


Castlefield B.E.S.T Sustainable European Fund

Factsheet - July 2019



Fund Information

	Sector:
	IA Europe ex UK
	Number of Holdings:
	30-40
	Historic Yield:
	N/A
Fund Manager:	Fund Size:
Rory Hammerson	£13.30m
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	

Share Class Information

Share Class	General
Min. Investment	£500
Initial Charge	0%
Payment Dates	30th April, 31st October
Investment Adviser Fee	0.75%
Ongoing Charge	1.33%
ISA Eligible	Yes
ISIN	GB00BF4VR355

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.

EUFSTN/110719

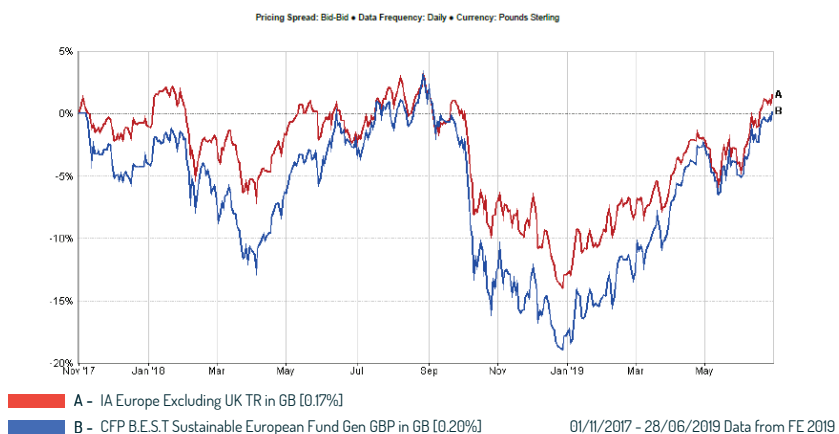
Fund Objective and Strategy

The investment objective of the Fund is to seek to achieve long term capital growth, 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 Europe Excluding UK Sector) or to which it may be allocated in future, as determined by that body. Long term means over a minimum investment horizon of five years. The Fund may also invest in money market instruments, units and/or shares in other collective investment schemes, deposits, warrants, cash and near cash.

B	Business & financial	S	Social
E	Environmental & ecological	T	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 and sustainability element may be obtained from the Investment Adviser upon request.



Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	Since Launch
B.E.S.T European Fund	5.59	9.99	22.02	2.39	0.20
Sector	3.31	7.00	15.10	1.85	0.17
Quartile	3	1	1	3	3

Discrete Performance (%)

	2019 YTD	2018	2017	2016	2015
B.E.S.T European Fund	22.02	-14.53	-	-	-
Sector	15.10	-12.16	-	-	-
Quartile	1	4	-	-	-

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.E.S.T European Fund	2.39	-	-	-	-

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.

Fund Commentary

June saw a positive return for the European bourses after May's weakness. Whilst there is clearly a risk to Europe as the UK's biggest trading partner in the runup to the October deal or no deal over Brexit, and the replacement of the UK's Prime Minister, the MSCI Europe ex UK rose 6.3% during June. The best performing sectors were mining, technology and general retailers during the period. In this context, the Castlefield B.E.S.T Sustainable European Fund rose 5.3% putting it behind benchmark for the month and just short of sector average.

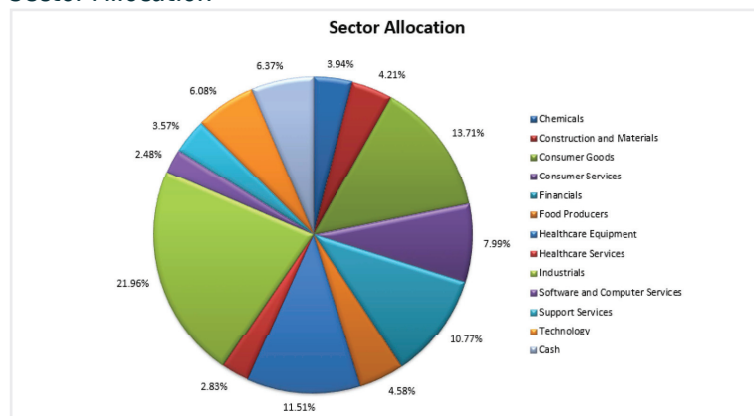
June's best performers were Belimo, Akka Technologies and SAP. Belimo's share price rose almost 17% during the month as demand for its products, related to energy efficiency improvements in the heating ventilation and air conditioning markets showed continued strength. Belimo's products not only lower emissions, but have contributed to faster installation times, making them the leader in their field. Akka saw some renewed interest in its share price, rising nearly 12% as a peer company which makes lower returns was bid for by a larger firm for a higher valuation that Akka trades on. We feel that this highlights the interesting nature of the engineering consultant sector. SAP continue to see fast growth in its cloud services, putting it at the forefront of Software as a Service for all sizes of business.

May's worst performers were Ubisoft, Melexis and Ion Beam Applications. Ubisoft is seeing some short-term weakness in the share price after it failed to surpass analysts' expectations in the latest quarterly results. We are still confident of the company's long-term delivery. Melexis is working through a slow period of low auto production. Again, we feel it is important to look longer term in this exciting market. Ion Beam Applications is a company we have engaged with very regularly due to its poor performance. We realise that the value potential will take some time to unlock but the construction issues have been taken care of, and free cashflow should improve during the second half of the year.

At the beginning of June, we added another stock to the portfolio to take the number of holdings up to 35. Carrefour is a French listed supermarket with a global reach as far as China. It appeared on our investment process radar as a transitional stock as the company is currently going through a wholesale restructuring where the hypermarket format is being right sized for the future and implementing a simplified e-commerce platform, an area of investment which has lagged its peers over recent years. The restructuring is being led by a new management team in CEO, Alexandre Bompard and CFO, Matthieu Malige. Previously from Fnac Darty, the pair have significant experience in restructuring and bringing operations online. We scheduled a call with the Company in May prior to investing and after reviewing our financial valuations indicating sufficient potential upside for investment, conviction in management and impressed by its sustainability credentials, we moved to invest with a 2.5% position.

Our outlook for the Castlefield B.E.S.T 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. The portfolio is comprised 73% of high-quality companies whose business models show defensive growth characteristics. This means we have nearly 21% 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 around 30% 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 over 38% of the fund. Cash now sits at around 6% of the fund.

Sector Allocation



Top Ten Holdings

1.	Teleperformance SE	4.49%
2.	Kingspan Group	4.21%
3.	Kerry Group A	4.17%
4.	Symrise	3.94%
5.	Sap Se	3.68%
6.	Kone B	3.65%
7.	Vestas Wind Systems	3.63%
8.	Akka Technologies	3.57%
9.	Scout 24	3.50%
10.	Partners Group Holdings	3.37%

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.

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