CASTLEFIELD PORTFOLIO FUNDS

Annual Report & Accounts

For the Period from 1 February 2018 to 31 December 2018

A UK Authorised Investment Company with Variable Capital

THE THOUGHTFUL INVESTOR

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MANAGEMENT & ADMINISTRATION

REGISTERED OFFICE AND DIRECTORS

The Authorised Corporate Director ("ACD") and registered office of the Castlefield Portfolio Funds ("the Company"):

Castlefield Fund Partners Limited:

111 Piccadilly,
Manchester, M1 2HY

Castlefield Fund Partners Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the Investment Association ("IA").

Directors of the ACD:

John Eckersley (Managing Director)
Summayya Mosam (Head of Service Delivery)
Susan Cohen (Head of Finance)

Investment Adviser:

Castlefield Investment Partners LLP

111 Piccadilly,
Manchester, M1 2HY

Depositary:

Société Générale S.A. (London Branch),

SG House, 41 Tower Hill,
London, EC3N 4SG

Auditor:

Beever and Struthers

St George's House
215-219 Chester Road,
Manchester, M15 4JE

Administrator:

Société Générale Securities Services,

SG House, 41 Tower Hill,
London, EC3N 4SG

Registrar:

Maitland Institutional Services Limited

Hamilton Centre, Rodney Way,
Chelmsford, Essex, CM1 3BY

COMPANY INFORMATION

Castlefield Portfolio Funds is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC001099 and authorised by the Financial Conduct Authority with effect from 23 November 2017. Shareholders are not liable for the debts of the Company. At the period end, the Company contained one sub-Fund.

The Company is a UCITS scheme which complies with the Financial Conduct Authority Collective Investment Schemes Sourcebook and is structured as an umbrella Company so that different sub-Funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary.

IMPORTANT NOTES

On 1 February 2018 the Castlefield B.E.S.T Sustainable Portfolio Fund was launched.

REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the audited Financial Statements of the Company for the period from 1 February 2018 to 31 December 2018.

The Company is a UCITS scheme which complies with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

The Investment Objectives and Policies of each sub-Fund of the Company are covered in the section for each sub-Fund. The sub-Funds of an umbrella Company should be invested as if they were a single Company. The names and addresses of the ACD, the Depositary, the Registrar, the Investment Adviser and the Auditor are detailed (see left).

In the future there may be other sub-Funds of the Company.

Where a sub-Fund invests in other Collective Investment Schemes, the maximum annual management fee that may be charged to that Collective Investment Scheme is 5% of the net asset value of such a scheme, however, it is expected that the actual annual management fee will not exceed 2%.

MANAGEMENT & ADMINISTRATION

REMUNERATION DISCLOSURE

The provisions of the Undertakings in Collective Investment Schemes Directive ("UCITS V") took effect on 18 March 2016. The legislation made requirement for the Authorised Corporate Director ("ACD") to establish and maintain remuneration policies for its staff, the purpose of which is consistent with and to promote sound and effective risk management.

The ACD is part of a larger group of companies and subject to the formal Remuneration Policy of that Company. Any and all remuneration policies are subjected to annual review.

The Company avoids basing rewards on excessive variable remuneration but pays what is believed to be fair fixed remuneration. As an employee owned company, equity ownership amongst all colleagues is encouraged which creates a bias for reward based upon long term shareholder value creation.

The total remuneration of those individuals who are fully or partly involved in the activities of the UCITS scheme for the financial year ending 31 August 2018 is stated below and includes all members of staff that are considered to be senior management or others whose actions may have a material impact on the risk profile of the Fund.

Within the Group, all staff are employed by the parent company with none employed directly by the UCITS scheme. The costs included within the below, part of which is attributable to Directors of the management company, is allocated between the entities within the group.

Fixed Remuneration: £121,977

Number of Full Time Employees: 6

Management has reviewed the general principles of the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy. The policy pertaining to the UCITS Management Company is disclosed within the Group website.

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Open-Ended Investment Companies (Investment Companies with Variable Capital) Regulations 2001 (SI 2001/1228) ("the OEIC's Regulations") and the rules of the FCA contained in the COLL Sourcebook require the ACD to prepare Financial Statements for each accounting period which give a true and fair view of the financial position of the Company and of its net revenue and the net gains on the property of the Company for the period. The ACD is responsible for ensuring that, to the best of its knowledge and belief, there is no relevant audit information of which the Auditor is unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise themselves with any relevant audit information and to establish that the Auditor is aware of that information.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice – Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014;
- follow generally accepted accounting practice and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the Financial Statements as prepared comply with the above requirements;
- take such steps as are reasonably open to it to prevent and detect fraud and other irregularities;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the ACD is aware, there is no relevant audit information of which the Funds' Auditors are unaware. Additionally, the ACD has taken all the necessary steps that they ought to have taken as ACD in order to make themselves aware of all relevant audit information to establish that the Funds' Auditors are aware of the information.

SUB-FUND CROSS-HOLDINGS

No sub-Fund held shares in any other sub-Fund within the Investment Company with Variable Capital during the period.

DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the directors of Castlefield Fund Partners Limited.

Susan Cohen
Director (of the ACD)

John Eckersley
Director (of the ACD)

30 April 2019

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Castlefield BEST Sustainable Portfolio Fund ("the Company") for the period 1 February 2018 to 31 December 2018.

