

Castlefield B.E.S.T Sustainable Portfolio Fund

Factsheet - November 2019



Fund Information



Sector:
IA Mixed Investment 40-85
Number of Holdings:
25-35
Historic Yield:
2.40%*

Fund Manager:	Fund Size:
Simon Holman	£26.40m
Launch Date:	
1st February 2018	
ACD:	
Castlefield Fund Partners Limited	
Platform Availability:	
AJ Bell, Aviva, Elevate, FNZ, Novia, Hargreaves Lansdown	

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 31/10/2019

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 31/10/2019.

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.



■ A - Castlefield B.E.S.T Sustainable Portfolio Gen TR in GB [8.14%]
■ B - IA Mixed Investment 40-85% Shares TR in GB [5.40%]

01/02/2018 - 31/10/2019 Data From FE 2019

Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	Since Launch
Portfolio Fund	0.24	0.29	3.57	9.1	8.14
Sector	-1.06	-2.01	2.20	8.10	5.40
Quartile	1	1	1	2	2

Discrete Performance (%)

	2019 YTD	2018	2017	2016	2015
Portfolio Fund	13.22	-	-	-	-
Sector	11.93	-	-	-	-
Quartile	2	-	-	-	-

Discrete Year to Quarter End Performance (%)

	Q3 2018	Q3 2017	Q3 2016	Q3 2015	Q3 2014
	Q3 2019	Q3 2018	Q3 2017	Q3 2016	Q3 2015
Portfolio Fund	3.40	-	-	-	-

Fund Commentary

The Castlefield B.E.S.T Sustainable Portfolio Fund returned +0.24% in October, versus -1.06% for its peers in the Investment Association's 40-85% sector.

October was a good month for global equities and saw the US market reach new all-time highs, while in fixed income, corporate credits outperformed government bonds. The UK was one of the weaker performing equity markets as a rally in sterling impacted the internationally focused index. It was another month of political drama with Prime Minister Boris Johnson agreeing a new Brexit deal with the European Union. The new deal gained more support in the House of Commons, however MPs refused to approve rushing through the legislation process in advance of the October 31st deadline. An additional extension to 31st January 2020 has been agreed, and a General Election will now be held on December 12th, as the Prime Minister seeks a new Parliamentary majority to pass his deal. In the US, the Federal Reserve cut interest rates for the third time in four months, lowering the target for its benchmark rate by a further 25 basis points (0.25%).

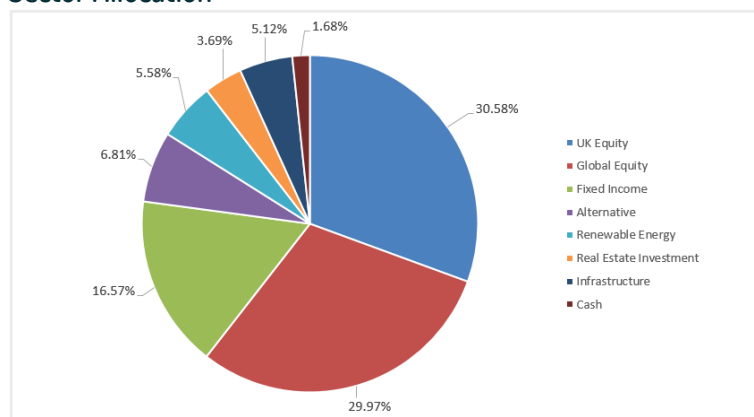
Our Castlefield B.E.S.T Sustainable Income Fund was the top contributor to performance. It saw good returns from top ten holdings, Avast and Assura, which both continued their positive momentum after well-received trading updates.

Primary Health Properties (PHP) (+7.8%), a REIT which invests in integrated healthcare properties, was also amongst the top contributors after recovering from September's placing which raised £100m at a 4.3% discount to the prevailing share price¹. In October we met with management who outlined the growing number of attractive opportunities to fund new developments in Ireland and the UK. The placing proceeds will be used to fund the development of properties currently on-site under development, or which the Board has agreed in principle to forward fund, while also reducing gearing in the near term. In addition, the positive gap between rental yields and financing and management costs continues to provide opportunities to acquire earnings-enhancing standing let investments.

The biggest detractor to performance was Stewart Investors Worldwide Sustainability, a global equity fund with a bias towards quality companies. October proved to be a difficult month for this investment style and saw the fund give back some of its recent performance. Inflows were used to top-up our position in this fund, as well as in the First State Sustainable Listed Infrastructure Fund and the three bond funds in the portfolio.

¹PHP Plc, 24th September 2019

Sector Allocation



Top Ten Holdings

1.	Castlefield B.E.S.T Sustainable Income Fund	17.39%
2.	First State Stewart Investments Worldwide Fund	9.27%
3.	Castlefield B.E.S.T Sustainable UK Smaller Co.	7.50%
4.	Castlefield B.E.S.T Sustainable European Fund	6.56%
5.	FP Wheb Asset Management Sustainability Fund	6.52%
6.	Rathbone Ethical Bond Fund	5.93%
7.	Castlefield Real Return Fund	5.26%
8.	Sarasin Responsible Global Equity Fund	4.71%
9.	Royal London Ethical Bond	3.96%
10.	Edentree Amity Sterling Bond Fund	3.69%

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) 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.

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