CASTLEFIELD FUNDS – SUSTAINABILITY REVIEW

CASTLEFIELD

THE THOUGHTFUL INVESTOR

John Eckersley
Chair and Founder

"We're Castlefield, an investment management and financial planning business at the forefront of Environmental, Social and Governance (ESG) investing. For 20 years Castlefield has adopted a unique, thoughtful approach to looking after money, reflecting in turn the shared concerns and aspirations of private individuals, their existing financial advisers and the charities they've founded or helped to run. We remain committed to achieving sustainable growth by focusing on the core values of respect, responsibility, independence and innovation; all underpinned by the stability which naturally results from our all-employee share ownership.

We offer values-based investing from the perspective of being a values based manager. For over two decades, we've delivered competitive, values based returns through a disciplined approach which is as rigorous as it is genuine.

As an employee-owned business, all members of the Castlefield team share a fundamental belief that we can deliver competitive financial returns for our clients, by investing in a values based way, whilst also making a positive difference to the world around us.

That's why we're known as the Thoughtful Investor ®"

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FOREWORD

Welcome to our first Castlefield Funds – Sustainability Review

We know that many clients choose Castlefield because they want to invest responsibly, sustainably and in line with their values. We now have the data to demonstrate the difference a Castlefield Sustainable fund makes: compared to mainstream benchmarks, our funds have lower environmental impacts and far less exposure, if at all, to industries that are socially and environmentally damaging. Moreover, our funds have a higher proportion of assets invested in sustainable industries than their whole-of-market peers.

> Our funds have lower environmental impacts and far less exposure, if at all, to industries that are socially and environmentally damaging.

For the past couple of years, we've been including environment, social and governance performance metrics in our fund factsheets: this report gives us the opportunity to expand on that and publish a wider set of data on a fund-by-fund basis. As well as highlighting the many areas of outperformance, we also wanted to be transparent on areas of underperformance by providing some context on contributing factors such as market cap, geography and sector exposure.

This report also provides more information on the positive themes that each fund is exposed to, as well as specific examples of companies and the positive contributions that they make. Finally, we've included a snapshot of each fund's holdings along with their net zero commitments, as net zero has been an area of ongoing engagement for the investment team over the past 18 months.

The majority of the information in this report is based on data collated by an independent provider called Impact Cubed; we think that using a third party provider lends additional credibility to the assertions made in the report. Impact Cubed also fills any gaps with estimated data, which is essential given that non-disclosure and data inconsistencies still pose a significant barrier to ESG corporate reporting, particularly among smaller listed companies. An independent data provider can help by using informed estimates, enabling us to build a fuller picture on the totality of our funds and their impacts. That said, this is an evolving area and we expect that we might see significant changes in the performance data over the coming years, as both data reporting improves, and as more sophisticated techniques to model and estimate ESG data emerge. More information on how we've sourced the data for this report is on page 43.

> We hope that this publication offers clients reassurance that their values are reflected in the investments that our fund managers select and avoid.

This kind of reporting holds us accountable and we hope that this publication offers clients reassurance that their values are reflected in the investments that our fund managers select and avoid. As part of our investment process, we also have a large programme of work engaging companies on environmental, social and governance issues and conducting AGM voting. Please do take a look at our Annual Stewardship Report for further information.

Ita McMahon

Partner, Investment Management

ABOUT OUR FUNDS

On this page you'll find a brief description of each of the Funds in our Sustainable Fund Range.

All of these funds use our proprietary B.E.S.T responsible investment approach, to embed proper consideration of environmental, social and governance (ESG) factors as part of the investment selection process, to ensure that each investment is sustainable.

CFP CASTLEFIELD SUSTAINABLE EUROPEAN FUND

The Fund aims to achieve capital growth over a period in excess of five years from a concentrated portfolio of equities listed within European countries.

Investment Association Sector	Europe (ex-UK)
Number of Holdings	30-50
Launch Date	1st November 2017

CFP CASTLEFIELD SUSTAINABLE UK OPPORTUNITIES FUND

The Fund aims to achieve capital growth over a period in excess of five years from a portfolio of companies listed within the UK.

Investment Association Sector	UK All Companies
Number of Holdings	30-50
Launch Date	1st June 2007

CFP CASTLEFIELD SUSTAINABLE UK SMALLER COMPANIES FUND

The Fund aims to achieve capital growth over a period in excess of five years, from a portfolio of typically 30 to 50 listed or AIM-quoted UK smaller company shares.

Investment Association Sector	UK Smaller Companies
Number of Holdings	30-50
Launch Date	1st June 2007

CFP CASTLEFIELD SUSTAINABLE PORTFOLIO INCOME FUND

The Fund aims to provide income, with a minimum income return of 3% per annum, and also to provide capital growth over a period in excess of five years through a portfolio where more than 50% of the Fund is invested in collective investment schemes with exposure to both UK and non-UK equities and fixed income securities

Investment Association Sector	Mixed Investment 20-60% shares
Number of Holdings	30-50
Launch Date	6th July 2020

CFP CASTLEFIELD SUSTAINABLE PORTFOLIO GROWTH FUND

The Fund aims to provide capital growth over a period in excess of five years through a portfolio where more than 50% of the Fund is invested in collective investment schemes with exposure to both UK and non-UK equities and fixed income securities.

Investment Association Sector	Mixed Investment 40-85% shares
Number of Holdings	30-50
Launch Date	1st February 2018

CFP CASTLEFIELD SUSTAINABLE EUROPEAN FUND

POSITIVE THEMES

SUMMARY: The largest thematic areas for our European Fund are Health & Wellbeing, Resource Efficiency and Sustainable Supply Chains.

