

Interim Short Report – 29 February 2016 to 31 August 2016

Castlefield UK Smaller Companies Fund

Fund Facts

Launch date:	01 June 2007
Ex-dividend dates:	28 February and 31 August
Income dates:	27 May and 27 November
IMA Sector:	UK Smaller Companies

Investment Objective and Policy

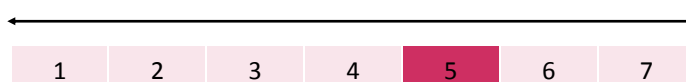
To achieve long term capital growth. The investment policy of the Fund is to invest predominantly in the shares of quoted smaller UK companies including those listed on the Alternative Investment Market.

Investment Risks

The Fund holds assets concentrated in the small capitalisation UK equity markets. Assets may also be concentrated by sector. Equities, as an asset class, tend to experience higher volatility than bond or money market portfolios. Funds concentrated by capitalisation, sector and/or geographic location are more vulnerable to market sentiment in that specific capitalisation, sector or location and can carry a higher risk than funds holding more diversified assets.

Risk and Reward Indicator (RRI)

Typically lower rewards, Typically higher rewards,



The Fund is ranked as five because it has experienced medium to high rises and falls in value over the past five years. Please note that even the lowest ranking does not mean a risk-free investment.

Ongoing Charges Figures (OCF)

	31.08.2016	28.02.2016
General Income Shares	3.34%	3.58%
Institutional Income Shares	2.84%	3.08%

The ongoing charges figure is based on the last year's expenses for the period ending 31 August 2016 and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).

Performance Record (in pence per share)

Share Class	General Income		General Accumulation		Institutional Income	
	High	Low	High	Low	High	Low
2014	374.70	288.27	375.79	288.88	378.32	290.46
2015	376.35	321.15	377.09	367.90	380.31	325.28
2016	395.20	343.12	-	-	402.53	348.19
2016 ¹	405.45	346.26	-	-	414.54	353.75

¹ To 31 August 2016

Net Asset Values (in pence per share)

Share Class	General Income	General Accumulation	Institutional Income
28.02.2014	367.20	368.27	370.76
28.02.2015	340.03	367.90 ¹	345.04
28.02.2016	353.82	-	360.82
31.08.2016	396.69	-	405.58

Dividend Distribution (in pence per share)

Expenses exceeded revenue during this period, and as a result no distributions were paid.

Review & Outlook

For the period from 1st March to 31st August 2016, the Castlefield UK Smaller Companies Fund, as measured by the General Income shares, recorded a total return of 12.2%, compared to a total return from the IMA UK Smaller Companies sector average of 8.3%.

The UK stock market, as a whole, hit a multi-year low point in mid-February, shortly before the beginning of this reporting period, before staging a strong recovery. The concerns about the Chinese economy prevalent at the time as well as the trajectory of UK monetary policy abated. As the period progressed, the focus inevitably shifted towards the referendum in late June about the UK's future membership of the EU. With a result that surprised many, the event in large part determined the outcome for many of the best performing stocks and sectors for the period. The impact was felt immediately in currency markets with sterling falling against major currencies such as the dollar, Yen and Euro. This gave an immediate boost to the share prices of companies with a large proportion of revenues derived from overseas or with large, dollar denominated asset bases such as the mining and oil and gas sector constituents. Domestic stocks such as retailers, telecoms and real estate all suffered as the fears over likely job losses from City firms in particular hit those stocks amid concerns over a slowdown in the domestic economy.

Two new holdings were established during the period under review. Autins Group is a specialist manufacturer of noise, vibration, harshness and thermal solutions, primarily to the automotive sector. The Group is growing rapidly on the back of significant investment in new technology, an associated improvement in product capability and a growing reputation for providing innovative solutions for its customers in the global automotive sector. Waterman Group is a consultancy business

providing solutions to meet the planning, engineering design and project delivery needs of the property, infrastructure, environmental and energy markets around the world. The company is well placed for a period of sustained growth and is attractively valued at current levels.

The fund's exposure to Fevertree Drinks was increased.

