TOTAL DISCRETIONARY ASSETS UNDER MANAGEMENT (AS AT 31/12/2024)	£342M
Castlefield Fund Range	£195.3m
Segregated Client Accounts (excluding holdings in Castlefield funds)	£134.3m
Models (excluding holdings in Castlefield funds)	£12.4m

ASSET BREAKDOWN: SEGREGATED ACCOUNTS (INCLUDING HOLDINGS IN CASTLEFIELD FUNDS)

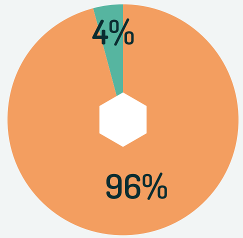
The majority of the assets within segregated client accounts are invested in funds, either those managed by Castlefield or third-party managers.

DISCRETIONARY AUM BREAKDOWN: CLIENT ACCOUNTS (EXCLUDING PLATFORM MODEL PORTFOLIOS)



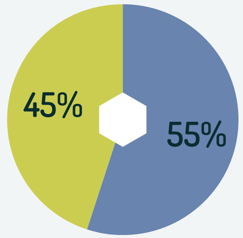
GLOBAL EQUITY BREAKDOWN: CLIENT ACCOUNTS

Global Equity Funds
Direct Global Equity



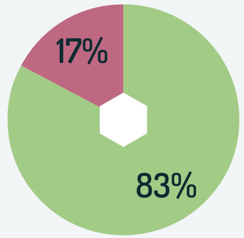
UK EQUITY BREAKDOWN: CLIENT ACCOUNTS

Direct UK Equity
UK Equity Funds



FIXED INCOME BREAKDOWN: CLIENT ACCOUNTS

Fixed Income Funds
Direct Fixed Income

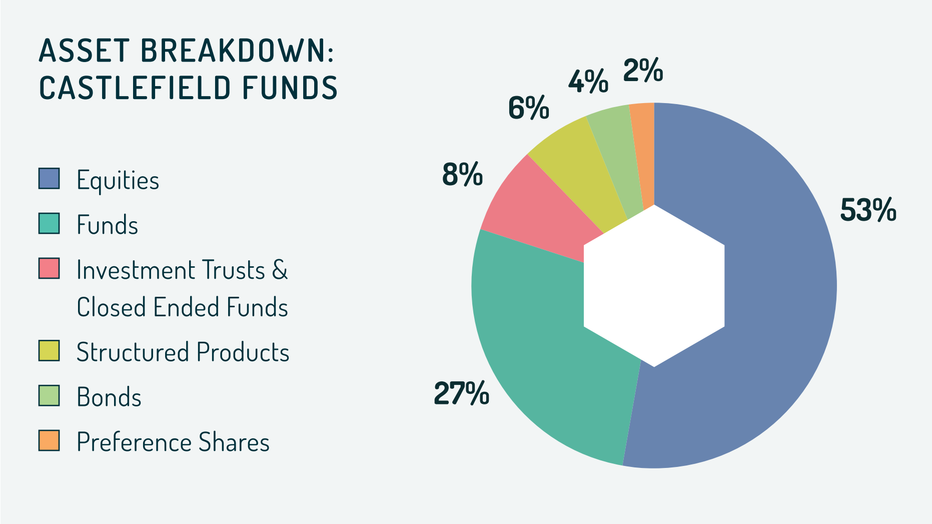


Asset breakdown: Castlefield Fund Range

This chart illustrates the breakdown of the holdings within the Castlefield fund range by asset class. In order to avoid double counting, any Castlefield OEICs held within the Portfolio Fund range have been excluded.

The majority of the assets within our funds are direct equities, in the UK and Europe, and it is equities where we have focused the majority of our efforts.

Within fixed income, our direct exposure to bonds is limited and primarily relates to holdings in Retail Charity Bonds. Engagement with bond issuers tend to be more limited, with more focus taking place at the point of investment to ensure that issuers' financial and ESG credentials are in keeping with our policies and processes. Our exposure to structured products allows less opportunity for engagement but we do conduct a B.E.S.T. analysis on any issuer and have actively sought to incorporate structured products where the individual issuer has a positive impact programme or an E.S.T. reference index.