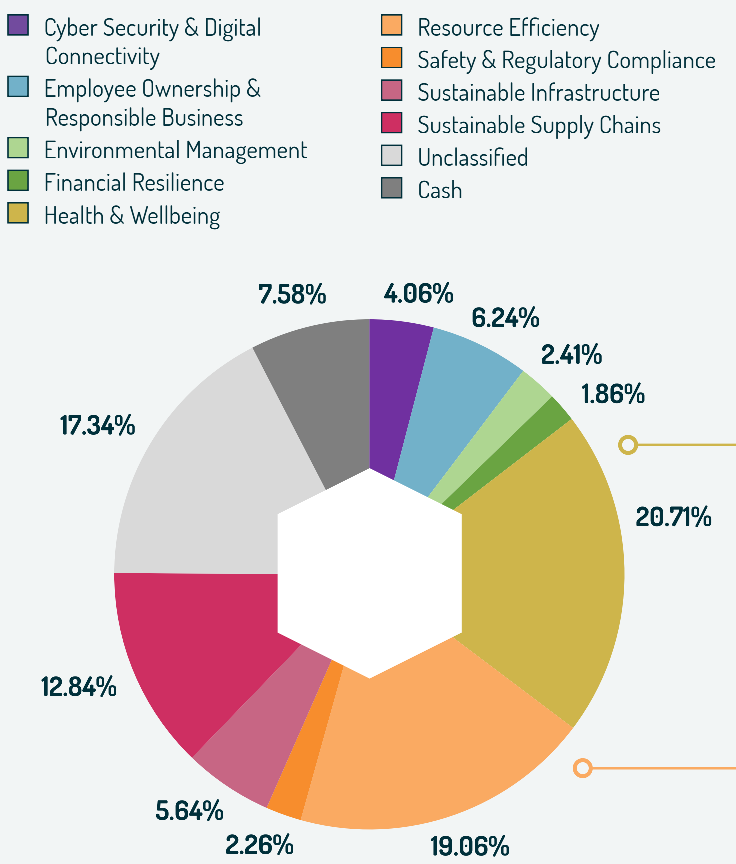
Health & Wellbeing comprises the largest proportion of the European Fund. Products or services provided by companies in this thematic area deliver better patient outcomes through the provision of medical devices or innovative medical solutions. One example is Ion Beam Applications (IBA), a high-tech firm active in proton therapy for treating cancer. Other companies falling in this theme help to address the underlying causes of poor health, for example through the provision of sustainable nutrition solutions.

The Resource Efficiency theme accounts for companies which seek to address resource intensive processes by improving the efficiency of a range of products such as heating, ventilation and air-conditioning (HVAC) systems, lighting, automotives and machinery. Developers of energy efficient products are key players in the transition to a low carbon economy, as the urgency for viable alternatives to carbon-intensive processes is increasingly clear.

The third largest thematic area is Sustainable Supply Chains, including companies such as software developers, chemical manufacturers, international retail and consumer goods chains, all of which demonstrate a commitment to sourcing materials responsibly. This involves undertaking rigorous supplier due diligence and implementing effective policies and practices to take responsibility for environmental and social impacts across the entire supply chain – from human rights issues, to greenhouse gas emissions and biodiversity.

17% of the European Fund is Unclassified, which means they do not neatly fall into one of our ten positive themes but have still been subjected to the same screening and exclusion policy. Companies in this category include Durr, a leading mechanical and plant engineering firm committed to embedding sustainability, for example by developing a scheme using financial incentives to encourage suppliers to disclose carbon data and reduce emissions in line with climate science.

POSITIVE THEME ALLOCATION



Source: Castlefield as at 31 Dec 2022

EXAMPLE INVESTEE COMPANY

Company: Tecan Group

Positive theme: Health & Wellbeing

Description: Tecan Group provides laboratory instruments and solutions in biopharmaceuticals, forensics, and clinical diagnostics for pharmaceutical and biotechnology companies, university research departments and diagnostic laboratories. The company's vision is to; understand and fight disease; further impact by driving the translation of research into clinical solutions; and enabling access to treatments and diagnostics for patients across the world.

EXAMPLE INVESTEE COMPANY

Company: GEA Group

Positive theme: Resource Efficiency

Description: GEA is one of the world's largest systems suppliers for the food, beverage and pharmaceutical sectors. The company's machinery and solutions work behind the scenes to reduce greenhouse gas emissions and energy consumption, to safeguard water and to reduce, recycle and reuse waste.

INVESTING IN SOCIAL AND ENVIRONMENTAL GOOD

SUMMARY: Compared to the benchmark, a far higher proportion of the European Fund is invested in companies which deliver environmental benefits and alleviate social issues. There is very little exposure to companies causing environmental or social harm.

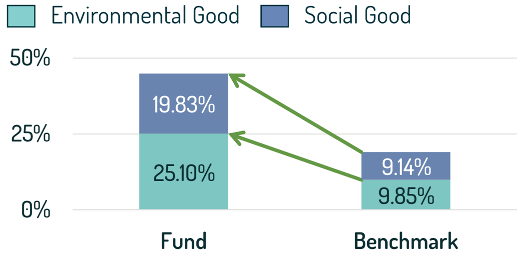
The European Fund far outperforms the benchmark in terms of the proportion of revenues allocated to positive environmental solutions. This includes companies which are facilitating the transition to a lower carbon economy through the provision of renewable energy infrastructure and energy efficient solutions. For example, Vestas is a leader on sustainable energy solutions, responsible for the design, manufacture, installation and servicing of wind turbines across the globe. Further, the European Fund has very little exposure to environmentally harmful sectors, with the exception of two holdings. Viscofan manufactures casings for meat products and Unilever has exposure to dairy products through its ice-cream brands. We regularly engage with our holdings on ESG matters, and companies such as Unilever are widely considered as global advocates for sustainable living. Viscofan has stringent protocols in place for the sourcing of its raw materials, and is using one of its technologies to explore the potential to fund research into heart repair using collagen. Recent surgery on the first human patient is showing excellent signs for hope.

Likewise, the European Fund has a higher exposure than the benchmark to companies which positively impact society. The largest proportion of companies in the European Fund sit in our Health & Wellbeing theme, providing medical devices and innovative technologies to improve patients' quality of life. In addition, the European Fund invests in companies at the heart of the digital age, like Worldline, a provider of e-payment transactional services, enabling consumers on a global scale to make payments securely and with ease. There is no exposure to industries considered socially harmful.

Please see the glossary for full definitions of social and environmental good and harm.