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations"), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the COLL Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Société Générale S.A. (London Branch)

31 December 2018

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INDEPENDENT AUDITOR'S REPORT

Report of the Independent Auditor to the Shareholders of Castlefield Portfolio Funds

Period Ended 31 December 2018

Opinion

We have audited the financial statements of the Castlefield Portfolio Funds ("the Company") for the period from 1 February 2018 to 31 December 2018 which comprise the statements of total return and statements of changes in net assets attributable to shareholders together with the balance sheet for each of the Company's sub-Funds, the accounting policies of the Company set out on pages 10 to 11 and the related notes and the distribution tables for each of the Company's sub-Funds. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice issued by the Investment Management Association (IMA) in May 2014 "Financial Statements of UK Authorised Firms".

In our opinion the Financial Statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-Funds as at 31 December 2018 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of the company comprising each of its sub-Funds for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Instrument of Incorporation, the Statement of Recommended Practice issued by the IMA relating to UK Authorised Funds and the Collective Investment Scheme's Sourcebook rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;

  or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Authorised Corporate Director for the Financial Statements

As explained more fully in the Authorised Corporate Directors' responsibilities statement on page 4, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view, and for such internal control and the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation; and.
- the information given in the Authorised Corporate Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- proper accounting records have not been kept or that the financial statements are not in accordance with those records.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Scheme's Sourcebook issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Beever & Struthers

Caroline Monk BA FCA

For and on behalf of Beever and Struthers, Chartered Accountant and Statutory Auditor

St George's House
215 – 219 Chester Road
Manchester
M15 4JE

30 April 2019

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ABOUT THE INVESTMENT ADVISER

Castlefield Investment Partners (CIP) act as the appointed Investment Adviser to the sub-Fund as referred to within this document.

CIP is part of the Castlefield family of investment, advisory and operational support businesses. CIP is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange.

INVESTMENT REVIEW OF CASTLEFIELD PORTFOLIO FUNDS

At the beginning of February 2018, Castlefield launched the Castlefield B.E.S.T Sustainable Portfolio Fund, forming part of the Investment Association 40-85% sector. The Portfolio Fund is suitable for a wide range of clients; however, we specifically sought to introduce an offering which would be accessible to clients with limited funds to invest and yet still benefit from their investment being carefully managed by an experienced team of investment managers, backed by the support of a larger team and applying a sophisticated approach to responsible and sustainable investment.

The Fund aims to achieve growth in both capital and income for investors who are comfortable with an investment time horizon of at least five years. To achieve this, our in-house team invest mainly in a range of other collective investment funds managed by the same team, alongside carefully selected funds managed by other highly regarded investment houses. Being a 'portfolio fund', the range of investments from which the team may choose is wide and includes exposure to the likes of both UK and globally listed shares, fixed interest securities and other complementary investments, like commercial property and specialist funds. The Fund may also invest directly in underlying shares and other investments; all with the aim of the portfolio fund as a whole offering an efficient and effective balance between risk, potential return and total cost. A portfolio fund offers our clients an effective means of accessing actively managed, multi-faceted portfolio management in one place. In effect, beyond a client's initial decision to invest in the Fund, all of the subsequent difficult choices are taken care of. Not only that but, unlike other portfolios funds, the Castlefield B.E.S.T Sustainable Portfolio Fund offers access to both our proprietary 'B.E.S.T' responsible investment approach and focuses on funds and other investments with a 'sustainability' theme. The B.E.S.T process is our proprietary investment selection system that assesses the merits of competing investment choices. It is not a filter or "screen", but a fundamental tool which incorporates four main criteria to assess both financial and non-financial attributes, including Business & financial; Environmental & ecological; Social and Transparency & governance.

There is no reason why anyone should have to compromise personal values and beliefs to achieve their financial goals. Investing in this way is not new to us. Indeed, it's why we're known as 'The Thoughtful Investor', widely recognised for our expertise in responsible and sustainable investment. As an appointed investment manager, we take our stewardship responsibilities very seriously. We understand that effective engagement with companies goes hand in hand with delivering better risk-adjusted returns for our investors. We're signatories to several codes of conduct, including the Financial Reporting Council (FRC) Stewardship Code, as well as being a founding signatory of the Workplace Disclosure Project, an investor initiative to encourage companies to publish more detailed information about the working conditions of their employees and the treatment of workers in their supply chains. We're also a member of Business Benchmark on Farm Animal Welfare (BBFAW), a coalition established to drive up animal welfare standards in global supply chains. As members of the UK Sustainable Investment and Finance Association (UKSIF) we play our part in this membership network for sustainable and responsible financial services firms. Our voting guidelines are published on our website and we have achieved Tier 1 status from the Financial Reporting Council for our Stewardship approach.

The Fund has enjoyed a steady stream of inflows since launch. These have helped add to many of the portfolio's initial holdings whilst also introducing new holdings as and when they've been selected through our investment process. Several of these new holdings were in infrastructure-related strategies, for example the Gore Street and Gresham House Energy Storage Funds, both of which seek to pay an attractive dividend yield alongside potential capital growth by investing primarily into battery storage technology. As we develop renewable energy in Britain, storing energy effectively is critical to the future of our national infrastructure and our ability to keep the lights on. Devices that can store energy for use later have developed rapidly to meet these rising requirements for energy globally. These closed-ended funds have been established to support the provision of battery storage services to the national grid and will invest in various types of energy storage installation, focusing on the long-term by investing in utility scale energy storage projects primarily located in the UK.