Investment Horizon

Our typical investment horizon is long-term, which we define as being at least five years in length although preferably more. We believe this is appropriate for our clients for several reasons, such as short-term investment horizons implying greater turnover of investments, which leads to higher dealing costs that reduce the overall return the clients receive. However, there are practical reasons for adopting a long-term approach, as it aligns us with what we expect from company management. We believe that a successful business strategy requires a long-term perspective to devise and execute, and as part-owners of each of the businesses we invest in, our expectation at the outset is to buy into the delivery of a strategy rather than to exit after only a short horizon. We have rights and responsibilities as part-owners of the companies we invest in and they can only properly be discharged when possessing a long-term horizon.

CONFLICTS

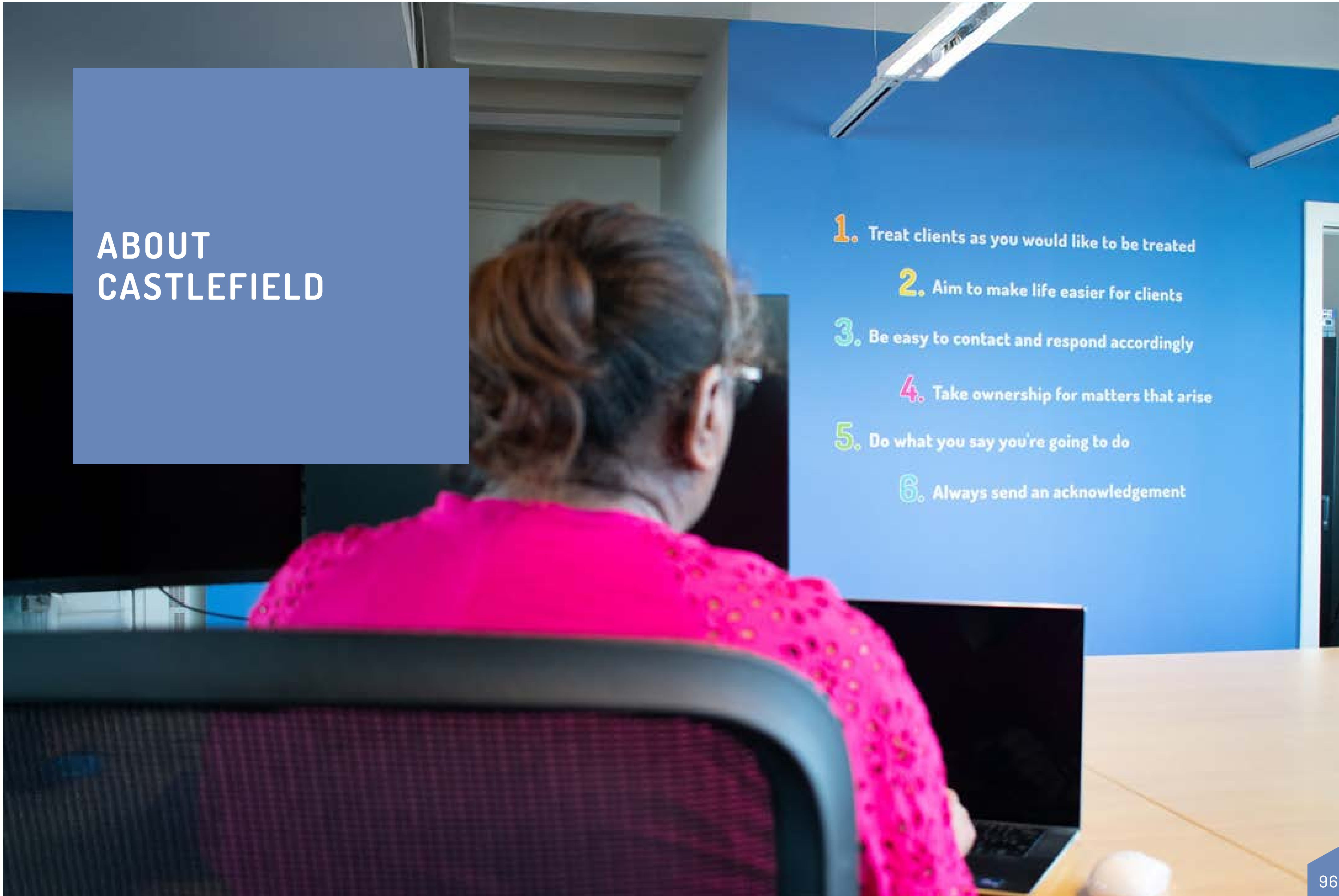
Our Conflicts of Interest policy is made available on our website here. We do not believe that there are any differences in as far as it is applied to our stewardship responsibilities. Our collegiate approach means that potential conflicts are mitigated as no one co-owner has overall responsibility for any part of our stewardship and engagement processes.