1. MORE SOCIAL & ENVIRONMENTAL GOOD

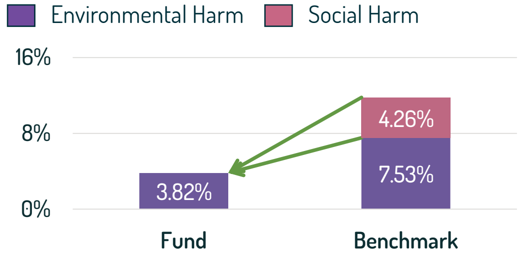
Percentage of funds allocated to environmental and social good



+137%
More investments allocated to environmental and social good than the benchmark

2. LESS SOCIAL & ENVIRONMENTAL DAMAGE

Percentage of funds that create environmental and social harm



-68%
Fewer investments that create environmental and social harm than the benchmark

GOVERNANCE PERFORMANCE

SUMMARY: Whilst the European fund outperforms the benchmark on fairness in pay, there is still room for improvement in relation to board independence and gender equality.

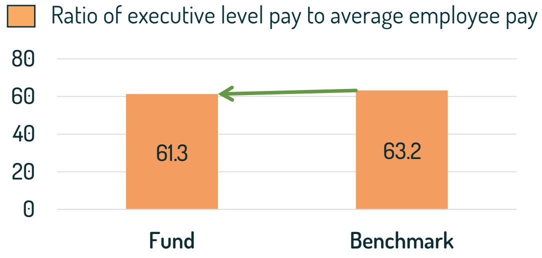
The European Fund slightly outperforms the benchmark on executive pay, indicating that there is less of a pay disparity between senior management and the wider workforce. This is because the fund has higher exposure to mid-cap companies, where executive pay tends to be lower than typically seen in the largest listed companies, in which CEOs are more often rewarded with excessive remuneration packages. The executive pay ratio shows how many times more an executive is paid than an average employee and the performance of fund holdings varies considerably - Melexis has a ratio of 5.2, compared to Teleperformance, a much larger and more complex business, which has a ratio of 190.

Gender equality in senior roles is an area for improvement within the fund, as the benchmark demonstrated a marginally higher percentage of women in boards and top management. Again, it is likely that this is attributed to the fund's higher exposure towards mid-cap companies, which tend to lag slightly behind the largest listed companies on gender and other forms of diversity. We will continue to incorporate gender equality as a factor in our voting decision making and advocate for greater female representation on boards and senior management teams through collaborative initiatives like the 30% Club.

The European Fund also slightly underperforms against the benchmark on the independence of board members. We see some significant patterns emerging amongst European companies, specifically in geography. For example, some countries show a different attitude towards board independence, and it is only through consistent engagement and advocacy that we can promote best practice. We are always enthused at the openness of companies to listen to the improvements that can be made.

1. LOWER EXECUTIVE PAY

Comparing executive pay to employee pay

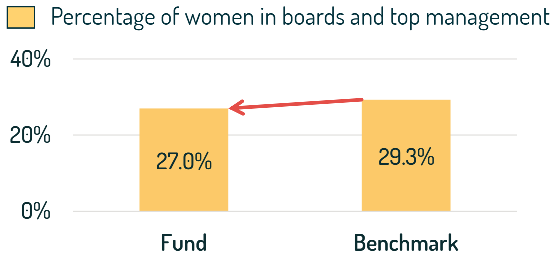


-3%

Ratio of executive to employee pay ratio lower than the benchmark

2. GENDER

Percentage of women in boards and top management

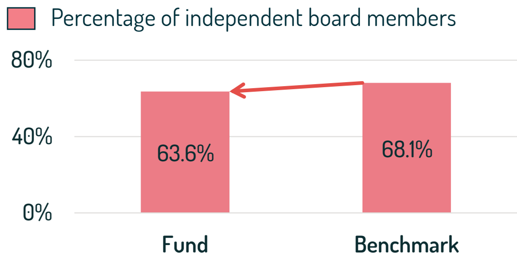


-7.7%

Lower percentage of women in boards and top management than the benchmark

3. BOARD INDEPENDENCE

Percentage of independent board members



-6.7%

Lower percentage of independent board members than the benchmark

ENVIRONMENTAL METRICS

SUMMARY: The European Fund performs better than the benchmark on carbon emissions, waste and water efficiency, with significant outperformance on carbon.

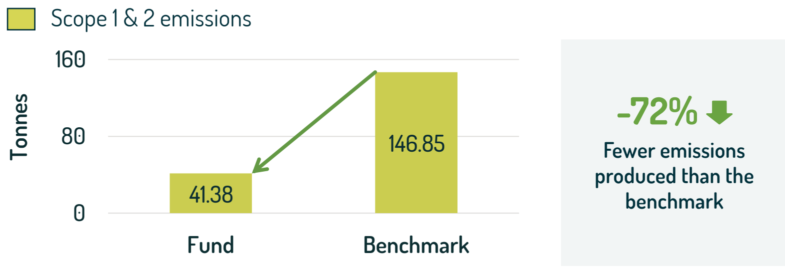
Carbon efficiency measures scope 1 and 2 emissions per $1m of revenue and the European Fund far outperforms the benchmark on this metric. The underlying reason for this is the fund excludes high-emitting sectors, such as companies generating revenues from oil, gas and mining activities. Further, the European Fund invests in a number of digitally-based businesses which typically have much lower operational emissions.

The European Fund also outperforms the benchmark on waste and water efficiency. Although estimated data does account for 25% of the waste efficiency figure, and 39% of the water efficiency figure, the fund's strong performance is visible nevertheless. The fund benefits from a far lower generation of waste due to the exclusion of the mining sector, which discards of exceptionally large volumes of natural materials. Likewise, the fund performs well on water efficiency as the negative screening process excludes water-intensive sectors such as energy production, oil and gas exploration and mining. Instead, the fund invests in sectors which tend to have a far lower waste and water footprint, including software developers.

Please see the glossary for full definitions of scope 1 & 2 emissions.

