

Castlefield B.E.S.T UK Opportunities Fund

Factsheet - June 2019



Fund Information



Fund Manager:

Mark Elliott

Historic Yield:

1.95%*

Sector:

IA UK All Companies

Fund Size

£29.23m

Number of Holdings:

35-40

ACD:

Castlefield Fund Partners Limited

Launch Date:

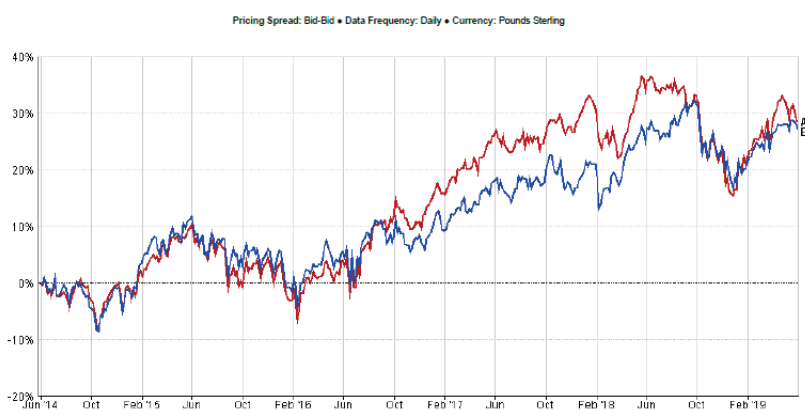
1st June 2007

Platform Availability

Aegon, AJ Bell, Aviva, Elevate, Fidelity, FNZ, Hargreaves Lansdown, James Hay, Novia, Old Mutual, Zurich

Fund Objective and Strategy

The fund invests primarily in UK based companies where the manager perceives there to be above average opportunities for capital growth over a long term investment horizon. The fund has an unconstrained investment approach, allowing investment across a range of market capitalisations and sectors, focusing on company fundamentals. The fund consists of a concentrated portfolio of investments, representing 'conviction' plays of companies that reflect our conclusions toward the long term outlook of an investments growth potential.



— A - IA UK All Companies TR in GB [28.50%]

— B - Castlefield B.E.S.T UK Opportunities Inst Inc TR in GB [27.18%]

30/05/2014 - 31/05/2019 Data From FE 2019

Share Class Information

| Share Class | General | Institutional | Charity |
|-------------------------------|--------------|---------------|--------------|
| Min. Investment | £500 | £250,000 | £500 |
| Initial Charge | 0% | 0% | 0% |
| Investment Adviser Fee | 1.5% | 1.0% | 0.75% |
| Ongoing Charge | 1.89% | 1.39% | 1.14% |
| Payment Dates | Quarterly | Quarterly | Quarterly |
| ISA Eligible | Yes | Yes | Yes |
| ISIN | GB00BIXQN911 | GB00BIXQNC41 | GB00B8J7Y492 |
| CITI CODE | Z589 | Z587 | G74X |
| Bloomberg | ACDUKAI:LN | ACDUKII:LN | CONBRUO:LN |

Source: Financial Express. as at 31/05/2019

Past performance is not a guide to future performance.

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

*Historic Yield reflects the historic dividend income received by the fund in the preceding 12 months before the deduction of all expenses including management fees.

Active Share Calculation* 78.77%

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

Cumulative Performance (%)

| | 1 Mth | 3 Mths | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs |
|-----------------|-------|--------|-------|-------|-------|-------|
| UK Opps | -0.89 | 3.18 | 3.02 | 0.67 | 20.30 | 27.18 |
| Sector | -3.13 | 3.11 | 5.20 | -4.69 | 23.57 | 28.53 |
| Quartile | 1 | 2 | 4 | 1 | 3 | 3 |

Discrete Performance (%)

| | 2019 YTD | 2018 | 2017 | 2016 | 2015 |
|-----------------|----------|--------|-------|-------|------|
| UK Opps | 7.16 | -1.05 | 9.51 | 3.62 | 7.17 |
| Sector | 10.30 | -11.19 | 13.99 | 10.82 | 4.86 |
| Quartile | 4 | 1 | 4 | 4 | 2 |

Discrete Year to Quarter End Performance (%)

| | Q1 2018 Q1 2019 | Q1 2017 Q1 2018 | Q1 2016 Q1 2017 | Q1 2015 Q1 2016 | Q1 2014 Q1 2015 |
|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| UK Opps | 5.19 | 5.85 | 8.42 | -0.97 | 5.50 |