The Fund also participated in the eighth Retail Charity Bond issue, from assisted living facility operator, Belong Limited. The Charity now has a portfolio of 7 "Villages" developments across the North West of England. The Village model is based on keeping residents 'as part of the community' in order to combat loneliness and improve mental health. They comprise of "Households", which provide accommodation for those who require 24/7 care whilst also being designed to be open-plan, increasing residents' independence. The other category of accommodation offered is "Apartments", which offer a more self-sufficient solution. The Villages also have hairdressers, a bistro and a gym and run specialist day care "Experience Days", all of which are open to the public. In addition to providing care within the Villages, the Charity also provides domiciliary care for the elderly within their own homes. It is a Living Wage employer and has been awarded the Gold Standard in Investing in People. All of this, we believe, presents Belong as a high-quality operator with a strong social cause.

The bond itself offers a 4.5% coupon and 2026 maturity date, whilst the proceeds will be used to increase the number of Villages and pay down existing bank debt. We felt this to be a relatively attractive return with a spread over gilts greater than other less secure issuers and were therefore happy to participate in the offer.

In addition, we invested in the NextEnergy Solar Fund, a solar PV (photo-voltaic)-focused investment trust. Investing primarily in the UK, but with some overseas assets, its portfolio currently includes over 60 solar PV plants that are located across approximately 20 different counties of England and Wales. The company states that it focuses on ground-based, utility-scale projects but may also consider residential or commercial buildings with integrated installations. The intention is to own projects that deliver stable cash flows over their lifespan. With an above-market dividend yield and prospects for capital growth, we initiated an investment here.

The Fund as a whole delivered a total return that edged ahead of the peer group sector in the second and third calendar quarters. During the third quarter, we further expanded our infrastructure exposure via a new investment in the First State Sustainable Listed Infrastructure Fund. In our view, infrastructure has an important asset allocation role to play for investors. This fund had been on our horizon for a few years, after the management team presented to Castlefield with their plans for their fund long before its launch in December 2017. The fund is managed by Rebecca Sherlock and takes a high conviction approach, focusing on opportunities in global listed infrastructure while incorporating a sustainability overlay and undertaking extensive engagement. Incorporating sustainability factors into investments in infrastructure and real assets is a complex task but one which can have a significant and immediate impact on the world around us. The large environmental footprints of infrastructure assets and the essential services which they provide make the consideration of sustainability issues an integral part of operating.

The team use a forward-looking positive approach when looking for investments and invest in companies which show commitment to sustainable development. They seek out companies which are already best-in-class in terms of sustainability as well as those companies which are undergoing a transition towards a more sustainable way of doing business. Like Castlefield, they view company engagement as a fundamental method of influencing strategic direction and are very active shareholders, a quality we look for as standard when allocating exposure to external strategies.

The environmental impact of infrastructure assets extends far beyond emissions, and so finding companies who are taking steps to mitigate this impact and operate in a sustainable manner is imperative. The negative environmental impacts of these assets are often the most immediate and well understood by investors and the public. It is the social considerations of infrastructure assets that are less well recognised in terms of sustainability despite their serious implications for long term profitability. As many assets are monopolistic in nature, meaning that their customers have little or no option to switch supplier, their practices are often under scrutiny from regulators, politicians, the media and the public, which all feed in to a company's social licence to operate. We believe that companies which manage these risks effectively are more likely to be successful over the long term. This long-term focus is in itself a key attribute of the First State ethos, at a time when many investment managers are overly focused on short-term performance and churning their portfolio holdings regularly – a costly and questionable practice.

The Fund fell slightly behind the peer group sector return in the fourth calendar quarter. No strategic asset allocation changes were made during the period albeit asset class exposures moved around in parallel with the uptick in market volatility, meaning that UK and global equity exposure pulled back whilst bonds, infrastructure and our own Castlefield Real Return Fund all proved more stable. Since the turn of the year, markets have been recouping the losses seen in December, albeit equities are yet to reclaim the falls seen in October. For the Fund, we took the opportunity to initiate a new position in global equities, investing into the Sarasin Food and Agriculture Opportunities Fund. We've met with the managers of this fund several times over the years, enjoying a number of debates over the pros and cons of certain holdings. What became readily apparent is the depth of thought behind the team's strategy, in addressing one of the dominant sectors of the global economy. There are myriad ways in which companies and consumers are reacting to the evolution across the food spectrum, be they focused on enhancing productivity, reducing wastage or managing resources better. We suspect that the kind of companies the fund's managers identify are likely to be successful over the long-term and decided it was an appropriate theme for inclusion in our strategy.

Looking out over the rest of 2019, there is obvious potential for volatility around the UK's membership of the EU, the trade wars

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between the US and China, to name but the two most obvious triggers. Come what may, we expect strategies focused on responsible and sustainable investment to deliver good returns over the long-term.

AGGREGATED NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The principal accounting policies which have been applied consistently are set out below.

