


# Castlefield B.E.S.T Sustainable European Fund

Factsheet - September 2019

## Fund Information

	<b>Sector:</b>	IA Europe ex UK
	<b>Number of Holdings:</b>	30-40
	<b>Historic Yield:</b>	N/A
<b>Fund Manager:</b>	<b>Fund Size:</b>	
Rory Hammerson	£12.3m	
<b>Launch Date:</b>		
1st November 2017		
<b>ACD:</b>		
Castlefield Fund Partners Limited		
<b>Platform Availability:</b>		
AJ Bell, Ascentric, Aviva, Cofunds, Elevate, FNZ, Hargreaves Lansdown, Novia, Old Mutual, Zurich		

## Share Class Information

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

EUFSRG/090919

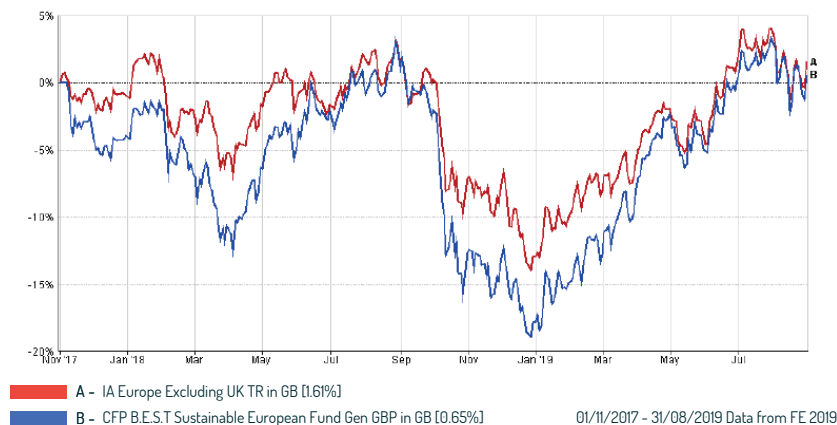
## Fund Objective and Strategy

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>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 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>B.E.S.T European Fund</b>	-2.27	6.05	15.33	-0.53	0.65
<b>Sector</b>	-2.05	6.43	10.48	0.22	1.61
<b>Quartile</b>	3	3	1	3	3

## Discrete Performance (%)

	2019 YTD	2018	2017	2016	2015
<b>B.E.S.T European Fund</b>	22.56	-14.53	-	-	-
<b>Sector</b>	16.77	-12.16	-	-	-
<b>Quartile</b>	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>B.E.S.T European Fund</b>	2.39	-	-	-	-

Source: Financial Express. as at 31/08/2019

**Past performance is not a guide to future performance.**

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

## Fund Commentary

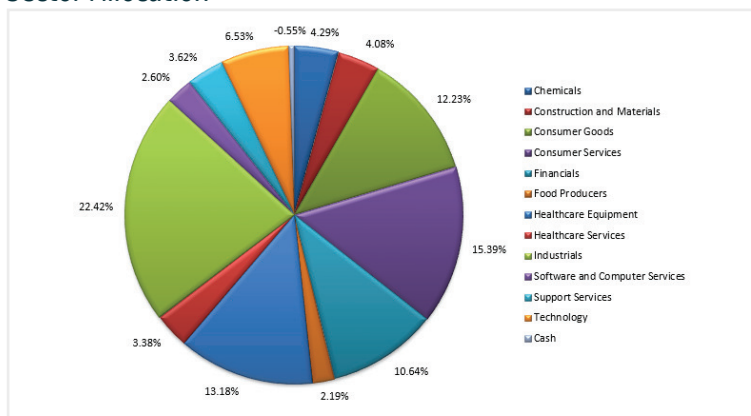
August was a much more mixed month as US trade communication saw a saw over the start of tariffs on Chinese imports and at what rate. Surprisingly, the release of the Federal Reserve's July meeting minutes included the word 'optionality' which seems to pave the way for further interest rate cuts in the US. In Europe, German manufacturing data came in a fraction higher than expected, and Italian Prime Minister Conte announced his resignation. This comes in the aftermath of a call of no confidence by right wing Lega party. Italy has been governed by a two-party government since March 2018, with elections not able to give a majority. Italy's future now lies with President Mattarella, who will hold talks to see whether any of the parties can form a majority government. If a clear majority cannot be found, a fresh election will be called in Rome. The MSCI Europe ex UK declined 1.6% during August. The best performing sectors were general retailers and food producers during the period. In this context, the Castlefield B.E.S.T Sustainable European Fund fell 2.3% putting it marginally behind the sector average which retreated 2.1%.

August's best performers were Scout 24, Unilever and Teleperformance. We have written recently on both Scout and Teleperformance, but would mention that we have engaged closely with Scout 24 in the leadup to their AGM, where activist shareholders are starting to try to influence the strategic direction of the firm. We were keen to build a better understanding of the skills set of the proposed board members who are up for election as well as highlighting some areas we feel can be improved in terms of remuneration.

The month's worst performers were Vestas, Belimo and Akka Technologies. Both Vestas and Akka were slightly disappointing in terms of the most recent results, with Vestas guiding the market to the lower end of its profit range given higher cost inflation. Akka's numbers were in line with forecasts, and given recent performance, this triggered some profit taking. Although Belimo's results were ahead of expectations, the stock sits on a high rating and thus also was hostage to some selling pressure. All three stocks are long term winners in our view.

Trading was kept to a minimum with only two deals in August. We sold out of Banca Ifis, where our investment case was no longer valid. The company is facing too much pressure from competition for assets and is not nimble enough to digest deals quickly. We also have top sliced Ubisoft. Whilst we continue to like the name, we feel that the next catalyst is not for a while, so we are lowering our risk in the name to ease our overweight in technology. The portfolio is comprised 78% of high-quality companies whose business models show defensive growth characteristics. This means we have 22% 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 32% with just under 5% 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 45% of the fund.

## Sector Allocation



## Top Ten Holdings

1.	Teleperformance SE	5.57%
2.	Kerry Group A	4.70%
3.	Scout 24	4.37%
4.	Symrise	4.29%
5.	Kingspan Group	4.08%
6.	Kone	4.03%
7.	Partners Group Holdings	3.96%
8.	SAP	3.67%
9.	Ingenico Group	3.63%
10.	Akka Technologies	3.62%

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

## Contact Information

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