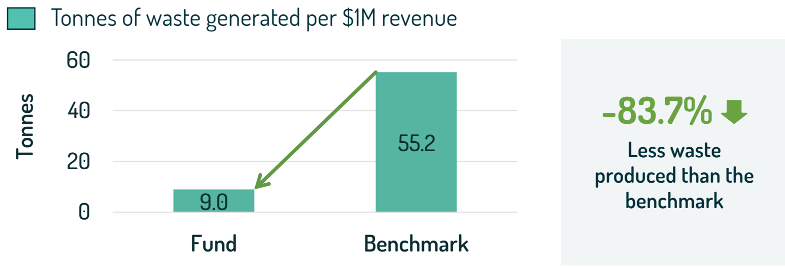
1. BETTER CARBON EFFICIENCY

Emissions per $1M revenue



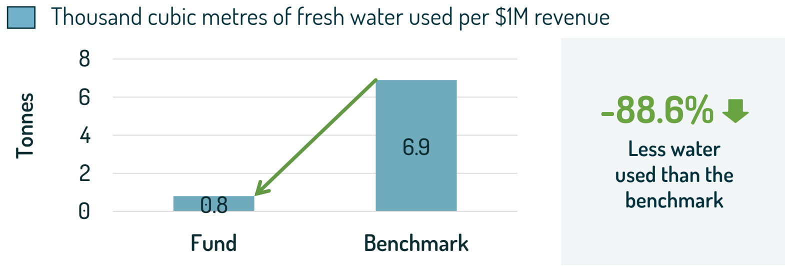
2. WASTE:

Tonnes of waste generated per $1M revenue



3. WATER:

Thousand cubic metres of fresh water used per $1M revenue



NET ZERO

SUMMARY: In the European Fund, 84% of fund holdings have set either a net zero target and/or a carbon-neutral target. Almost half of companies have set emission reduction targets that have been validated by the Science Based Target Initiative (SBTi) and one third of companies have publicly committed to adopting the SBTi Corporate Net-Zero Standard.

A high proportion of companies in the European have set either a net zero target (58%) and/or a carbon-neutral target (26%), and a further 10% of companies are in the process of setting a net zero target.

Although many governments have adopted 2050 as their target date for decarbonization, many companies are taking a more ambitious approach as 2050 is often perceived as "too little too late." For example, 61% of net zero target dates in the European Fund aim for 2040 or earlier, and 63% of carbon-neutral target dates also aim to achieve this milestone by 2040 or earlier.

Science-based targets are a helpful indicator of credibility to prevent greenwash, enabling stakeholders to determine which companies are making progress towards net zero at a pace which is aligned with the latest climate science. Almost half of companies in the European Fund have set science-based targets and we expect this figure to grow, as a further 16% have publicly committed to setting science-based targets in the near future.

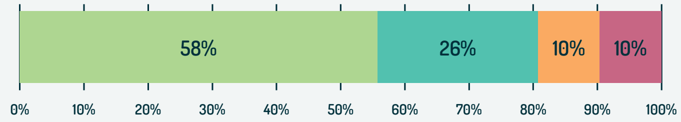
The firms with the most ambitious targets in the European fund are GEA Group, SAP, Straumann and Unilever. All have made a commitment to reaching net zero across the entire value chain (Scope 1, 2 and 3) by 2040 or earlier. It is important to recognise the efforts of such companies, including consumer goods giant, Unilever, who are heavily investing in the transition to net zero across its vast and complex supply chain by a target date of 2039.

Note: that the net zero analysis is based on number of holdings and not weighted by the size of the holding in the fund. This is to ensure consistency with the data we have published in our Annual Stewardship Report.

1. NET ZERO AND CARBON NEUTRAL TARGETS

- Companies that have set a net zero target
- Companies that have set a carbon neutral target
- Companies that are currently in the process of setting a net zero target
- Companies that have not set a net zero or carbon neutral target

(Note- may exceed 100% due to companies with NZ and carbon neutral targets)



2. DATE OF NET ZERO TARGET

NET ZERO TARGET	
2030	33.3%
2040	27.8%
2050	38.9%

3. NET ZERO LEADERS.

- The most ambitious targets in the fund: GEA Group, SAP, Straumann and Unilever. All have made a commitment to reaching net zero across the entire value chain (Scope 1, 2 and 3) by 2040 or earlier.

CFP CASTLEFIELD SUSTAINABLE UK OPPORTUNITIES FUND

POSITIVE THEMES

SUMMARY: The key positive themes for the UK Opportunities Fund are Financial Resilience, Resource Efficiency and Health & Wellbeing. Together, these themes account for over 40% of the fund, with holdings ranging across the market capitalisation spectrum, from FTSE 100 multinationals to small-cap and AIM listed companies.

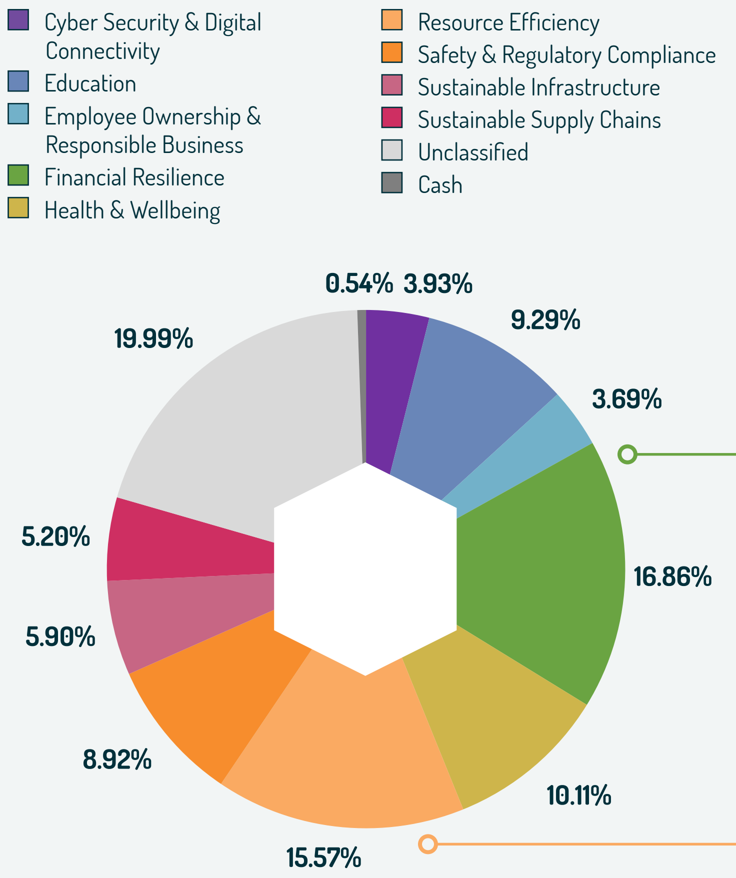
Financial Resilience is the largest thematic area for the UK Opportunities Fund. Holdings in this category fall into two main camps: those providing support to individuals, like life insurance provider Prudential, and those providing business-to-business support, such as property reinsurance specialist Lancashire Holdings.