Functional and Presentation Currency

The functional and presentation currency of the sub-Fund is Sterling.

Revenue Recognition

Revenue from collective investment schemes, quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge. Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Bank interest, interest on debt securities, underwriting commission and other revenue are recognised on an accruals basis. In the case of debt securities, the total revenue arising includes the amortisation of any premium or discount at the time of purchase spread over the life of the security, using the effective interest rate method. The gains and losses arising on investments in structured plans are allocated between revenue and capital according to the nature of the structured plan. This is depending on the extent to which the return is capital or revenue based.

Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the sub-Fund. Any enhancement above the cash dividend is treated as capital.

Special Dividends

Special dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend.

Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of Investments) are charged against capital for the year on an accruals basis.

Distributions

Amounts distributable are calculated after excluding expenses borne by capital as agreed by the ACD and Depositary. The ACD and Depositary have agreed that 100% of the sub-Fund's expenses are borne by capital. Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Fund.

Valuations

All investments are valued at their fair value at noon on 31 December 2018 being the last business day of the financial year. The fair value of equity and nonequity shares is bid price, excluding any accrued interest. The fair value of dual priced collective investment schemes managed by the ACD is their cancellation price and the fair value of dual priced collective investment schemes which are managed by other management groups is their bid price. The fair value of all single priced collective investment schemes is their single price, taking account of any agreed redemption charges. Delisted and unquoted investments are shown at the ACD's valuation.

Foreign Currencies

Assets and liabilities in currencies other than Sterling are translated into Sterling at the exchange rates prevailing at noon on the last working day of the accounting year. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date.

Taxation

Corporation tax has been provided for at a rate of 20%. Deferred tax is provided in respect of timing differences that have originated but not been reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that they are more likely than not to be recoverable. Withholding tax on overseas dividends is accounted for when the security is quoted ex-dividend.

Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the Financial Conduct Authority Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-Funds and included in the Statement of Change in Net Assets Attributable to Shareholders. The levy is intended to cover certain dealing charges not included in the mid-market value of the sub-Fund used in calculating the share price, which could have a diluting effect on the performance of the sub-Fund.

3. Risk Management Frameworks

The ACD has a documented risk management framework which details the processes and procedures used to identify, measure, manage and monitor appropriately all risks to which the funds are or may be exposed. The risks covered by the framework include market risk, liquidity risk, credit/counterparty risk, operational risk and any other risks that might be material to the funds. The first three risks are primarily focused on the investment itself while operational risk refers to the risk of loss arising from inadequate or failed processes, people or systems including attempted fraud. The risk framework details:

- the techniques, tools and arrangements including systems and processes used;
- the content and frequency of reports; and
- the allocation of responsibilities between key staff and departments.

The main risk management system used by the ACD is fully integrated with the position keeping system for the funds and is used to measure and monitor market risk, credit / counterparty risk and liquidity risk. A separate system is maintained to track instances of operational risk and monitor amendments to controls made seeking to ensure that operational risk errors do not re-occur. The ACD has a formal structure of oversight committees who review the risk profile, including market, credit, operational and liquidity risks, of each fund and the fund's compliance with its published objectives on a regular basis. As part of its governance processes, the ACD reviews the performance of the risk

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management framework and its associated arrangements, processes, systems and techniques on an annual basis, and the compliance of the funds with the risk management framework. The risk management framework is updated by the ACD following any significant change in the business or in risk exposures and at least annually. It is also reviewed by the Depositary.

Market Risk

Market risk is the risk of loss arising from fluctuations in the market value of investments held by the funds attributable to changes in market variables, such as equity prices, foreign exchange rates, interest rates or the credit worthiness of an issuer. The risk management framework monitors the levels of market risk to which the funds are exposed in relation to the fund investment objective and policy. A series of hard (strictly enforced) and soft (warning) limits are employed to ensure the fund stays within its published mandate. The risk systems provide a range of risk analytical tools, including sensitivities to relevant market risks, Value at Risk stress testing, and incorporates the impact of changes to positions in real time. In addition to risk analytics, the risk system has an integrated risk limit and regulatory compliance function which performs checks on potential trades prior to the fund executing them and on the fund exposures on a daily basis. Market risk is also measured using gross leverage and global exposure (the commitment approach). The commitment approach is suitable for funds investing in traditional asset classes such as equities, fixed income, money market securities and collective investment schemes. It can also be used for funds using derivatives in a simple manner and investing in instruments with embedded derivatives where no additional leverage is created. The commitment approach measures the incremental exposure of each derivative calculated by converting it into the market value of an equivalent position in the underlying asset of that derivative or forward transaction. The ACD may in some instances, and always following the guidelines set by the regulator, take account of legally enforceable netting and hedging arrangements when calculating global exposure where these arrangements do not disregard any obvious or material risks.

Liquidity Risk

Liquidity risk is the possibility that the fund will not be able to sell its assets without incurring losses within the timeframe required to meet investor redemptions. The asset liquidity profile of each fund is monitored on a regular basis and compared to both historical investor redemption patterns and potential redemption scenarios, with the aim of ensuring that the fund will be able to meet any actual redemptions in a timely manner. The liquidity risk management process includes an assessment of the market turnover, percentage of an issue held by the fund, credit rating of the issuer and/or the buysell spread of the market in the securities held where the information is available and is applicable. Liquidity profile stress tests under both normal and exceptional conditions are conducted on a regular basis. If market liquidity is perceived to be decreasing, the ACD might seek to take any of the following actions to improve the liquidity profile of a fund: maintain higher cash balances; maintain a greater proportion of assets in securities which are traditionally more liquid; diversify the range of issue types and sizes held; hold shorter dated securities; or hold issues with a more diversified investor base.