For the calendar year 2024, we do not believe that there have been any conflicts of interests that have impacted our investment process or stewardship and engagement activity.

To avoid conflicts of interest relating to our stewardship and engagement approach:

- We have a personal account dealing policy which requires the investment team to regularly disclose their personal investments and employees are required to disclose any external positions or links to holdings, such as board roles or familial links to listed businesses.
- Our stewardship and engagement policy is applicable to all assets under discretionary management.

ABOUT CASTLEFIELD

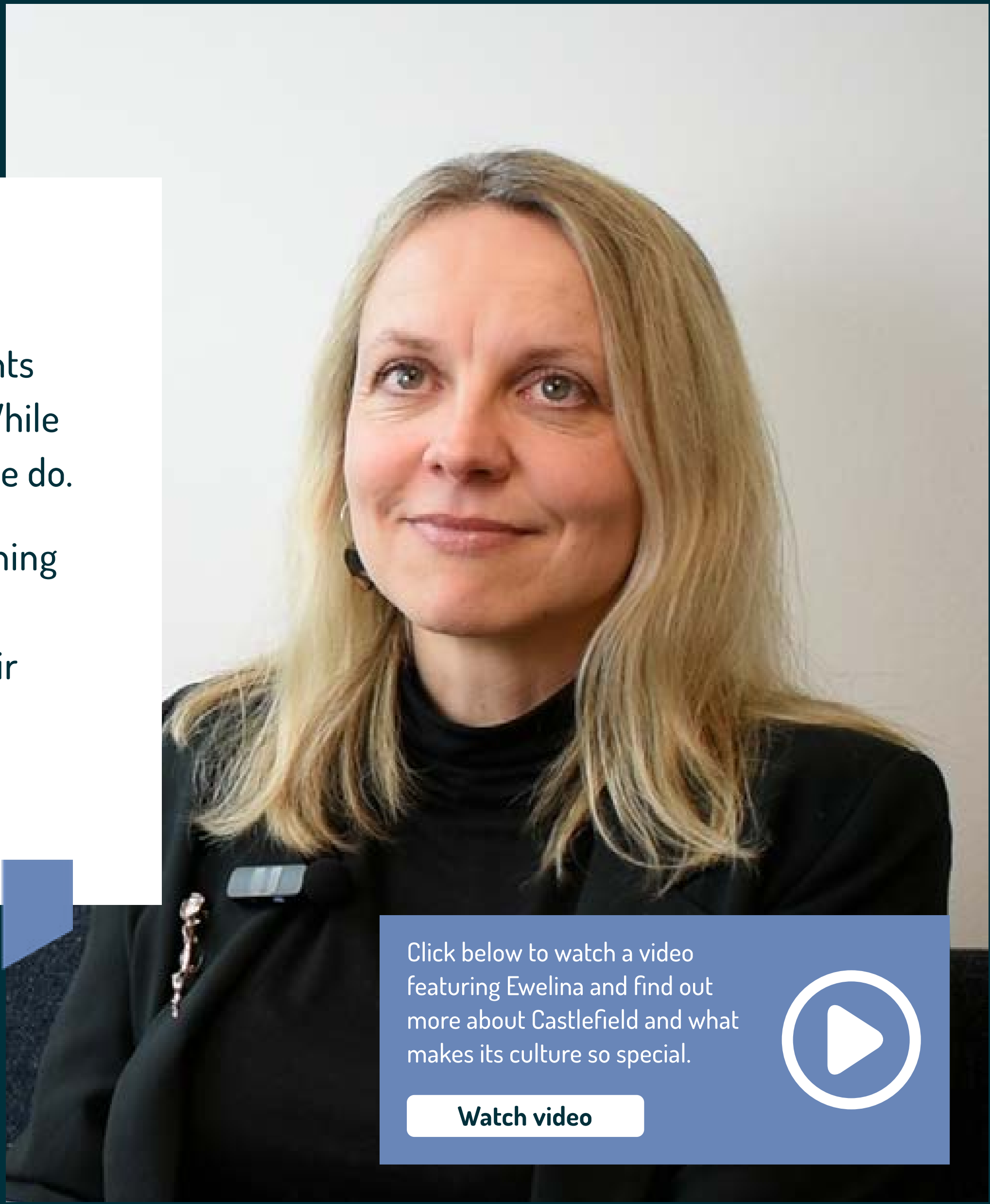


“It all starts with purpose. We’re here to help our clients and our Co-owners to achieve their personal goals. While not sacrificing other stakeholders affected by what we do.

Being a “values-based manager” means that everything we do for clients, or what clients expect us to do in terms of their portfolio and the way we manage their money, we also do ourselves as a business.”

Ewelina Niziolek-Wilson

Head of People & Improvement



Click below to watch a video featuring Ewelina and find out more about Castlefield and what makes its culture so special.

Watch video

ABOUT CASTLEFIELD

Castlefield provides investment services and wealth management advice.