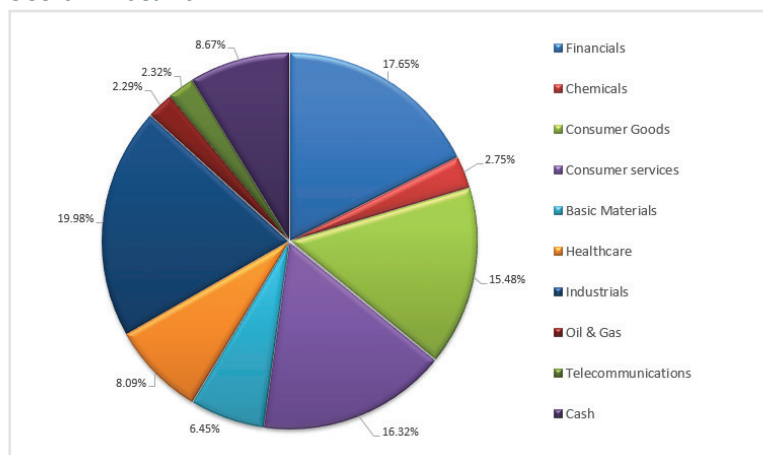
Fund Commentary

The Castlefield B.E.S.T UK Opportunities fund held up better than its peers in a disappointing month for UK equities, returning -0.84% compared to the wider IA UK All Companies sector, which returned -3.10% for the period.

After January through April saw a sharp recovery in global equity markets following the drawdown seen in Q4, May saw a sell-off initiated in large part by the US, where Trump imposed tariffs on Chinese goods before threatening to also increase rates for Mexican goods. This surprised the market, as previous indications from officials appeared to imply that a deal was on the horizon. The UK was also beset by further political hurdles as the Prime Minister announced her resignation. On a total return basis, UK equities were down -3.00% for the month.

PPHE Hotel Group was the fund's top contributor to returns, with shares up over 9% for the month. This followed a sale of shares carried out by management and related investors at the end of March, in a placing designed to increase the number of shares held in private hands. The improved "free-float" should increase the attractiveness to even more investors as the shares would be eligible for inclusion in FTSE equity indices. This follows other steps the company has taken to increase the addressable shareholder base, moving from the so-called Standard section to a Premium Listing of the stock exchange. As a result of that placing, the shares were immediately weaker but a trading update at the end of April and further investor buying has continued to gradually tick back up, surpassing previous levels by the end of May. Stocks which saw news flow during the period included professional service consultancy business Begbies Traynor Group which published a trading update for the full year. Shares were up 18% on the day as management announced that they expected its annual results to be comfortably ahead of market expectations following the integration of the recent acquisitions. The largest detractor to performance was the fund's position in Hikma Pharmaceuticals. Shares were down 10% with the company having released a trading update mid-month which reiterated guidance on key business areas but continued to allude to some issues they were seeing in the market environment such as price erosion and increased competition. While Hikma appear to be actively addressing this, investors are more wary of prospects in the short term, given how strongly shares performed over 2018. Portfolio activity saw the sale of the fund's holding in global communications business Inmarsat. With the board having accepted a takeover bid in March, we continued to hold the stock in the short term as the share price converged to the offer and to see if any competing bids emerged given its current level. As no further bids appeared, we chose to exit the holding due to the potential uncertainty that may come into play given that the government had previously indicated that it may intervene to protect strategically important companies from overseas companies.

Sector Allocation



Top Ten Holdings

| | | |
|-----|--------------------------|-------|
| 1. | Park Plaza Hotels (PPHE) | 6.56% |
| 2. | RWS Holdings | 5.46% |
| 3. | Cineworld Group | 4.75% |
| 4. | Hikma Pharamceuticals | 4.24% |
| 5. | Diageo | 3.90% |
| 6. | Smith & Nephew | 3.85% |
| 7. | Whitbread | 3.84% |
| 8. | Prudential | 3.38% |
| 9. | Rio Tinto | 3.33% |
| 10. | IG Group Holdings | 3.33% |

Fund Manager

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

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

Important Information

This document provides information about the Castlefield B.E.S.T UK Opportunities Fund. Castlefield Fund Partners Limited (CFP) is the Authorised Corporate Director (ACD) of the Fund and Castlefield Investment Partners LLP (CIP) is the appointed Investment Adviser. Both CFP and CIP are authorised and regulated by the Financial Conduct Authority. This document does not constitute or form part of, and should not be construed as, an initiation to buy or sell units and neither this document nor anything contained or referred to in it shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The value of units and the income generated from them can fall as well as rise and are not guaranteed; investors may not get back the amount originally subscribed. Equity investments should always be considered as long term. Investors should not purchase the Fund referred to in this document except on the basis of information contained in the Fund's prospectus. We recommend that investors who are not professional investors should contact their professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from www.castlefield.com or direct from Castlefield.

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