Credit Risk

Credit risk comprises both credit issuer risk and counterparty risk. Credit issuer risk is the potential for loss arising from the issuer of a security failing to pay interest and principal in a timely manner. Counterparty risk is the potential for loss arising from the failure of a trading counterparty to honour an obligation to the fund. The funds manage credit issuer risk as a component of market risk. Counterparty risk arises primarily with the financial brokers through whom the fund buys and sells securities. The funds may only transact with brokers from an approved broker list maintained by the ACD. All brokers on the ACD approved list are subject to regular credit and general business checks. The funds may also be exposed to counterparty risks arising from the use of forward currency instruments, usually transacted to decrease exposure to foreign currency. These risks are monitored daily and are subject to limits, in practice they are for small amounts typically less than 0.1% of the fund assets.

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

FUND INFORMATION

The Comparative Table on pages 13 to 14 give the performance of each active share class in the sub-Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-Fund's performance disclosed in the Manager's report which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Since 1 February 2018, the Castlefield Portfolio Funds have not borne any research costs and any broker commission fees incurred are done so explicitly for the execution of transactions on behalf of the Fund.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as collective investment schemes, bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

COMPARATIVE TABLE

For the financial period ended 31 December 2018:

Founder Income Share - Income

	31/12/2018 (pence per share)
Change in net asset value per share	
Opening net asset per unit	100.00
Total return before operating charges*	(3.19)
Operating charges	(1.19)
Total return after operating charges*	(4.38)
Distributions on income shares	(2.04)
Closing net asset per share	93.58
After direct transaction costs** (see page 27) of:	0.19
Performance	
Total return after operating charges	-4.38%
Other information	
Closing net assets value (£'000)	15,287,240
Closing number of shares	16,335,243.114
Operating charges	1.24%
Direct transaction costs**	0.12%
Prices	
Highest share price	105.55
Lowest share price	93.58

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

General Income Share - Income

	31/12/2018 (pence per share)
Change in net asset value per share	
Opening net asset per unit	100.00
Total return before operating charges *	(3.14)
Operating charges	(1.50)
Total return after operating charges*	(4.64)
Distributions on income shares	(2.07)
Closing net asset per share	93.29
After direct transaction costs** (see page 27) of:	0.01
Performance	
Total return after operating charges	-4.64%
Other information	
Closing net assets value (£'000)	1,184,325
Closing number of shares	1,269,447.389
Operating charges	1.55%
Direct transaction costs**	0.12%
Prices	
Highest share price	105.33
Lowest share price	93.29

* Operating charges, otherwise known as OCF is the ratio of the sub-Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-Fund and is calculated based on the last period's figures.

** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

RISK AND REWARD INDICATOR (RRI)

The Risk and Reward Indicator demonstrates where the sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-Fund.

Typically lower rewards Lower risk						Typically higher rewards Higher risk
1	2	3	**4**	5	6	7

The Fund is ranked as a 4 reflecting observed historical returns and the mixed asset allocation.

Please note that even the lowest ranking does not mean a risk-free investment.

As there is less than five years of available data for this Fund, for illustrative purposes the risk/reward profiles of the targeted investments have been used to calculate the risk/reward profile.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund is 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 and risk profile of the Fund although this is not the ACD's intention.

The Top Ten Purchases and Total Sales During the Period Were As Follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Castlefield B.E.S.T Sustainable Income Fund	3,172	FP Wheb Asset Management Sustainability Fund	1,322
Castlefield B.E.S.T Sustainable European Fund	1,541	Edentree Amity Sterling Bond Fund	70
First State Stewart Investments Worldwide Fund	1,444	Royal London Ethical Bond Fund	70
FP Wheb Asset Management Sustainability Fund	1,412	Gcp Infrastructure Investments Ltd Fcp	60
FP Wheb Asset Management Sustainability Fund	1,283	Fp Wheb Asset Management Sustainability Fund	40
Castlefield B.E.S.T Sustainable UK Smaller Companies Fund	1,271	Rathbone Ethical Bond Fund	40
Rathbone Ethical Bond Fund	1,073	Triple Point Social Housing Reit Plc	38
Sarasin Responsible Global Equity Fund	930	First State Stewart Investments Worldwide Fund	35
Kames Capital Ethical Equity Fund	849	Castlefield Real Return Fund	25
Edentree Amity Sterling Bond Fund	715		
Total purchases during the period were	**18,907**	**Total sales during the period were**	**1,700**