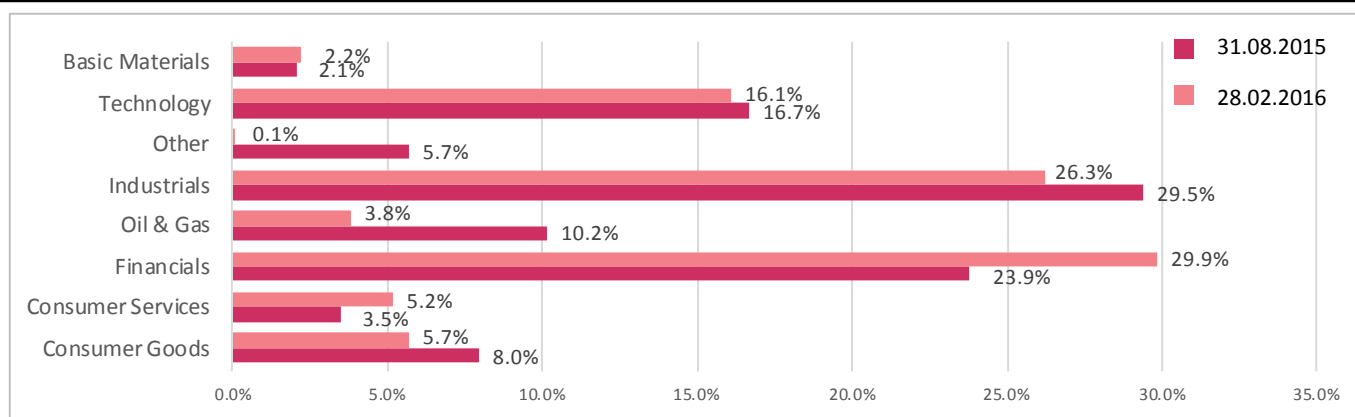
The holdings in Charles Stanley and T Clarke were sold during the period.

Several of the larger holdings in the portfolio were reduced following strong performance including AB Dynamics, IDOX, Mattioli Woods, RM and VP.

UK smaller companies have performed well in absolute terms over the last six months, although lagging the UK stock market as a whole. While this strong performance from smaller companies is unlikely to be repeated in coming months the UK economy is performing surprisingly well providing a positive backdrop against which UK small companies should continue to prosper. Recent news from most of the companies held in the Castlefield UK Smaller Companies Fund has been positive auguring well for the performance of the fund over the next few months.

Source: Castlefield Investments, October 2016. Performance taken from FE Analytics, based on General Income shares on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to future returns.

Asset Allocation



Top Ten Holdings as at 31.08.2016

AB Dynamics	6.00%
First Property Group	5.67%
Idox	5.08%
Mattioli Woods	4.88%
Avon Rubber	4.59%
Personal Group Holdings	4.13%
GB Group	4.05%
Fevertree Drink	3.95%
Porvair	3.81%
IQE	3.60%

Top Ten Holdings as at 28.02.2016

First Property	6.22%
Personal Group	5.76%
AB Dynamics	5.51%
Mattioli Woods	5.34%
IDOX	5.09%
VP	5.03%
Avon Rubber	4.41%
Headlam	3.79%
RM	3.65%
GB Group	3.61%

What Does it Mean?

If you come across the odd word or phrase within your report that you are unfamiliar with, here is a glossary to help explain a few key terms.

Accumulation Shares

Any income made by the Fund will be reinvested to grow the value of your investment.

Alternative Assets

Types of non-traditional investments, which could include hedge funds and commodities for example and which are designed to help diversify a portfolio as they tend not to move in the same direction as the stock market.

Autocall

An autocall structured product has the potential to mature before the end of the product's life, if certain predetermined market conditions are reached. The investor will usually receive a pre-defined return.

Bonds

Issued by companies or governments and similar to a loan in nature, usually paying a fixed or variable interest rate.

Corporate Bonds

Issued by companies and similar to a loan in nature, usually paying a fixed rate of interest.

Credit Rating

A score awarded by an independent rating agency to indicate the financial strength of the issuer of a corporate bond, and the potential for a default on interest and principal payments. Bonds issued and backed by developed market governments are generally considered superior to bonds rated 'AAA'. The top credit rating is 'AAA'. The lowest rating to be considered 'investment grade' is 'BBB'. Below 'BBB', bonds are termed 'sub investment grade' or 'high yield'.

Credit Spreads

Can be used to describe the difference in yield between securities, due to different credit quality.

Duration

A measure of the price sensitivity of a fixed income investment / fund to a change in interest rates.

Equities

Another name for shares in a company.

Fixed Income Assets

Investments that pay out a set level of income, such as bonds or gilts.

FTSE® 100 INDEX

A share index of the 100 largest companies, by market capitalisation, listed on the UK stock exchange and could include, for example, familiar household names such as BP, Marks & Spencer and Vodafone.

Funds

A general term used to describe collective

investment schemes, such as unit trusts, open-ended investment companies and closed-ended investment companies.

GDP

Gross Domestic Product (GDP) refers to the market value of all officially recognised final goods and services produced within a country in a given period.

Gilts

A bond issued by the UK government.

Hedging

A way of offsetting the potential losses that may be incurred by an investment.

Income Shares

Any income made by the Fund will be paid out to you.

Inflation Hedge

A way in which to protect capital against the effects of inflation.

