


# Castlefield B.E.S.T UK Opportunities Fund

Factsheet - July 2019

## Fund Information

	<b>Fund Manager:</b>
	Mark Elliott
<b>Historic Yield:</b>	<b>Sector:</b>
2.36%*	IA UK All Companies
<b>Fund Size</b>	<b>Number of Holdings:</b>
£29.16m	35-40
<b>ACD:</b>	
Castlefield Fund Partners Limited	
<b>Launch Date:</b>	
1st June 2007	
<b>Platform Availability</b>	
Aegon, AJ Bell, Aviva, Elevate, Fidelity, FNZ, Hargreaves Lansdown, James Hay, Novia, Old Mutual, Zurich	

**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.

## Share Class Information

Share Class	General
<b>Min. Investment</b>	£500
<b>Initial Charge</b>	0%
<b>Investment Adviser Fee</b>	0.75%
<b>Ongoing Charge</b>	1.12%
<b>Payment Dates</b>	Quarterly
<b>ISA Eligible</b>	Yes
<b>ISIN</b>	GB00B8J7Y492
<b>CITI CODE</b>	G74X
<b>Bloomberg</b>	CONBRU0:LN

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.

\*Historic Yield reflects the historic dividend income paid from the fund in the preceding 12 months as at 28/06/2019.

\*Holdings within other share classes of the Fund previously active were converted to the 'General Income Class' reflected within the document as of 1<sup>st</sup> July 2019.

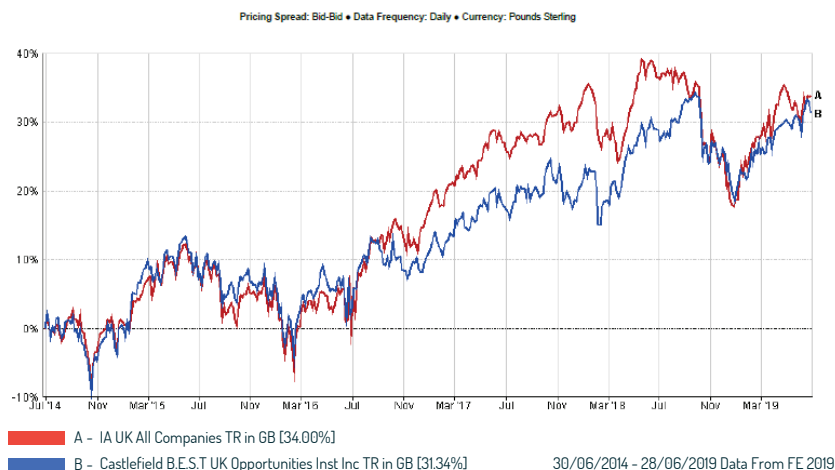
## Fund Objective and Strategy

The investment objective of the Fund is to invest primarily for long term capital growth from a portfolio of investments which is superior to the median performance of all of the funds forming the official peer group of which the Fund is a part. 'Peer group' is defined as being the Investment Association sector to which the Fund has been allocated (currently being the UK All Companies Sector) or to which it may be allocated in future, as determined by that body. The ACD's investment policy is actively to invest in those companies, primarily within the UK, where the Investment Adviser believes there are above average opportunities for growth. Long term means over a minimum investment horizon of five years.

<b>B</b>	Business & financial	<b>S</b>	Social
<b>E</b>	Environmental & ecological	<b>T</b>	Transparency & governance

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.

\*Further information on the 'B.E.S.T' criteria may be obtained from the Investment Adviser upon request.



## Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs
<b>UK Opps</b>	1.70	3.04	8.99	1.43	26.34	31.34
<b>Sector</b>	2.42	3.58	12.92	-2.31	30.56	34.00
<b>Quartile</b>	4	3	4	1	3	3

## Discrete Performance (%)

	2019 YTD	2018	2017	2016	2015
<b>UK Opps</b>	8.99	-1.05	9.51	3.62	7.17
<b>Sector</b>	12.92	-11.19	13.99	10.82	4.86
<b>Quartile</b>	4	1	4	4	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
<b>UK Opps</b>	1.43	10.44	12.78	-2.70	6.84

## Fund Commentary

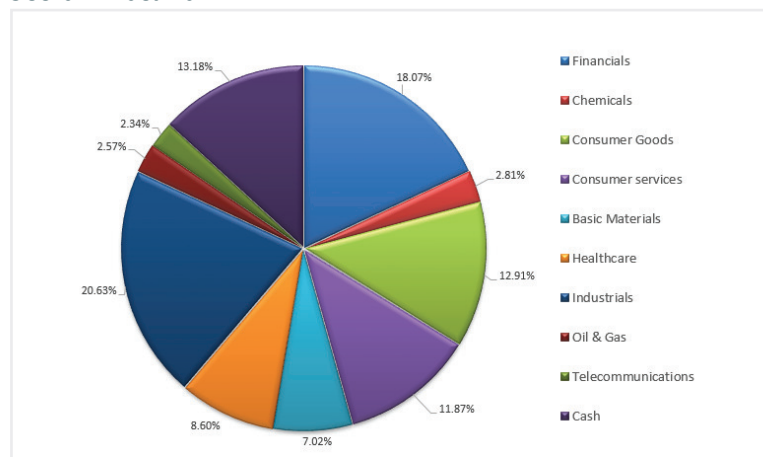
Positive contributors to returns this month came from K3 Capital, which has seen a strong recovery after initially underperforming for the first few months of the year. The change was prompted by a positive trading update in early June which helped ease concerns about delays to the closing of some sales contracts in its KBS Corporate Finance Division. This stemmed from political and economic uncertainty in the UK and whilst uncertainty remains, the group confirmed that Full Year results to 31st May would be at the upper end of guidance and that it was optimistic for 2020. The share price recovered, reversing the performance for Q2 as a whole but is still lower than at the start of the year, reflecting the continued uncertain political backdrop.

The main detractor to performance came from consultancy firm RPS, which issued a profit warning late in the month. Problems stemming from a slowdown in Australia during H1 meant that full year results for 2019 as a whole will now be below expectations. The business environment in Australia has been impacted by a slower pace of infrastructure construction (which RPS typically provides consultancy work on). The Australian political environment in 2019 has been dominated by a hotly contested general election, resulting in subdued business confidence in the run up to the vote. The surprise outcome was a majority victory for the pro-business incumbent Coalition despite lagging in the polls for the past few years. We now have greater optimism for the coming period, tempered by the possibility that Sino-US trade negotiations could yet provide some potential for disruption. However we felt that the fall in the share price of RPS was overdone relative to the trading described and have retained the holding despite the impact on performance.

During the month, we exited our holding in multinational alcohol manufacturer, Diageo. Shares in the company have performed extremely strongly, particularly in the last six months, leading us to reassess the position on valuation grounds. We feel that the share price has risen to the point that it has eroded much of the potential for upside and so chose to exit the position and reinvest the capital into another name.

Using the proceeds from the sale of Diageo, we have initiated a position in data and publishing group RELX during the month. Formerly known as Reed-Elsevier, the group has historically specialised in the publication and distribution of scientific journals to academic and research institutions. Over the past few years they have been successfully navigating the transition from a company focused on this substantial but nevertheless niche publishing business to one that is an owner and distributor of data in their own right. We see a substantial growth opportunity in data, which along with the excellent margins and cashflow being delivered, give RELX the ability to align itself further with other data-driven companies in the future, and ultimately trade at a higher valuation.

## Sector Allocation



## Top Ten Holdings

1.	RWS Holdings	5.83%
2.	Hikma Pharmaceuticals	4.66%
3.	Cineworld Group	4.05%
4.	Unilever	4.04%
5.	Relx	4.03%
6.	Smith & Nephew	3.94%
7.	Whitbread	3.83%
8.	Prudential	3.64%
9.	Rio Tinto	3.59%
10.	IG Group Holdings	3.56%

## Fund Manager

### Mark Elliott, Partner, MChem (Hons), CFA, Chartered MCS1

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 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](http://www.castlefield.com) or direct from Castlefield.

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