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

PORTFOLIO OF INVESTMENTS

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	Real Estate Investment Trust		
69,912	Hammerson Reit	230	1.40
239,713	Primary Health Properties Plc Reit	265	1.61
349,721	Triple Point Social Housing Reit Plc Reit	345	2.09
		840	**5.10**
	Investment Trust		
205,000	Gcp Infrastructure Investments Ltd FCP	260	1.58
85,000	Gore Street Energy Storage Fund Plc	81	0.49
297,092	Greencoat Renewables Plc	276	1.67
209,092	Greencoat UK Wind Plc	263	1.59
172,350	Gresham House Energy Storage Fund Plc	176	1.07
70,765	Menhaden Plc	46	0.28
153,000	Nextenergy Solar Fund Ltd FCP	175	1.06
		1,277	**7.74**
	Equity		
620,920	Capital For Colleagues Plc	248	1.51
		248	**1.51**
	Debt Securities		
132,600	Places For People Fin 4.25% 15/12/2023	134	0.82
80,400	Retail Charity Bonds Plc 4% 31/10/2027	80	0.48
41,300	Retail Charity Bonds Plc 4.25% 06/07/2026	42	0.26
73,700	Retail Charity Bonds Plc 4.25% 30/03/2026	73	0.44
77,100	Retail Charity Bonds Plc 4.375% 29/07/2021	82	0.50
95,100	Retail Charity Bonds Plc 4.4% 30/04/2025	98	0.59
142,300	Retail Charity Bonds Plc 4.50% 20/06/2026	140	0.85
48,800	Retail Charity Bonds Plc 5% 12/04/2026	54	0.33
		703	**4.27**

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	Collective Investment Schemes		
4,129,992	Castlefield B.E.S.T Sustainable Income Fund	2,814	17.08
233,372	Castlefield B.E.S.T Sustainable UK Smaller Companies Fund	1,144	6.94
1,629,479	Castlefield B.E.S.T Sustainable European Fund	1,332	8.09
282,809	Castlefield Real Return Fund	645	3.92
537,552	Edentree Amity Sterling Bond Fund	604	3.67
27,495	First State Global Sustainable Infrastructure Fund	267	1.62
794,888	First State Stewart Investments Worldwide Fund	1,462	8.88
906,429	FP Wheb Asset Management Sustainability Fund	1,290	7.83
539,910	Kames Capital Ethical Equity Fund	726	4.41
163,497	Liontrust UK Ethical Fund	395	2.40
1,034,881	Rathbone Ethical Bond Fund	977	5.93
549,886	Royal London Ethical Bond Fund	607	3.68
543,127	Sarasin Responsible Global Equity Fund	897	5.44
		13,160	**79.89**
Total Value of Investments		**16,228**	**98.51**
Net Other Assets		244	1.49
Total Net Assets		**16,472**	**100.00**

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

STATEMENT OF TOTAL RETURN

For the period ended 31 December 2018

	Note	31/12/2018 £'000	31/12/2018 £'000
Income			
Net capital losses	4		(1,115)
Revenue	5	359	
Expenses	6	(58)	
Net revenue before taxation		301	
Taxation	8	(17)	
Net revenue after taxation			284
Total return before distributions			**(831)**
Distributions	9		(341)
Change in net assets attributable to Shareholders from investment activities			**(1,172)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31 December 2018

	31/12/2018 £'000	31/12/2018 £'000
Opening net assets attributable to Shareholders		**-**
Amounts received on issue of Shares	18,497	
Amounts paid on cancellation of Shares	(853)	
		17,644
Change in net assets attributable to Shareholders' from investment activities		(1,172)
Closing net assets attributable to Shareholders		**16,472**

BALANCE SHEET

As at 31 December 2018

	Note	31/12/2018 £'000
Assets		
Investment assets		16,228
Debtors	10	37
Cash and bank balances	11	314
Total Assets		**16,579**
Liabilities		
Creditors	12	26
Distribution payable on income shares		81
Total liabilities		**107**
Net assets attributable to Shareholders		**16,472**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period ended 31 December 2018

	31/12/2018 £'000
Total Purchases in period	18,907
Total Sales in period	(1,700)

The notes on pages 20 to 30 are an integral part of these Financial Statements.

On behalf of Castlefield Fund Partners Limited

Susan Cohen
Director (of the ACD)

John Eckersley
Director (of the ACD)

30 April 2019

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The accounting, distribution and risk management policies for Notes 1 to 3 are provided in the Aggregated Notes to the Financial Statements section on pages 10 to 12.

4. Net Capital Losses

	31/12/2018 £'000
Non-derivative securities	(1,114)
Transaction costs & handling charges	(1)
Net capital losses on investments	**(1,115)**

5. Revenue

	31/12/2018 £'000
UK Dividends taxable	93
UK Dividends non taxable	201
Overseas Dividends non taxable	29
Overseas Dividends taxable	14
Gross bond interest	21
Bank interest	1
Total Revenue	**359**
Total Non Taxable Income	230
Total Taxable Income	**129**

6. Expenses

	31/12/2018 £'000
Payable to the manager, associates of the manager and agents of either of them	
ACD Fees	21
Investment Adviser fees	2
	23
Payable to the depositary or associates of the depositary and agents of either of them	
Depositary Fees	10
Safe Custody Fees	3
	13

	31/12/2018 £'000
Other expenses	
Audit Fees	4
Financial statement fees	1
Other - misc expenses	1
Registration Fees	16
	22
Total expenses	**58**
Total expenses charged to Capital	**(58)**
Total expenses charged to Income	**-**

Irrecoverable VAT is included in the above expenses where relevant.