We have a clear corporate purpose: we gather assets to do good. We want to be a trusted adviser and investment manager to people and charities who aim to make a world of difference. We do this by acting for charities, businesses and individuals that seek an outcome where business is recognized with the context of its environmental, ecological, and social impacts.

Creating a sustainable business:
We act to support and protect the future of our business

Ownership:
We act like business owners because we are business owners

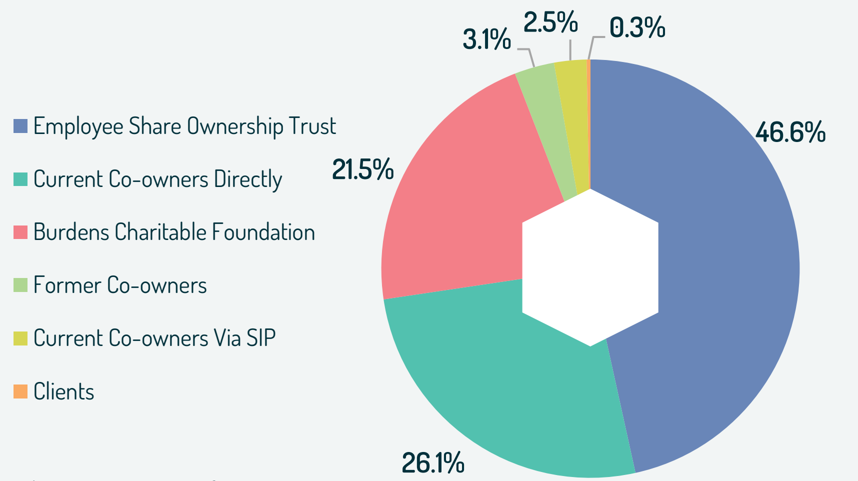
Responsibility:
We value the role each of us plays

Empowerment:
We have the power and freedom to make our business better

EMPLOYEE-OWNERSHIP (EO)

As an employee-owned firm, every one of our 47 employees is a co-owner in the business. Employees can begin to buy shares in the business once they have passed their probation period. A significant proportion of the company is owned by an Employee Shared Ownership Trust which exists to benefit the past, present and future employees of the group. Currently, just one co-owner who is eligible for our Share Incentive Plan (SIP) is not participating, but we continue to attract high levels of participation. The average monthly contributions are now higher than ever before at over £76 per month per co-owner, suggesting our co-owners realise the potential benefit SIP provides.

Who Owns Us?



This is correct as of 30.11.2024

Burden's Charitable Foundation, which runs a school for the visually impaired children in Burkina Faso, also holds an ownership stake in the business.