Our Resource Efficiency theme accounts for over 15% of the portfolio and again, there are two broad types of companies within this theme. Firstly, those that are "doing more with less" such as speciality chemical manufacturer, Croda which is increasingly using bio-derived chemicals in a shift away from petrochemicals. The second type of firm in this category supplies products that support the transition to a lower carbon economy, for example, Smart Metering Systems (SMS) which installs and operates smart meters and is also rolling out EV charging networks and grid-scale electricity storage plants.

Finally, Health & Wellbeing accounts for 10% of the portfolio. The companies in this theme span a wide range of products and services, from gyms and nutrition to pharmaceuticals and medical devices.

Some holdings in the fund have strong investment themes underpinning their inclusion, however we have taken the decision not to align them with an explicit positive values-based theme. These businesses must still pass our screening policy to be included in the fund and include hotel chains and financial groups. We expect this proportion of holdings that sit outside of an explicit positive theme to decline over time. Recent acquisitions of portfolio-holdings have already seen the proportion of unclassified positive theme holdings drop to below 15% of the portfolio post the period-end, down from 20% at the end of December.

POSITIVE THEME ALLOCATION



Source: Castlefield as at 31 Dec 2022

EXAMPLE INVESTEE COMPANY

Company: Begbies Traynor

Positive theme: Financial Resilience

Description: Begbies Traynor is the UK's leading business rescue and recovery specialist, providing a partner-led service to stakeholders in troubled businesses in order to secure the best possible financial outcome. They offer a range of professional advisory options across issues such as corporate and commercial finance, restructuring and consulting.

EXAMPLE INVESTEE COMPANY

Company: Spectris

Positive theme: Resource Efficiency

Description: Spectris provide high-tech instruments, test equipment and software for many of the world's most technically demanding industrial applications. By harnessing the power of precision measurement, the company provide customers with the data and insights to work faster, smarter and more efficiently.

INVESTING IN SOCIAL AND ENVIRONMENTAL GOOD

SUMMARY: The UK Opportunities Fund has significant exposure to sectors that benefit society and has very limited exposure to companies causing environmental harm.

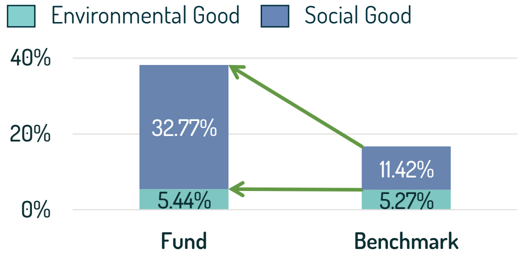
Compared to its benchmark, the UK Opportunities Fund has a significantly higher proportion of investments in sectors delivering social benefits. This includes Gym Group, which provides exercise facilities across the UK and an investment in Assura, which develops and manages medical centres. In addition, socially beneficial holdings include businesses involved in pharmaceuticals, food manufacturing and product testing. Moreover, this fund – like all the Castlefield fund range - has no exposure to industries that are socially harmful, such as gambling or tobacco.

On environmental harm, the fund fares substantially better than its benchmark. Our strict exclusionary criteria, avoiding any investment in extractive industries including mineral mining, Oil & Gas and cement manufacture is a principal driver of the better standing of our own fund when compared to the wider collection of UK businesses that make up the funds addressable market. Where the fund does have exposure, it is predominantly to companies that use the by-product of the dairy industry: for example, Glanbia uses whey protein derived from cheese manufacture.

Please see the glossary for full definitions of social and environmental good and harm.

1. MORE SOCIAL & ENVIRONMENTAL GOOD

Percentage of funds allocated to environmental and social good

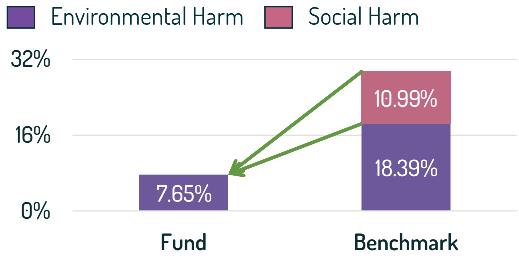


+129%

More investments allocated to environmental and social good than the benchmark

2. LESS SOCIAL & ENVIRONMENTAL DAMAGE

Percentage of funds that create environmental and social harm



-74%

Fewer investments that create environmental and social harm than the benchmark

GOVERNANCE PERFORMANCE

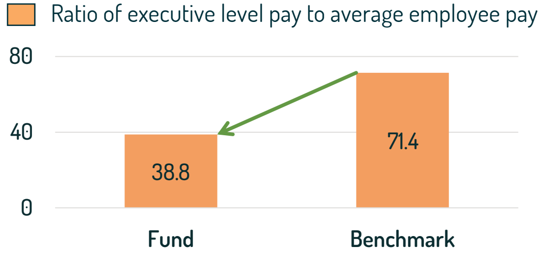
SUMMARY: The fund outperforms on fairness in pay, but there's more work to be done on board-level gender equality and director independence.

The executive pay ratio show how many times more an executive is paid than an average employee. The higher the ratio, the greater the disparity between pay for senior management and pay for the wider workforce. The ratio for the UK Opportunities Fund is significantly lower than the benchmark. This is due two main reasons: firstly, the fund invests comparatively less in the UK's largest listed companies, where CEOs are awarded very large remuneration packages. Instead, it has more exposure to mid-cap holdings where executive pay is less egregious. Secondly, the UK Opportunities Fund has limited exposure to sectors with high volumes of low paid workers, typified by retail or unskilled manufacturing businesses, which can cause significant pay differentials.

