


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

Factsheet - November 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	£11.92m
<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.

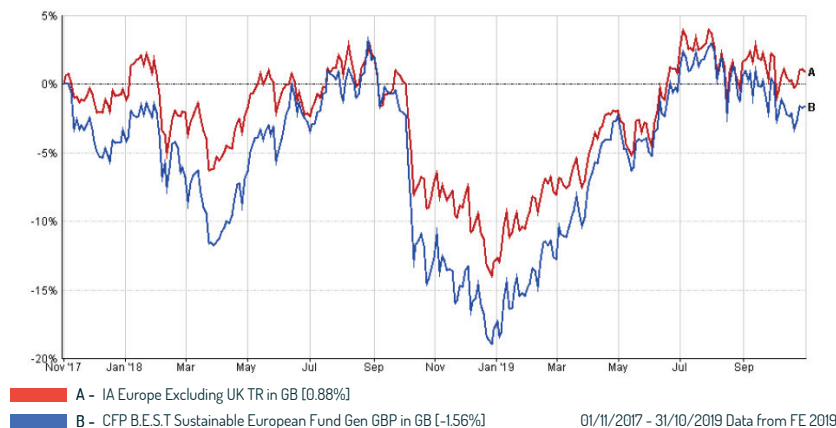
## Fund Objective and Strategy

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>	-1.49	-4.41	0.81	12.62	-1.56
<b>Sector</b>	-1.19	-2.76	2.87	8.60	0.81
<b>Quartile</b>	3	4	4	1	3

## Discrete Performance (%)

	2019 YTD	2018	2017	2016	2015
<b>B.E.S.T European Fund</b>	19.88	-14.53	-	-	-
<b>Sector</b>	15.86	-12.16	-	-	-
<b>Quartile</b>	1	4	-	-	-

## 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
<b>B.E.S.T European Fund</b>	2.51	-	-	-	-

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.

## Fund Commentary

October was a mixed month, with global markets seeing softness at the start. US manufacturing data posted a second consecutive of poor reading and was the lowest since 2009. The Sino-American trade continued to rumble on with the US blacklisted several more tech players, whilst China retaliated with the ban of NBA basketball broadcasts. There was some progress made on a plan outline, and equity markets rose after the Federal Reserve's publication of September's minutes hinting at lower interest rates. Corporate results season has started and as at 1st November 2019 around 50% of Europe's Stoxx 600 have reported Q3 numbers, with more than half beating estimates. Rather unsurprisingly, despite broad agreement to a deal, the UK had to request a further extension to its plan to leave the EU. Within the equity market, the best sectors were tobacco, mining and autoparts. The worst performers were beverages, leisure and food producers. Within this context, the Castlefield B.E.S.T Sustainable European Fund fell 1.5% putting it slightly behind the sector average which fell 1.3% but just ahead of MSCI's Europe ex UK index.

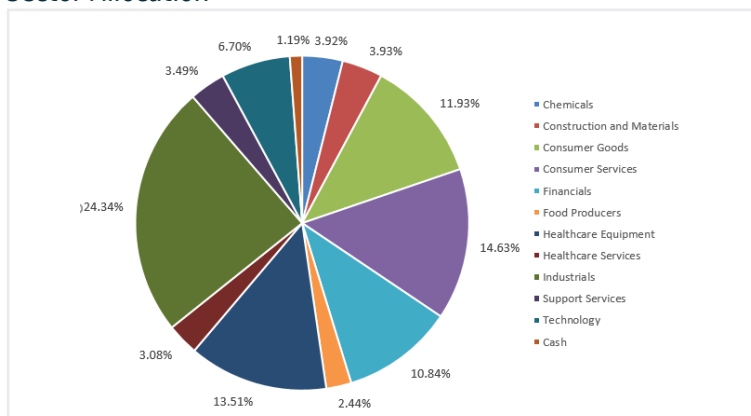
October's best performers were SAP, Kone and Belimo. Both SAP and Kone are top five positions within the fund and display High quality characteristics. SAP is a German software solutions company which sells its business applications to large enterprises. The latest earning's result has shown extremely strong growth in cloud-based solutions, and its latest enterprise application is capturing new clients. A recent change at top management should result in a renewed campaign to target the American market. Kone is a Finnish lift and escalator manufacturer with a global footprint. Q3 results were ahead of expectations and the company are hinting at a stronger demand outlook in terms of orders. Belimo is a Swiss based manufacturer of actuators, which are vital in the control function of ventilation, elevators, air conditioning and other transfer systems. The company is highly profitable, and we would be happy to have a higher position but for the liquidity of the stock which as a mid-cap, needs to be monitored carefully.

October's worst performers were Ubisoft, Akka Technologies and Symrise. We have sold out of Ubisoft this month as the company issued a profit warning a week before its results were due. Net bookings were down and much more investment is needed in new titles, which will cause launch delay. We have been disquieted over the publication of research suggesting that combat games are becoming more linked to real life conflict situations rather than the fantasy realms we have been used to. Whilst Ubisoft itself is not guilty of this trend, we take note of the increased risks, and have decided that the company's investment case is no longer valid, hence the sale. Akka Technologies is a business which finds its share price quite volatile. As a small cap in the auto sector, we are unsurprised to see it performing in this way. We have no doubts that this business is uniquely positioned to benefit from the disruption in the auto industry. Symrise posted results which were a little light of expectations, but in the context of the full year, we remain bullish on the name.

The portfolio is comprised over 77% of high-quality companies whose business models show high quality defensive growth characteristics. This means we have over 22% in companies who are undergoing a transitional phase of their businesses providing equity investors with opportunities for outperformance. Cash sits at just over 1%. Our exposure to mid and small caps remains at 23% with just under 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 41% of the fund.

Source: Factset and Castlefield Investment Partners

## Sector Allocation



## Top Ten Holdings

1.	Teleperformance SE	5.06
2.	Kerry Group A	4.66
3.	Scout 24	4.45
4.	Kone	4.28
5.	SAP	3.93
6.	Kingspan Group	3.93
7.	Symrise	3.92
8.	Ingenico Group	3.81
9.	Vestas Wind Systems	3.80
10.	Partners Group	3.69

## 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.

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