2024: CASTLEFIELD HIGHLIGHTS

- **JAN:** Published Castlefield Charitable Fund's first report and selected Booths Centre as Charity of the Year.
- **FEB:** Achieved CISI Chartered Firm Status.
- **MAR:** Castlefield named winners of the 'Best Adviser Firm for ESG' at the 2024 Professional Adviser Awards.
- **APR:** Improved Hybrid Work Policy.
- **MAY:** Sponsored 'Booth Centre vs Rest of the World' football match and participated in the Great Manchester Run.
- **JUN:** Celebrated Employee Ownership (EO) Day and ran EO Olympics.
- **JUL:** 'Strengthening Our Culture' Workshops.
- **AUG:** Launched 'Food Friday' for co-owners.
- **SEP:** Financial Wellbeing Month.
- **OCT:** Presentation to Women In Finance division of University of Manchester's Finance Society. Castlefield takes 2nd place in Giki's Race to Zero.
- **NOV:** Raised £1,800 for Movember.
- **DEC:** Annual CORE awards celebrating co-owners who embody our corporate values. Approved Volunteering Policy.

OUR CLIENTS

We provide services to charities and individuals that seek a good return on their investments without compromising on their beliefs or ethics. Our investment portfolios start from £125,000 and in addition to our single strategy funds, we also offer two portfolio funds that provide affordable access to our thoughtful investor approach.

OUR PEOPLE

We take a lot of time and care to recruit people that share our values, so we're delighted that Castlefield has been recognised by Professional Adviser, for the fifth year, as one of the best Financial Advisers to work for in 2024.

As an employee-owned business, we want to ensure that colleagues' concerns and ideas are heard. We do this through an annual employee engagement survey and through our Co-owners' Council where each part of the business is represented. Staff retention remains high: 67% of all our co-owners have been with the business for over three years and 89% of all co-owners with over one-year service.

We continue to be a Living Wage employer for both our co-owners and cleaning contractors, with all our co-owners earning above the standard.

In 2022, Castlefield achieved member status of the Greater Manchester Good Employment Charter and continues to actively participate in Charter activities.

Castlefield also achieved the Good Business Charter accreditation in 2022, which involved being measured and assessed against ten commitments: real living wage; fairer hours and contracts; employee wellbeing; employee representation; diversity and inclusion; environmental responsibility; paying fair tax; commitment to customers; ethical sourcing and prompt payment. In 2024, we achieved recertification for the third year.

OUR CULTURE

In 2024, we turned our focus to our internal culture, and delivered nine 'Strengthening Our Culture' sessions to review how our CORE values resonate with co-owners. These sessions fostered encouraging engagement from our co-owners, and we identified several steps to further strengthen our culture. These sessions led to the update of our CORE values, through some changes to the definitions of the competencies, actions, and behaviours, an improved internal communication strategy, and amended Employee Ownership bonus structure.

TRAINING

We continue to support our co-owners through their professional development. We relaunched the career pathways available for all co-owners in May 2022, clearly outlining the progression opportunities in every team. During 2024, our co-owners passed eleven exams on the pathway towards role-specific qualifications (ranging from Level 3 to Level 7 qualifications across a wide range of professional institutes and subjects), and we currently have one co-owner completing an apprenticeship. We recognise the professionalism of our co-owners and are proud to say that we have eighteen chartered team members. In February 2024, we were able to successfully meet the criteria to be recognised as a CISI Chartered firm.

We continue to ensure that our co-owners have access to comprehensive Leaning Platforms so that they are up to date with subjects like Financial Crime, ESG Investing, Consumer Duty, Sustainable Leadership, and Adaptability. The development of our co-owners is very important for us, which is why we continue to invest in Castlefield Academy. Examples of sessions held by Castlefield Academy include Delight Our Clients, Earth Day, Financial Foundations, Client Communications, and How to Get Comfortable with Networking.

In previous years, we have held HAWD ("How Are We Doing?") sessions to update co-owners on the progress of the business, inform them of the next steps, and provide them with an open forum to ask questions. Our 'Strengthening our Culture' sessions identified a need for an improved internal communication plan to provide co-owners with more frequent updates, and more opportunities to ask questions. From September 2024, following the sessions in the summer, our HAWD sessions have been replaced by a thorough internal communication plan where information is delivered through three main sources: our new 'Targets & Actions' sessions, business update emails and Sharepoint News posts.

EMPLOYEE OWNERSHIP COMMITTEE (EOC)

The Employee Ownership Committee was established in September 2022, as a sub-committee of the Castlefield Partners Limited board. Through its delegated activities, the Employee Ownership Committee seeks to assist the board in securing the continuation of the Castlefield group as a successful, independent, and professionally managed collection of trading enterprises, in keeping with Castlefield's values and especially its EO (Employee Ownership) ethos.

