

**SHINING A LIGHT ON THE.....
Castlebay UK Equity Fund**

AT A GLANCE

Investment Objective	
The objective of the Fund is to preserve capital and generate income growth over the long term. The Fund will aim to meet its investment objective by investing primarily in a portfolio of UK companies listed on recognised stock exchanges. The Fund may also invest in overseas equities, transferable securities, money market instruments, deposits and cash and near cash. There will be no particular emphasis on any industrial or economic sector.	

Inception Date	28 th January 2015
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000VIF3

Management	
Manager Name	Start Date
David MacNeil	28 th January 2015
David Ridland	28 th January 2015

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	18.02%
Large	22.97%
Medium	31.85%
Small	20.75%
Micro	6.41%

Top 10 Holdings		
Total number of holdings	26	
Assets in Top 10 Holdings	45.83	
Name	Sector	% of Assets
Craneware	Technology	5.69%
Admiral Group	Financial Services	5.44%
InterContinental Hotels Group	Consumer Cyclical	5.07%
Victrex	Basic Materials	4.52%
British American Tobacco	Consumer Defensive	4.30%
Capita	Industrials	4.27%
Serco Group	Industrials	4.21%
Reckitt Benckiser Group	Consumer Defensive	4.13%
Compass Group	Consumer Cyclical	4.11%
Domino's Pizza Group	Consumer Cyclical	4.09%

Volatility Measurements	
3-Yr Std Dev (volatility)	8.91%
3-Yr Mean Return (average)	8.71%

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FUND PERFORMANCE

Performance from 28th January 2015 to 30th November 2018:

	2015	2016	2017	2018
VY Castlebay UK Equity Fund	-0.49%	18.61%	11.04%	1.64%
Lyxor FTSE All Share ETF	-2.34%	15.44%	11.64%	-4.14%

Performance over 12 months, 3 years and since launch:

	1 year	3 years	Since launch
VY Castlebay UK Equity Fund	4.21%	30.21%	33.22%
Lyxor FTSE All Share ETF	-0.95%	22.66%	20.64%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

We have met the managers of this fund a couple of times. This is a boutique investment house and currently this is their only strategy. In a crowded market it is very hard to be different. The key factors for this fund are size and conviction. They currently have just 26 holdings and the fund size is £35 million. This enables them to be flexible in their investment approach.

The managers invest in a mix of companies with a focus on quality and value. The aim is to compound long-term returns. If the fund can outperform the index by 2% a year, then over time this is where the value will come.

They see themselves as patient investors, prepared to wait before investing in companies. They want to invest in quality companies but at the right price. They don't hold big oil companies and banks as they don't see these as quality businesses. The portfolio also has low exposure to the most concentrated part of the all-share index.

In terms of performance since launch the fund has achieved what it has aimed to do by delivering incremental growth above the index. This compounding has helped over time. Over 12-months the fund has delivered positively.

In summary, we like the investment management's team and style. They have delivered on their stated aims since launch. The advantage of the fund is also the disadvantage. This is a single fund and if anything should happen to the team then there would be uncertainty of the future management. This may deter investors. We would also add that this is a crowded market and research should be done against other funds.

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The source of information in this note has been provided by Castlebay and is correct as at November 2018. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.