These same factors influence the outcome with regards to gender diversity in senior roles. The fund's skew towards mid-cap companies, which have typically made less progress on gender and other forms of diversity, results in a lower proportion of female directorships demonstrated by investee firms than the benchmark. Holdings also, on average, underperform on board independence. Again, mid-cap companies can sometimes have a legacy of governance quirks, such as business owners remaining on the board of directors for many years (after nine years they are no longer seen as independent under the terms of the Corporate Governance Code). Even so, we do want to see companies, irrespective of size, making progress on these issues. As such, we regularly engage with companies on governance topics such as board independence and gender diversity to encourage them to take these factors into account as part of their succession planning.

1. LOWER EXECUTIVE PAY

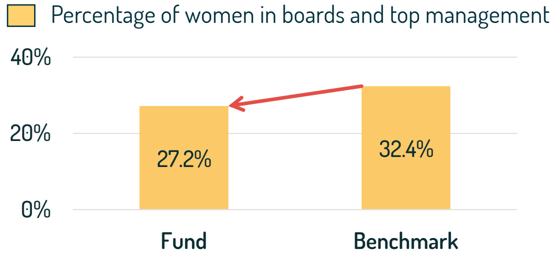
Comparing executive pay to employee pay



-46%
Ratio of executive to employee pay ratio lower than the benchmark

2. GENDER

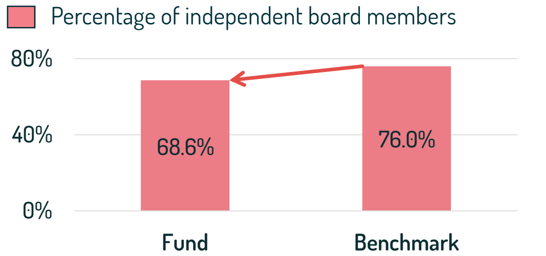
Percentage of women in boards and top management



-16.1%
Lower percentage of women in boards and top management than the benchmark

3. BOARD INDEPENDENCE

Percentage of independent board members



-9.8%
Lower percentage of independent board members than the benchmark

ENVIRONMENTAL METRICS

SUMMARY: The UK Opportunities Fund performs well on carbon, waste and water compared to the benchmark.

"Carbon efficiency" measures scope 1 & 2 emissions per $1m of revenue and the UK Opportunities Fund fares very well versus the benchmark on this metric. This is due to the fund's exclusion of oil, gas and mining sectors, which are all heavy emitters. It also avoids investment in mainstream energy suppliers that remain heavily reliant on fossil fuels. In addition, the fund benefits from investment in a number of sectors with a smaller scope 1 and 2 carbon footprint such as research, tech and financial services.

UK companies have become more adept at publishing carbon data in recent years; many are now required to by law. Reporting on waste generation and water usage remains less widespread and less standardised, so we rely more heavily on estimated data to calculate performance. In fact, estimated data accounts for approximately 70% of both the waste and water figures for the UK Opportunities Fund[1]. Nevertheless, the resulting numbers do give a good indication of the contrast between the fund and its benchmark. For example, the fund's waste efficiency is markedly better and this is due to the exclusion of the mining sector from the fund. Waste data in the extractives sector is exceptionally high, due to the large volumes of natural materials (rock, soil, etc) discarded.

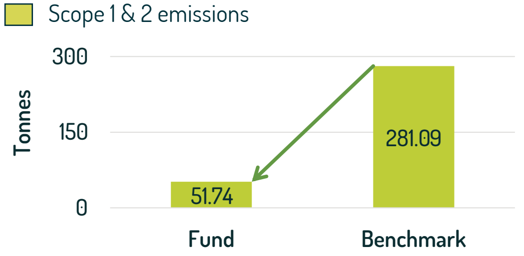
The fund's water footprint tells a similar story: it benefits from the exclusion of water-intensive industries such as energy production and oil and gas exploration, and the inclusion of a number of office-based industries, such as financial services, which have very low water use.

Please see the glossary for full definitions of scope 1 & 2 emissions.

1. Estimated data accounts for approximately 70% of the waste and water figures

1. BETTER CARBON EFFICIENCY

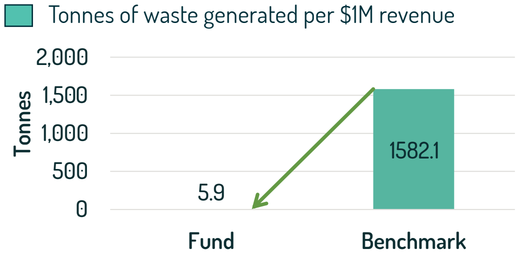
Emissions per $1M revenue



-82%
Fewer emissions produced than the benchmark

2. WASTE:

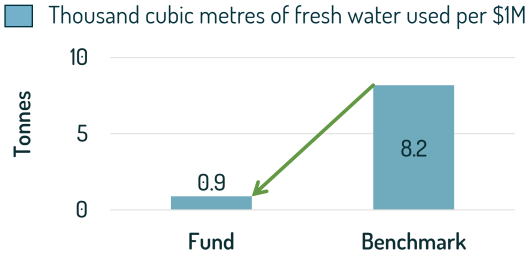
Tonnes of waste generated per $1M revenue



-99.6%
Less waste produced than the benchmark

3. WATER:

Thousand cubic metres of fresh water used per $1M revenue



-89.1%
Less water used than the benchmark

NET ZERO

SUMMARY: Over 70% of fund holdings have set net zero targets, a third of which have ambitions to be net zero by 2040 or earlier. Moreover, half of the companies in the UK Opportunities Fund have committed to adopting rigorous science-based targets.

The data shows high level of awareness among the companies in the UK Opportunities Fund of the need to set carbon targets: 73% of firms in the fund have already set net zero targets, with a further 13% publicly committing to do so. Only 10% of holdings have not set either a net zero or a carbon neutral target.

More than half of the companies in the fund have already set science-based targets or have publicly committed to doing so. Targets that have been validated by the Science-Based Targets Initiative have been independently assessed and require companies to set emissions reductions in line with limiting climate change to 1.5 degrees of warming. As such, SBTi targets are seen as the gold standard of carbon reduction targets.