The five-person Committee does this through a number of different workstreams. In 2024, the focus areas were:

- Upholding and reporting on the extent to which the Values of the group are alive and well;
- Developing and promoting diversity and opportunity;
- Developing and promoting activities around charity and community outreach;
- Developing and articulating our plans for net zero;
- Supporting the business in the implementation and ongoing management of company initiatives.

Most of the items listed under Castlefield Highlights are achievements of the Employee Ownership Committee, but some examples are:

- EOlympics Day and Christmas festivities,
- Quarterly and annual CORE awards,
- 'Strengthening Our Culture' session and implementation of actions,
- Engagement Survey October 2024 – 91% overall engagement, up from 87 % in 2023.
- Community Outreach including our relationship with the Booth Centre, fundraising, and Volunteering Policy approval,
- Net Zero achievements including Sustainable Procurement Policy and improved carbon footprint measures for the year up to 2024.

DIVERSITY

Since our last Diversity & Inclusion survey and report in 2023, we have not done any further measurements. We plan to conduct the next survey in autumn 2025 and publish the report in early 2026. One of our key challenges is attracting more women to work in the Investment Management team. Although our vacancies attract many quality applicants, those identifying as female often make up below 5% of applicants. Taking steps to address this issue is a priority for us in 2025. Our financial advice team has better gender balance, with a 50/50 split between male and female advisers.

We continue to make progress with our D&I strategy in other areas and some achievements over the year include:

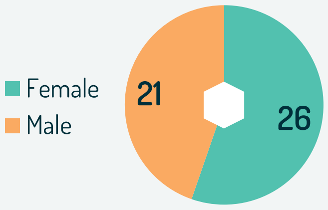
- Met our objective to maintain a 50:50 ratio of females within senior management for the Women in Finance Charter (WiFC).
- Age Friendly Employer Pledge
- In cooperation with State Talking, we organised three impactful events at secondary schools and one at the Women in Finance Society of the University of Manchester.
- Flexible Working policy is up to date, with 20% of roles advertised in 2024 being offered on a part-time basis.

We continue to operate a formal policy on flexible hours and hybrid (i.e. a mix of home and office) working as we recognise how useful these measures can be in helping parents, carers and others to juggle work and home life.

SUMMARY DATA ON DIVERSITY AND INCLUSION

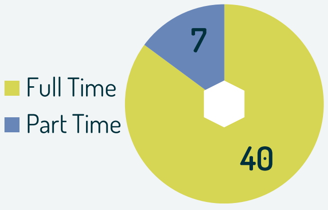
Gender Split

Data is accurate as of Dec 2024



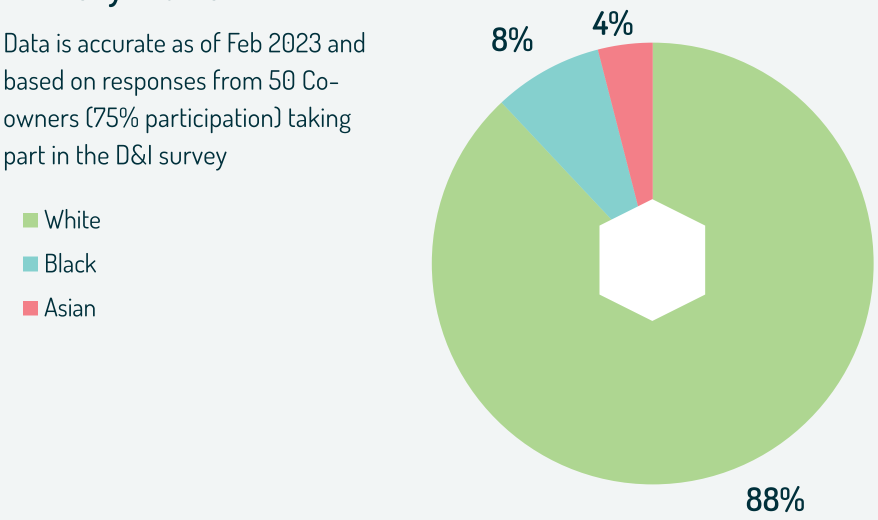
Working Hour Split

Data is accurate as of Dec 2024



Ethnicity Profile

Data is accurate as of Feb 2023 and based on responses from 50 Co-owners (75% participation) taking part in the D&I survey



CHARITY

Launched early in 2021, Castlefield's internal fundraising committee, the Give Back Group was established with the dual purpose of enabling charity fundraising and supporting the wellbeing of our co-owners.

