Castlefield B.E.S.T Sustainable European Fund

Factsheet - June 2019

Fund Information

Sector:	IA Europe ex UK
Number of Holdings:	30-40
Historic Yield:	N/A
Fund Manager: Rory Hammerson	**Fund Size:** £12.59m
Launch Date:	1st November 2017
ACD:	Castlefield Fund Partners Limited
Platform Availability:	AJ Bell, Ascentric, Aviva, Cofunds, Elevate, FNZ, Hargreaves Lansdown, Novia, Old Mutual, Zurich

Fund Manager

Rory Hammerson

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

Fund Objective and Strategy

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

The investment adviser uses a responsible investment process to identify securities in which the fund may invest. The four criteria that need to be evidenced by each investment are reflected in the name of the fund where 'B.E.S.T' indicates Business & financial, Environmental & ecological, Social and Transparency & governance.

A - IA Europe Excluding UK TR in GB [-4.50%]
B - CFP B.E.S.T Sustainable European Fund Gen GBP in GB [-5.10%]

01/11/2017 - 31/05/2019 Data from FE 2019

Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	Since Launch
B.E.S.T European Fund	-2.82	8.75	9.79	-0.39	-5.10
Sector	-2.65	3.84	3.81	-3.22	-4.50
Quartile	3	1	1	2	2

Discrete Performance (%)

	2019 YTD	2018	2017	2016	2015
B.E.S.T European Fund	15.56	-14.53	-	-	-
Sector	9.73	-12.16	-	-	-
Quartile	1	4	-	-	-

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
B.E.S.T European Fund	1.97	-	-	-	-

Share Class Information

Share Class	Min. Investment	Initial Charge	Payment Dates	Investment Adviser Fee	Ongoing Charge	ISA Eligible	ISIN
General	£5,000	0%	30th April/31st October	0.75%	1.21%	Yes	GB00BF4VR355

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.

EUFSTN/130619

Fund Commentary

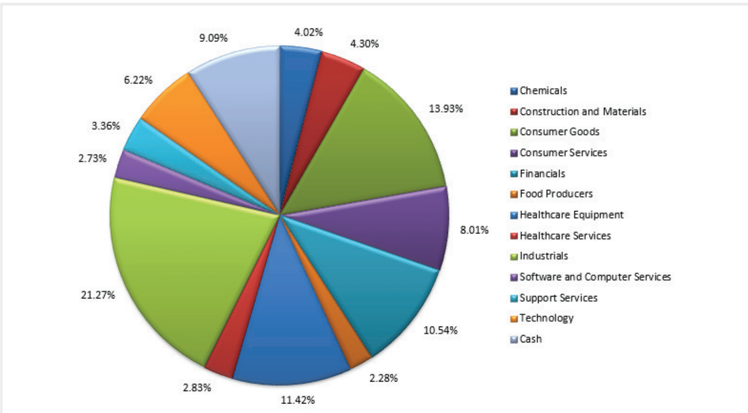
May saw a little more volatility in markets, and European bourses reacted to increasing sabre rattling in the Sino-American trade tensions. ECB Vice president Luis de Guindos warned that a trade war between the worlds two largest economies remains the biggest current threat to the world economy. Reporting season is over giving a result which has bucked recent directional trend, over 50% of Euro-Stoxx companies beat analyst expectations, surpassing expectations by an average of 7%. The MSCI Europe ex UK fell 2% during May with France, Spain and Italy performing worst. Ireland was the best performer. In this context, the Castlefield B.E.S.T Sustainable European Fund fell 2.8% putting it behind benchmark for the month and just short of sector average.

May's best performers were Sonova, Kerry and Tecan. Sonova's Q1 results started to show the traction in the Phonak Marvel product which is rechargeable and has industry leading connectivity. From an environmental point of view, well over 1.5 billion hearing aid batteries are dumped in landfill each year, so rechargeable options are much more sustainable. Kerry Group reaffirmed its guidance for the year after producing some fairly decent volume growth in its Q1 results. We spoke with Tecan at the end of May for a business update. The latest acquisition of NuGen has allowed the company to offer an end to end library prep solution for next generation sequencing which vastly speeds up the process of diagnostics. This is a unique offering which allows two library runs to be carried out in one day, and the Dreamprep was launched to great acclaim earlier this year. Initial indications have been extremely positive and there have been orders from large corporates.

May's worst performers were Dürr, Ubisodt and Akka Technologies. Durr offers extremely advanced paint-shop applications for the car industry which have revolutionised the process and their global footprint is currently a weakness given the potential trade implications for autos, as well as the downturn in demand. We see this as a temporary issue and are due to meet with the company early this month. Ubisoft finds itself in a lull with no new launches at the moment. The underlying business is sound, and the back-library sales are progressing as per our expectations. Given the lack of a catalyst, we see the current weakness as a bout of profit taking. Akka Technologies reported Q1 results bang in line with market expectations. Again, given the lack of new news, investors took the opportunity to reallocate capital elsewhere in the short term we remain very optimistic about the company and a UK roadshow later in June should provide some additional interest.

Our outlook for the Castlefield BEST Sustainable European Fund remains set fair. It's worth reiterating our surprise at the apparent health of corporate earnings for the first quarter. We remain vigilant to a reversal of direction but for now we are sanguine. There was only one transaction this month, where we took the opportunity to tender a small proportion of our Scout24 shares in the offer made by the Private Equity group, Blackstone and Hellman & Friedman. Take up was small but we felt this was a good trading opportunity, and this proved to be the case with a subsequent fall in the share price. The portfolio is comprised 73% of high-quality companies whose business models show defensive growth characteristics. This means we have 17% in companies who are undergoing a transitional phase of their businesses providing equity investors with opportunities for outperformance. Our exposure to mid and small caps remains fairly steady at 29% with over 4% of the portfolio invested in companies whose market cap is less than €1bn. Conviction remains strong throughout the portfolio and the top 10 names represent 38% of the fund. Cash remains high in the short term, as we are in the final stages of preparation for a new stock purchase.

Sector Allocation



Top Ten Holdings

1.	Teleperformance SE	4.54%
2.	Kingspan Group	4.30%
3.	Kerry Group A	4.29%
4.	Symrise	4.02%
5.	Vestas Wind Systems	3.69%
6.	Kone B	3.56%
7.	Sap Se	3.55%
8.	Scout 24	3.47%
9.	Akka Technologies	3.36%
10.	Partners Group Holdings	3.20%

Important Information

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

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