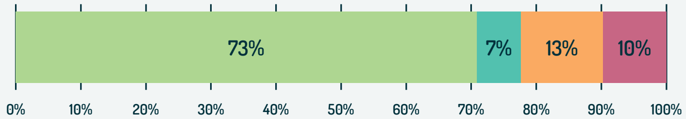
With net zero, ambition can be measured by the date of the target (the earlier, the better) as well as the scope. More progressive firms are going beyond the operational emissions of scope 1 and 2 and are including the supply chain and other emissions that are captured by scope 3. We have identified 5 companies in the fund with the most ambitious targets, aiming for net-zero across the value chain, by 2042 or earlier. Some of these companies have fairly simple operations, but others – including BT Group and Unilever – have complex and lengthy supply chains so we should applaud their ambition. It is no surprise that both have long been leaders in terms of measuring and reducing their corporate carbon footprints.

Note: that the net zero analysis is based on number of holdings and not weighted by the size of the holding in the fund. This is to ensure consistency with the data we have published in our Annual Stewardship Report.

1. NET ZERO AND CARBON NEUTRAL TARGETS

- Companies that have set a net zero target
- Companies that have set a carbon neutral target
- Companies that are currently in the process of setting a net zero target
- Companies that have not set a net zero or carbon neutral target

(Note- may exceed 100% due to companies with NZ and carbon neutral targets)



2. DATE OF NET ZERO TARGET

NET ZERO TARGET	
2030	8.7%
2040	30.4%
2050	60.9%

3. NET ZERO LEADERS

- The most ambitious targets in the fund: 5 companies committing to scope 3 net zero targets by or before 2042: BT, Unilever, Spectris, RELX and Gamma Communications

CFP CASTLEFIELD SUSTAINABLE UK SMALLER COMPANIES FUND

POSITIVE THEMES

SUMMARY: Over 90% of weighted holdings in our UK Smaller Companies Fund align to our positive themes. In particular, the fund has significant exposure to the Health & Wellbeing, Resource Efficiency and Cyber Security & Digital Connectivity themes.

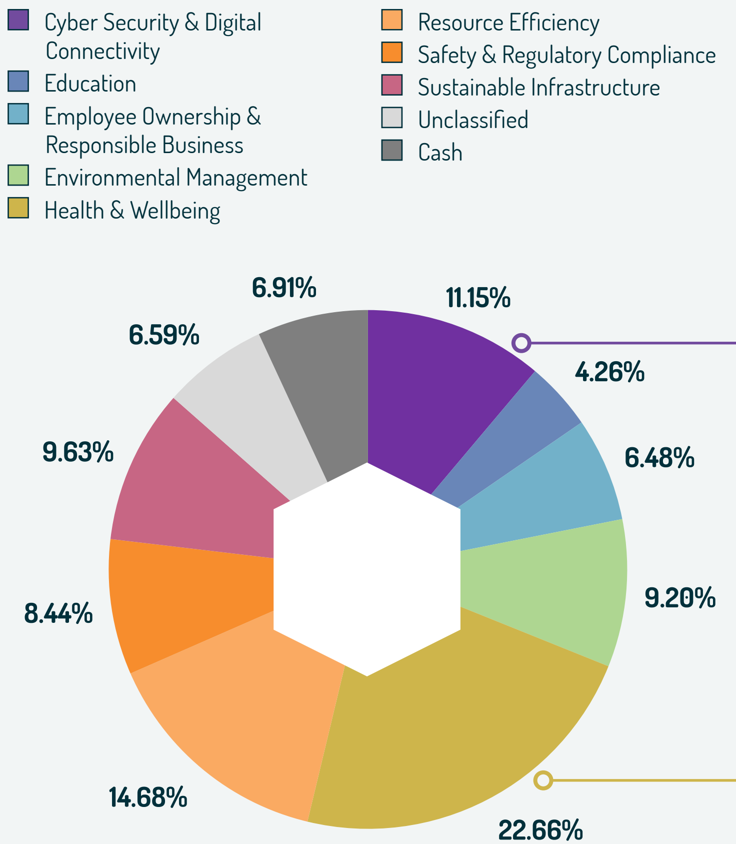
Health & Wellbeing investments account for 23% of this fund's holdings. The wide variety of companies that fall into this classification range from animal health specialists to companies providing to companies providing healthcare products and services. For example, Inspiration Healthcare is a global provider of medical technology for use in critical care and operating theatres, particularly in neonatal care.

The fund also has sizeable exposure to the Resource Efficiency theme. Here the fund has investments in companies that are meeting consumer demand for more environmentally friendly packaging. In addition, resource efficiency also includes firms such as Inspired, which helps businesses find cost effective energy supply and provides energy efficiency consulting.

The third largest concentration of holdings is in the Cyber Security & Digital Connectivity theme, where the underlying holdings include companies such as Eckoh, a provider of secure digital payments and transactions.

Unclassified holdings account for less than 7% of the UK Smaller Companies Fund. These companies offer products or services that do not neatly fit into our thematic holdings, such as asset management and professional services. It also includes a company providing specialist services to the videogame industry. Unclassified companies must still meet our screening policy requirements to be considered for inclusion in the fund.

POSITIVE THEME ALLOCATION



Source: Castlefield as at 31 Dec 2022

EXAMPLE INVESTEE COMPANY

Company: Eckoh

Positive theme: Cyber Security & Digital Connectivity

Description: Eckoh is a global leader in secure customer engagement, helping its client to take payments and transact securely with their customers, as new contact channels, digital payment methods and compliance regulations emerge. The company's mission to set the standard for secure interactions between consumers and the world's leading brands.

EXAMPLE INVESTEE COMPANY

Company: EKF Diagnostics

Positive theme: Health & Wellbeing

Description: EKF is a global medical diagnostics business. Its point-of-care division designs and manufactures testing equipment for use in doctors' surgeries, clinics, hospitals, and laboratories. These solutions aim to improve patient outcomes through the diagnosis and monitoring of a wide range of medical conditions, including diabetes and anaemia.

INVESTING IN SOCIAL AND ENVIRONMENTAL GOOD

SUMMARY: Our UK Smaller Companies Fund substantially outperforms the benchmark on the proportion of investments that deliver social and environmental benefits. The fund also invests a far lower proportion in industries that are harmful to society or to the environment.