Originally established in 2006, with funds which might otherwise have been distributed to the Partners as profits, the Castlefield Charitable Fund (CCF) has supported a wide range of charities - mainly local to Manchester. In recent years, it hasn't been active, but in 2022, donations from Castlefield Partners Limited and Burdens Charitable Foundation – with whom we have a longstanding charity partnership - provided CCF with the means to support worthwhile local projects which make a positive social and environmental impact.

In 2024, the Give Back Group selected the Booth Centre as a charity to support. The Booth Centre is a community centre built in partnership with people affected by homelessness and poverty within Greater Manchester.

During 2024, we made two grants totalling £4,009 to the Booth Centre. Following a successful year of fundraising efforts, the Give Back Group raised a further £2,519 for charity, donating £699 to the Booth Centre and raising £1820 in support of Movember. In total and including £699 of matched funding, the Castlefield Charitable Fund donated £5,407 to the Booth Centre.

The year saw co-owners get involved in a wide range of fundraising activities, with highlights including events such as the Great Manchester Run, the Movember activity challenge and our Christmas raffle. In addition, we took part in social activities, including a bake-off challenge and our charity quiz night.

Charity fund-raising events in 2024

Matt and Dave after completing the Great Manchester Run 2024

Co-owners dressed up for the halloween quiz

Co-owners baked to raise money for Movember

GREEN TEAM UPDATE

2024 proved to be a breakthrough year for Castlefield's Green Team, with several new initiatives carried out such as the launch of a sustainable procurement policy, participation in Manchester's Green Summit and in-house measurement and reporting of our carbon footprint.

For the third year running, we have reported Castlefield's carbon footprint, with the latest iteration the most accurate yet. In previous iterations, we utilised estimate figures for procurement data. However, the actual figures are now available for inclusion within our calculations. Compared with the base year of 2021/22, our carbon footprint has reduced by 98 tonnes of CO2e, a 35% reduction. Additionally, our footprint per co-owner has also reduced from 4.25 tonnes to 3.8 tonnes over the same period. This year is also the first year in which we measured our footprint internally, rather than using an external consultant, and moving forward we have the ability to assess progress on a quarterly basis.

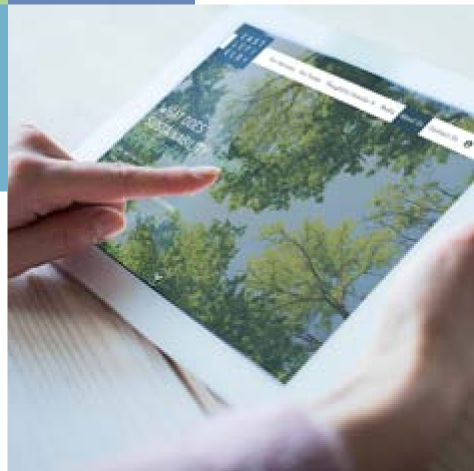
CARBON FOOTPRINT: SUPPLIER HEATMAP

As part of our efforts to improve the accuracy of our carbon reporting, and to gain a greater understanding of our supply chain, we produced a heat map to identify our most significant suppliers, and then engaged with them on the topic of net zero targets, external validation of carbon data and climate transition plans.

As a business, we also took part in a number of initiatives throughout the year such as the Race to Zero competition, organised by Giki, which challenged teams of employees across multiple SME businesses to compete with each other to see who could reduce their carbon footprint the most, with Castlefield ultimately finishing second in this challenge.

We also attended Manchester's Green Summit, hosted by the Mayor of Greater Manchester, Andy Burnham, which saw C.2500 delegates meet and network with others determined to drive change and help the city reach its climate goals. The day consisted of a number of panels, workshops and exhibition stands from a variety of different experts and local employers.

Visit our dedicated page which sets out our corporate sustainability commitments by clicking the link here or by scanning the QR code below.



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