Investment Grade Bond

A bond that is assigned a rating in the top four categories by commercial credit rating companies. S&P classifies investment grade bonds as BBB or higher, and Moody's classifies investment grade bonds as BAA or higher.

Investment Trust

A company set up to buy and sell shares in other companies and is run by a Board of Directors.

LIBOR

The average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks.

Market Capitalisation (market cap)

The total value of the shares of a company.

Net Asset Value (NAV)

Used to value shares of a company, calculated by taking the total assets and deducting the total liabilities.

OEIC

An 'Open Ended Investment Company' – this is similar to a unit trust. Investors pool their money together to invest in a range of different assets such as bonds, equities, property, cash etc. Each OEIC will have an investment objective, stated in a prospectus document, which could be to produce long term growth or generate a regular income.

OCF

The Ongoing Charges Figure (OCF) is designed to give you an accurate measure of what it costs to invest in a fund and helps you compare this cost between different funds. It includes the annual

management charge (used to pay the investment manager, fund accountant and fund administrator for example) and other operating costs, such as fees paid to the Trustee, Auditor, Custodian and Regulator.

Options

A financial contract that enables the holder to purchase or sell a certain number of shares at a future date and at a known price.

Quantitative Easing

A government policy used to increase the money supply within an economy, by flooding the financial system with money.

RRI

The Risk and Reward Indicator (RRI) demonstrates where a fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indicator of the future risk profile of the Fund.

Structured Products/Investments

A group of financial instruments which frequently combine the potential upside of market performance with limited downside. They may also provide a fixed return in exchange for accepting a degree of risk or may generate gains from market falls. They can also be used within a Fund to help manage the impact of large stockmarket fluctuations.

Synthetic Zeros

A form of structured product which also has a pre defined return profile and a set maturity date whilst being exposed to a degree of credit and equity market risk. Synthetic zeros are usually linked to major, well known indices, such as the FTSE 100, but with much less risk than investing directly in the index itself.

Top Down Asset Allocation

An investment approach that looks to review the economic landscape prior to delving down into sector and company specifics.

Transferable Securities

A general term used to describe a broad range of investments such as bonds and company shares for example.

Volatility

Refers to the frequency and severity with which the price of an investment goes up and down.

Weighted Average Maturity (WAM)

The average time until maturity of all the underlying holdings of a fund.

Yield

The amount of income paid or expected to be paid from each share held. The yield is calculated and quoted as a percentage.



Important Information

On 13 June 2016, Beever & Struthers, Chartered Accountants, replaced KPMG LLP as auditor of the Castlefield Funds.

Authorised Corporate Director Change - From 13 June 2016, Premier Portfolio Managers Limited ("Premier") will retire as the authorised corporate director ("ACD") of the Company in favour of Castlefield Fund Partners Limited ("Castlefield"), which is also an FCA authorised and regulated firm, who will then become the company's ACD. The Financial Conduct Authority (FCA) has provided confirmation that the changes being proposed will not affect the ongoing authorisation of the Company.

Also on this date the names of the funds will change to the following:

New OEIC name:

Castlefield Funds

New Sub-Fund name:

Castlefield Managed Multi-Asset Fund

Castlefield B.E.S.T. Income Fund

Castlefield UK Opportunities Fund

Castlefield UK Smaller Companies Fund

CFP SDL UK Buffettology Fund

Additional changes to the Depositary, Auditor, Administrator and Registrar can be found in the letter to Shareholders dated 8 April 2016.

For enquiries following the transfer to Castlefield, please contact them on 0161 233 4890 or by e-mail funds@castlefield.com or by visiting their website: www.castlefield.com.

Authorised Corporate Director:

Castlefield Fund Partners Limited (ACD)
Registered Office:
111 Piccadilly, Manchester, M1 2HY

Auditor:

Beevers & Struthers,
St George's House,
215-219 Chester Road, Manchester, M15 4JE

Depositary:

Societe Generale London Branch,
41 Tower Hill, London, EC3N 4SG

Administrator & Registrar:

Maitland Institutional Services Limited,
Springfield Lodge,
Colchester Road,
Chelmsford, CM2 5PW.

Administration Queries:

Castlefield Fund Partners, Springfield Lodge,
Colchester Road,
Chelmsford, CM2 5PW.
Email Castlefield@phoenixfundservices.com

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You should remember that past performance is not a guide to the future. The price of shares and the income from them may go down as well as up and you may get back less than you invested. A free, English language copy of the Funds' full prospectus, the Key Investor Information Document and Supplementary Information Document, which include all the important information you need to consider before making an investment decision, are available at www.castlefield.com.

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Contact us:

Castlefield Fund Partners Limited, 111 Piccadilly, Manchester, Lancashire, M25 3AW.
Tel: 0161 233 4890
Email: Funds@castlefield.com
Web: www.castlefield.com

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