7. Finance Costs

Interest on REPO	-
Interest on stock lending	-
Interest on bank overdraft	-
Total interest payable and similar charges	**-**

8. Taxation

(a) Analysis of the tax charge in the period

	31/12/2018 £'000
Overseas Tax	3
Corporation Tax	14
Total current tax charge (Note 8 (b))	**17**
Deferred Tax on Corporation Tax (Note 8 (b))	-
Total taxation for the period	**17**

(b) Factors affecting current tax charge for the period

	31/12/2018 £'000
Net revenue before taxation	301
Net revenue for the year multiplied by the standard rate of corporation tax	**61**
Effects of:	
Overseas tax	3
Revenue not subject to corporation tax	(47)
Total tax charge (Note 8 (a))	**17**

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

(c) Deferred tax

	31/12/2018 £'000
Deferred tax charge	-
Provision at start of period	-
Total Deferred tax	**-**

Authorised OEIC's are exempt from tax on capital gains made within the sub-Fund.

9. Distributions

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31/12/2018 £'000
Interim Income	
1st interim distribution	46
2nd interim distribution	83
3rd interim distribution	137
Final distribution	81
Total Distribution	347
Add: Income deducted on cancellation of units	3
Deduct: Income received on creation of units	(9)
Net distribution for the period	**341**
Reconciliation of Net Income and Distributions	
Net Income after Taxation	283
Undistributed Income brought forward	-
Charges (refunded to) deducted from Capital	58
Net distribution for the period	**341**

10. Debtors

	31/12/2018 £'000
Accrued UK Dividends non taxable	35
Accrued Bond Interest	2
Debtors	**37**

11. Cash And Bank Balances

	31/12/2018 £'000
Cash - Sterling	307
Cash - Euro	7
Cash and and balances	**314**

12. Creditors

	31/12/2018 £'000
Accrued expenses	
Depositary and Agents	
Accrued Depositary Fee	4
Accrued Safe Custody Fees	1
	5
Other expenses	
Accrued Audit Fees	4
Accrued Financial statement fees	1
Accrued Registration fees	2
Corporation Tax Provision	14
	21
Total creditors	**26**

13. Related Parties

Authorised Corporate Director ("ACD")

The annual management charge ("AMC") is 0.20% subject to a minimum of £25,000 per annum and is payable monthly. Amounts due at the year end are disclosed within accrued expenses on the balance sheet where applicable.

Investment Adviser

Castlefield Investment Partners LLP, is part of the same group of companies to which the ACD belongs, Castlefield Partners Limited. The Investment Adviser fee is charged at share class level as a percentage of funds under management and disclosed with the respective Key Investor Information Documents ("KIIDs") and the Company Prospectus. Amounts paid to Castlefield Investment Partners LLP in respect of the Investment Adviser Fee are disclosed within Note 6. Amounts due at period end are disclosed within accrued expenses on the balance sheet where applicable.

Castlefield Funds OEIC

The Company has invested within sub-Funds of the Castlefield Funds OEIC, an entity to which Castlefield Investment Partners LLP and Castlefield fund Partners Limited act as the appointed Investment Adviser and Authorised Corporate Director ("ACD") respectively. The investments in other related party entities are individually identified within the Portfolio of Investments.

A sub-Fund of the Company may invest within other Collective Investment Schemes ("CIS") which are managed by the ACD or an associate of the ACD. No ACD fee or Investment Adviser fee shall be charged to a Fund, for the value of any investment that Fund has made within a CIS that is managed or operated by the ACD or an associate of the ACD. The expenses payable to the ACD, associates and the Investment Adviser are included within Note 6.

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

13. Related Parties (continued)

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The revenue derived from these investments are included within Note 5.

All related party transaction were carried out at arm's length in the ordinary course of business. The terms and returns recieved by the related parties in making the investments were no more favourable than those recieved by other investors investing into the same share class.

14. Contingent Liabilities And Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

15. Financial Instruments

In pursuing the sub-Fund's investment objective, the main risks arising from the sub-Fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

Market Price Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 11 to 12.

At 31 December 2018, if the price of the investments held by the sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £811,389.

Currency Exposure

There was no material direct foreign currency exposure within the sub-Fund at the balance sheet date.

Currency	Portfolio of Investments £'000	Forward currency contracts £'000	Net other assets £'000	Total £'000	Total Exposure %
Assets					
Euro	276	-	7	283	-
	276	-	7	283	-
Sterling	15,952	-	237	16,189	100.00
Total Net Assets	**16,228**	**-**	**244**	**16,472**	**100.00**

At 31 December 2018, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £2,830.

Interest Rate Risk

The only interest-bearing financial assets of the sub-Fund are bank balances, on which interest is calculated at a variable rate by reference to Sterling bank deposit rates or the international equivalent.

Liquidity Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 11 to 12.

Counterparty Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 11 to 12.

Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the the financial assets and liabilities of the sub-Fund disclosed in the balance sheet where applicable.

Valuation Technique as at 31/12/2018

	Assets £'000	Liabilities £'000
Level 1	2,498	-
Level 2	13,730	-
Level 3	-	-
Total	**16,228**	**-**

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable for the asset or liability).

