

# Castlefield Real Return Fund

Factsheet - January 2020



## Fund Information

	<b>Fund Manager:</b>
	Mark Elliott
<b>Historic Yield:</b>	<b>Sector:</b>
1.10%*	UT Targeted Absolute Rtn
<b>Fund Size</b>	<b>Number of Holdings:</b>
£41.92m	55-65
<b>ACD:</b>	
Castlefield Fund Partners Limited	
<b>Launch Date:</b>	
06/06/2003 (restructured 01/03/2011)	
<b>Platform Availability</b>	
Aegon, AJ Bell, Alliance, Aviva, Elevate, FNZ, Hargreaves Lansdown, James Hay, Novia, Old Mutual, Zurich	

<b>Rolling 3 Year Month End Volatility</b>	4.20%
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## Share Class Information

<b>Share Class</b>	<b>General</b>
<b>Min. Investment</b>	£500
<b>Initial Charge</b>	0%
<b>Investment Adviser Fee</b>	1.0%
<b>Ongoing Charge</b>	1.48%
<b>Payment Dates</b>	30th April 31st October
<b>ISA Eligible</b>	Yes
<b>ISIN</b>	GB00B12V1482
<b>CITI CODE</b>	ET32
<b>Bloomberg</b>	PRCMMII:LN

## Fund Objective and Strategy

The Fund aims to generate a positive annualised real return over a rolling 3 year basis. However, there is no guarantee that this objective will be achieved over that specific, or any, time period and there is always a risk of loss to your original capital. Real return means a return over UK CPI over a rolling 3 year time horizon. In aiming to produce positive capital returns, whilst also seeking to control the magnitude of any losses, the Fund will invest in a wide range of asset classes inclusive of structured products, government and corporate bonds, securities, exchange traded funds and more.



A - Castlefield Real Return Inst Inc TR in GB [17.65%]  
B - UT Targeted Absolute Return TR in GB [7.26%]

31/12/2014 - 31/12/2019 Data from FE fundinfo 2019

## Cumulative Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs
<b>Real Return Fund</b>	0.61	1.91	2.54	11.54	10.66	17.65
<b>Sector</b>	0.84	1.03	1.61	3.78	3.94	7.26
<b>Quartile</b>	3	2	2	1	2	1

## Discrete Performance (%)

	2019	2018	2017	2016	2015
<b>Real Return Fund</b>	11.54	-3.57	2.88	5.84	0.45
<b>Sector</b>	3.78	-2.74	2.97	0.97	2.20
<b>Quartile</b>	1	3	2	1	3

## Discrete Year to Quarter End Performance (%)

	Q4 2018	Q4 2017	Q4 2016	Q4 2015	Q4 2014
	Q4 2019	Q4 2018	Q4 2017	Q4 2016	Q4 2015
<b>Real Return Fund</b>	11.54	-3.57	2.88	5.84	0.45

Source: Financial Express. as at 31/12/2019

**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 received by the fund in the preceding 12 months before the deduction of all expenses including management fees.

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 Commentary

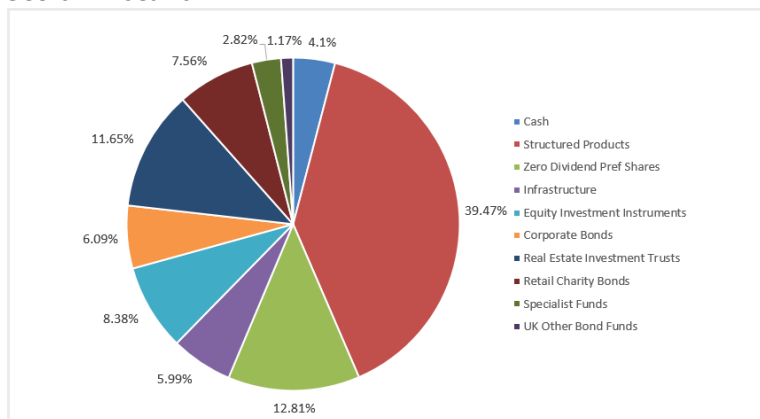
December saw asset values dominated by the outcome from the UK election and in a global context, comments from the White house that an initial "Phase 1" agreement of a US/China trade deal was near. As a result, an initial weak start to the month for global risk assets was shrugged off by mid-December and equities closed the year near all-time highs.

Against this firmly "risk-on" backdrop the fund performed well if not spectacularly, gaining 0.61% for the month compared to the IA Targeted Return sector return of +0.84%. The main positive contributors to performance during the month were those holdings firmly aligned with an expansionary equity market. The largest gainer within the portfolio was listed private-equity holding Pantheon International which rose over 11% during the month, although still trades at a moderate discount to its underlying NAV. Within the REIT sector, our holding in Urban Logistics REIT gained nearly 10% which followed on from solid interim results reported in November. The election result and removal of some political uncertainty seems to have reinvigorated investor interest in this sector and the shares reacted more positively this month following the election than immediately after the release of their results in November. Within the portfolio, we have added a further REIT holding, Tritax Big Box REIT. As the name suggests, it invests in a portfolio of very large logistics warehouses, the majority of which are 500ksq. ft or larger and which are subsequently let to specialist distributors such as DHL, supermarkets such as Morrisons or the Co-Op or other specialist retailers such as fitted kitchen manufacturer Howdens. The portfolio is generally located away from the South East and tends to be aligned to motorway network links. Units are often fitted out by tenants to match their individual business-model requirements, a high degree of automation and which can entail fit-out costs greater than the cost of building the shell of the building itself. This, and the shortage of similar sized units with good transport connections means that leases and tenant relationships are long, improving the predictability of revenues. The month also saw the scheduled redemption of two bonds, one from Tesco Personal Finance (Tesco Bank) and the other from a private school provider. We reinvested the proceeds from the school bond into a successive bond issue from the same provider, Alpha Plus Schools following the election results when the outcome gave greater clarity on the prospects of private schools.

Source: Castlefield Investment Partners and FE Analytics 3<sup>rd</sup> January 2020

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

## Sector Allocation



## Top Ten Holdings

1.	JPM MACRO NAVIGATOR IDX 06/26	4.73%
2.	MORGAN STANLEY INVERSE REVERSE 11/20	3.90%
3.	CREDIT SUISSE AUTOCALL EURO ESG 100 06/25	3.69%
4.	GOLDMAN SACHS INTL 19-25 IDX	3.66%
5.	JPM AUTOCALL 7.30% 2 INDICES 12/2023	3.43%
6.	BBVA AUTOCALL 8.02% 3 INDICES 11/2023	3.38%
7.	BBVA AUTOCALL 7.25 3 INDICES 10/2023	3.37%
8.	UIL FINANCE PREFERRED SHARES	3.08%
9.	SG INVERSE REVERSE 07/20	2.93%
10.	EJF INVESTMENTS ZDP 2022	2.78%

## Fund Manager

**Mark Elliott, Partner, MChem (Hons), CFA, Chartered MCSI**

Mark was one of the founding members of the Castlefield investment management business, having previously worked with the other co-founders 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

Past performance is not a guide to future performance. Investment in the fund carries the risk of potential loss of capital. This document provides information about the Castlefield Real Return 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. All data at 31 December 2019.

## Contact Information

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