

Castlefield B.E.S.T Sustainable Portfolio Fund

Factsheet - July 2019



Fund Information



| | |
|----------------------------|---------------------------|
| Sector: | IA Mixed Investment 40-85 |
| Number of Holdings: | 25-35 |
| Historic Yield: | 2.30%* |

| | |
|--|-------------------|
| Fund Manager: | Fund Size: |
| Simon Holman | £23.21m |
| Launch Date: | |
| 1st February 2018 | |
| ACD: | |
| Castlefield Fund Partners Limited | |
| Platform Availability: | |
| AJ Bell, Aviva, Elevate, FNZ, Novia, Hargreaves Lansdown | |

*Historic Yield reflects the historic dividend income paid from the fund in the preceding 12 months as at 28/06/19

Share Class Information

| | |
|-------------------------------|----------------|
| Share Class | General |
| Min. Investment | £500 |
| Initial Charge | 0% |
| Investment Adviser Fee | 0.50% |
| Ongoing Charge | 1.53% |
| Payment Dates | Quarterly |
| ISA Eligible | Yes |
| ISIN | GB00BYXG3H04 |

Source: Financial Express, as at 28/06/2019

Past performance is not a guide to future performance.

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

For additional information, please refer to Fund Composition on our website:

www.thethoughtfulinvestor.com/

Fund Objective and Strategy

The Fund aims to achieve growth in capital and income over the long term. Long term means over a minimum investment horizon of five years.

The Fund will invest mainly in collective investment schemes with exposure to both UK and non-UK equities and fixed income securities. The Fund may also invest in transferable securities (both quoted and unquoted), money market instruments, deposits, warrants, cash and near cash.

In seeking to achieve the stated investment objective, the Investment Adviser uses a responsible investment research process to identify the universe of securities from 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, however equal weighting may not be given to each element of these criteria when screening potential investments. The Investment Adviser then supplements this research process by selecting only those investments which, by their nature, are considered to be sustainable in order to meet the investment objective. Sustainable activities are considered to be those necessary to ensure the long term continuity of an activity, system, society or enterprise. Further information on the "B.E.S.T" criteria and the sustainability element may be obtained from the Investment Adviser upon request.

The Fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD. When investing in collective investment schemes, some of the underlying investments of that collective investment scheme may not meet all four elements of the "B.E.S.T." criteria.

The Fund may also use derivatives and forward transactions for investment purposes or efficient portfolio management (including hedging). The use of derivatives for these purposes is expected to be limited however it may affect the volatility or risk profile of the Fund although this is not the ACD's intention.

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



■ A - Castlefield B.E.S.T Sustainable Portfolio Gen TR in GB [6.05%]

■ B - IA Mixed Investment 40-85% Shares TR in GB [4.44%]

01/02/2018 - 28/06/2019 Data From FE 2019

Cumulative Performance (%)

| | 1 Mth | 3 Mths | 6 Mths | 1 Yr | Since Launch |
|-----------------------|-------|--------|--------|------|--------------|
| Portfolio Fund | 2.57 | 4.76 | 11.03 | 2.04 | 6.05 |
| Sector | 2.91 | 4.20 | 10.92 | 3.61 | 4.44 |
| Quartile | 3 | 2 | 2 | 3 | 2 |

Discrete Performance (%)

| | 2019 YTD | 2018 | 2017 | 2016 | 2015 |
|-----------------------|----------|------|------|------|------|
| Portfolio Fund | 11.03 | - | - | - | - |
| Sector | 10.92 | - | - | - | - |
| Quartile | 2 | - | - | - | - |

Discrete Year to Quarter End Performance (%)

| | Q2 2018 | Q2 2017 | Q2 2016 | Q2 2015 | Q2 2014 |
|-----------------------|---------|---------|---------|---------|---------|
| | Q2 2019 | Q2 2018 | Q2 2017 | Q2 2016 | Q2 2015 |
| Portfolio Fund | 2.04 | - | - | - | - |

Fund Commentary

The Castlefield B.E.S.T Sustainable Portfolio Fund returned +2.6% in June, versus +2.9% for its peers in the Investment Association's 40-85% sector. Year-to-date, the fund has returned +11.0% vs. +10.9% for the sector.

June was a positive month for equity markets with central banks making increasingly dovish comments and signs of trade tensions cooling between China and the US. In the Eurozone, ECB President Mario Draghi signalled a shift from patience towards further stimulus unless growth and inflation pick up soon. The US equity market touched all-time highs as the Federal Reserve left interest rates unchanged, but signalled it was closely monitoring if more stimulus may be warranted. The Fed's most closely watched measure of inflation, the PCE index, showed yearly inflation falling from 1.6% in April to 1.5% in May, well below its 2% annual goal. The Federal Open Markets Committee (FOMC) excluded the word "patient" from its policy statements and eight members signalled lower rates would be appropriate this year. Market expectations are now for a rate cut at July's Fed meeting.