Derivatives and Forward Transactions

As part of its monitoring of the usage of derivatives by each Fund, the ACD is required to calculate the global exposure for each Fund daily and to ensure that it meets the cover for investment in derivatives rules. The ACD has determined that each fund should be classified as non-sophisticated and that the most appropriate methodology for calculating global exposure is the 'commitment approach'. The Fund's Depositary has reviewed this decision and is in agreement. The commitment approach follows guidelines laid down originally by the Committee of European Securities Regulators 'CESR' and referenced by the Financial Conduct Authority Handbook in COLL 5.3.9. It measures the incremental exposure generated by the use of derivatives and forward transactions and then ensures that it does not exceed 100% of the net value of the Scheme Property. The incremental exposure of each derivative or forward is calculated by converting it into the market value of an equivalent position in the underlying asset of that derivative or forward transaction. The ACD may in some instances, and always following the CESR Guidelines, take account of legally enforceable netting and hedging arrangements when calculating global exposure where these arrangements do not disregard any obvious or material risks. The sub-Fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-Fund.

The sub-Fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-Fund.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risk.

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

16. Share Classes

The sub-Fund currently has two types of share and the Investment Adviser's Fee on each share class is as follows:

Founder Shares 0.00%

General Shares: 0.50%

The following table shows the shares in issue during the period:

FOUNDER INCOME SHARE	Income
Opening Shares	-
Shares Created	17,166,243.041
Shares Liquidated	(830,999.927)
Shares Converted	-
Closing Shares	**16,335,243.114**

GENERAL INCOME SHARE	Income
Opening Shares	-
Shares Created	1,288,822.716
Shares Liquidated	(19,375.327)
Shares Converted	-
Closing Shares	**1,269,447.389**

The net asset value, the net asset value per share and the number of shares in issue are given in the fund information on page 14. All share classes have the same rights on winding up. The taxation and income are apportioned equally based on the weighted proportion of each share class.

The distribution per share class is given in the distribution table on page 29.

17. Portfolio Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 14.

PORTFOLIO TRANSACTION COSTS	31/12/2018 £'000
Analysis of total purchase costs:	
Purchases in period before transaction costs	18,888
Commissions:	
Equities total value paid	1
Bonds total value paid	-
Funds total value paid	13
Taxes:	
Equities total value paid	5
Bonds total value paid	-
Funds total value paid	-
Total Purchase costs	**19**
Gross Purchase total	**18,907**
Analysis of total sale costs:	
Gross sales in period before transaction costs	1,700
Commissions:	
Equities total value paid	-
Bonds total value paid	-
Funds total value paid	-
Taxes:	
Equities total value paid	-
Bonds total value paid	-
Funds total value paid	-
Total sale costs	**-**
Total sales net of transaction costs	**1,700**

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

PORTFOLIO TRANSACTION COSTS %	31/12/2018 %
Analysis of total purchase costs:	
Commissions:	
Equities total value paid	0.06
Bonds total value paid	0.04
Funds total value paid	0.08
Taxes:	
Equities total value paid	0.28
Bonds total value paid	-
Funds total value paid	-
Analysis of total sale costs:	
Commissions:	
Equities total value paid	-
Bonds total value paid	-
Funds total value paid	-
Taxes:	
Equities total value paid	-
Bonds total value paid	-
Funds total value paid	-
Transaction costs as percentage of average net asset values	
Commissions	0.09
Taxes	0.03

As at the balance sheet date, the average portfolio dealing spread was 0.58% based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

DISTRIBUTION TABLES

First Interim Dividend Distribution In Pence Per Share

FOUNDER INCOME SHARE – F

	Net income	Equalisation	Distribution Paid 30/3/2018
Group 1	0.2952	–	0.2952
Group 2	0.2913	0.0039	0.2952

GENERAL INCOME SHARE – G

	Net income	Equalisation	Distribution Paid 30/3/2018
Group 1	0.3018	–	0.3018
Group 2	0.0214	0.2804	0.3018

Second Interim Dividend Distribution In Pence Per Share

FOUNDER INCOME SHARE – F

	Net income	Equalisation	Distribution Paid 29/6/2018
Group 1	0.4933	–	0.4933
Group 2	0.3200	0.1733	0.4933

GENERAL INCOME SHARE – G

	Net income	Equalisation	Distribution Paid 29/6/2018
Group 1	0.4958	–	0.4958
Group 2	0.2328	0.2630	0.4958

CASTLEFIELD B.E.S.T SUSTAINABLE PORTFOLIO FUND

Third Interim Dividend Distribution In Pence Per Share

FOUNDER INCOME SHARE – F

	Net income	Equalisation	Distribution Paid 28/9/2018
Group 1	0.7942	-	0.7942
Group 2	0.4026	0.3916	0.7942

GENERAL INCOME SHARE – G

	Net income	Equalisation	Distribution Paid 28/9/2018
Group 1	0.7947	-	0.7947
Group 2	0.3859	0.4088	0.7947

Final Dividend Distribution In Pence Per Share

FOUNDER INCOME SHARE – F

	Net income	Equalisation	Distribution Paid 31/12/2018
Group 1	0.4572	-	0.4572
Group 2	0.2899	0.1673	0.4572

GENERAL INCOME SHARE – G

	Net income	Equalisation	Distribution Paid 31/12/2018
Group 1	0.4730	-	0.4730
Group 2	0.1252	0.3478	0.4730

CASTLEFIELD

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