In the UK headlines were dominated by the Conservative party leadership contest to replace Theresa May as Prime Minister. Boris Johnson and Jeremy Hunt emerged as the two candidates who will be voted on by the Conservative party membership, with an announcement expected in the week beginning July 22nd. The Bank of England held interest rates at 0.75% and reduced its Q2 economic growth forecast from 0.2% to 0.0% as "the downside risks to growth have increased".

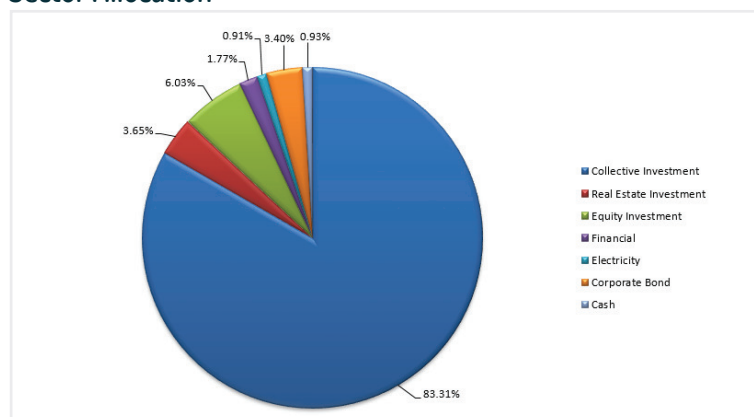
The top contributor to performance was the Castlefield B.E.S.T Sustainable Income Fund which benefitted from a takeover offer for Premier Technical Services Group (PTSG) by Bernard Bidco, a wholly-owned subsidiary of Australian investment bank, Macquarie. The all-cash offer of 210.1 pence per share represented a 141.5% premium to the Group's closing price the day prior to the announcement and has been recommended by the board.

The second leading performance contributor was the Castlefield B.E.S.T Sustainable European Fund which saw strong returns from several holdings, including Belimo (+16.8%) as demand for its products, related to energy efficiency improvements in the heating, ventilation and air-conditioning markets showed continued strength.

The biggest detractor to performance was Triple Point Social Housing REIT which remained under the cosh and now trades at almost a 20% discount to NAV. We have spoken to management regarding the regulator's relationship with the sector and feel that the discount is unwarranted. The management team have always discussed the regulatory relationship in depth and welcome its focus on the housing associations in the sector; ultimately it is the tenants that need to be looked after and housing association governance and financial strength must be adequate. For now, we feel the negative sentiment to this specialist investment trust is overdone.

During the month we spoke with the management of Gore Street Energy Storage Fund. Their portfolio of utility scale energy storage projects is operating in line with the original investment case and they have entered into agreements to acquire a controlling interest in 160MW of projects in Northern Ireland and the Republic of Ireland. Furthermore, the Irish Strategic Investment Fund (ISIF) has committed to a £30m investment in the Company as part of their mandate to invest on a commercial basis to support economic activity in Ireland. Our position here is modest and it will be positive if the fund-raising to accompany the ISIF investment succeeds.

Sector Allocation



Top Ten Holdings

| | | |
|-----|--|--------|
| 1. | Castlefield B.E.S.T Sustainable Income Fund | 17.51% |
| 2. | First State Stewart Investments Worldwide Fund | 8.80% |
| 3. | Castlefield B.E.S.T Sustainable UK Smaller Co. | 7.65% |
| 4. | Castlefield B.E.S.T Sustainable European Fund | 7.63% |
| 5. | FP Wheb Asset Management Sustainability Fund | 7.49% |
| 6. | Rathbone Ethical Bond Fund | 5.98% |
| 7. | Sarasin Funds | 5.12% |
| 8. | Castlefield Real Return Fund | 4.97% |
| 9. | Royal London Bond | 3.78% |
| 10. | Edentree Investment Funds | 3.72% |

Fund Manager

Simon Holman, Partner, MA Hons, MSc, CFA

Simon Holman is a graduate of Spanish from Edinburgh University and has also completed a Post-graduate Masters qualification in Investment Analysis at Stirling University. He spent several years as an equity analyst and then fund manager at Aegon Asset Management (now known as Kames Capital) before returning home to Cheshire to join Castlefield. Simon combines an investment role (that includes being the lead manager of the Castlefield B.E.S.T Sustainable Portfolio Fund and co-manager of the Castlefield Real Return Fund) with analysing developments in the ethical investment world. Simon is also a charter holder (Chartered Financial Analyst) of the CFA Institute and has over 10 years industry experience.

Important Information

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

Contact Information

Castlefield Fund Partners

111 Piccadilly, Manchester, M1 2HY

Dealing Information: 0345 026 4284

General Enquiries: 0161 233 4890

E: castlefield@maitlandgroup.co.uk

W: www.castlefield.com