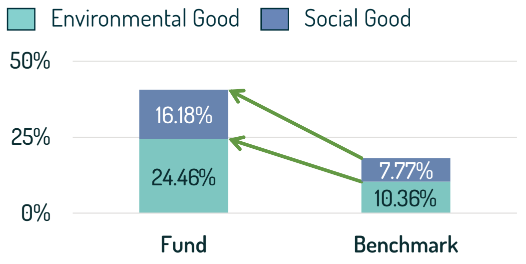
16% of the fund's weighted holdings – more than double the benchmark - deliver positive social benefits. These holdings include companies manufacturing medical equipment and sanitization products as well as the Gym Group, which operates over 220 exercise facilities across the UK. The analysis, conducted by an independent third party, shows that the UK Smaller Companies Fund has no investment in socially harmful industries such as gambling and tobacco.

In terms of negative environmental impact, the fund avoids investment in sectors such as oil and gas, hence the lower proportion of investment in harmful industries versus the benchmark. The 1.8% of the fund's holdings that is deemed environmentally negative is due to the inclusion of Zotefoams in the fund. Zotefoams produces polyethylene foam that is used in a wide range of applications, including transportation and footwear. Although it is a plastics manufacturer, we take a more positive view of the firm. This is because it has developed a technology that injects gas into plastics during the manufacturing process to create micro-bubbles. This technique uses 15-20% plastic than standard moulding processes. As such, we see Zotefoams as a company with resource efficiency at its core. Moreover, the company is not involved in single use plastics and company management are very attuned to minimising the environmental impacts of its products.

Please see the glossary for full definitions of social and environmental good and harm.

1. MORE SOCIAL & ENVIRONMENTAL GOOD

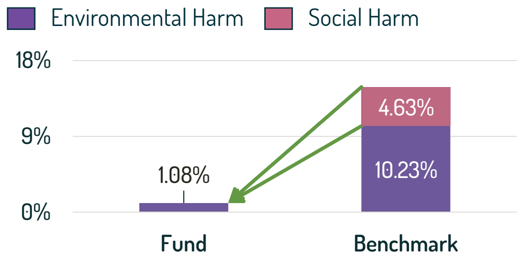
Percentage of funds allocated to environmental and social good



+124%
More investments allocated to environmental and social good than the benchmark

2. LESS SOCIAL & ENVIRONMENTAL DAMAGE

Percentage of funds that create environmental and social harm



-93%
Fewer investments that create environmental and social harm than the benchmark

GOVERNANCE PERFORMANCE

SUMMARY: The board underperforms its benchmark on board independence and gender equality, but fares much better on executive pay ratios and fairness in workforce pay.

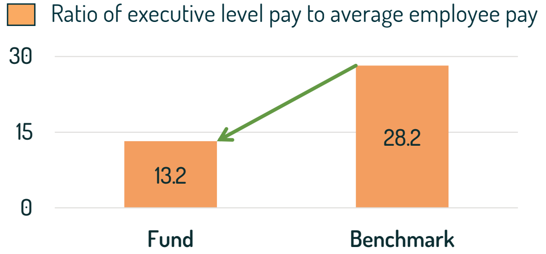
The average market cap of our fund's holdings is approximately £250m, which is smaller than that of the benchmark. It is this differential in the size of the underlying holdings that goes some way to explaining the fund's governance performance:

- CEOs of bigger, more complex businesses can generally demand larger remuneration packages, which then usually increases the ratio of CEO to average employee pay. This goes some way to explaining why the ratio between CEO and average worker salary is lower in this fund. We view this as a positive as it points to greater fairness of pay awards across the workforce, instead of concentrating pay awards at the top of the organisational structure.
- Smaller companies typically have less well developed governance structures, which is reflected in the lower levels of board independence and gender diversity in our fund.

We recognise the need to encourage the companies in this fund to make improvements on governance and it is a common engagement topic for the us. We have seen some improvements which are not captured in this data set. For example, two firms in this fund previously had no female representation at board level: this has now changed for both companies, and female directors have been appointed.

1. LOWER EXECUTIVE PAY

Comparing executive pay to employee pay

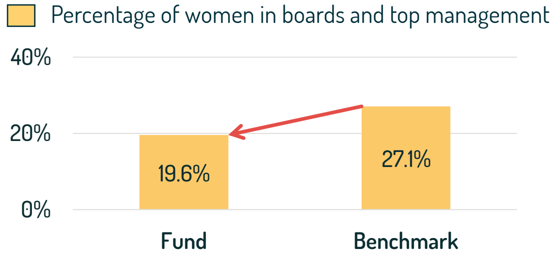


-53%

Ratio of executive to employee pay ratio lower than the benchmark

2. GENDER

Percentage of women in boards and top management

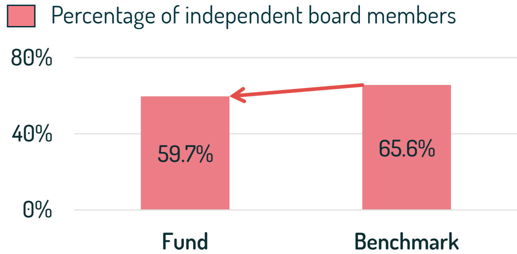


-27.5%

Lower percentage of women in boards and top management than the benchmark

3. BOARD INDEPENDENCE

Percentage of independent board members



-9.0%

Lower percentage of independent board members than the benchmark

ENVIRONMENTAL METRICS

SUMMARY: Across all three environmental metrics – water use, waste and carbon – the UK Smaller Companies fund outperforms the benchmark.

Our UK Smaller Companies Fund has a better carbon efficiency (tonnes of scope 1 and 2 carbon emissions versus per $1m revenue) than its benchmark. Key contributors to the benchmark's carbon footprint include holdings in airlines, mining and energy companies which our fund avoids. Instead, the fund has a number of holdings in software and support services firms which typically have fairly low emissions levels.

On waste, the significant disparity between the fund and the benchmark's performance is due to the inclusion of mining companies in the benchmark which typically generate large volumes of waste during the extractive process. Conversely, the fund's low waste footprint can be partly attributed to the number of holdings in technology, support services and other less capital intensive businesses which typically produce lower levels of waste.

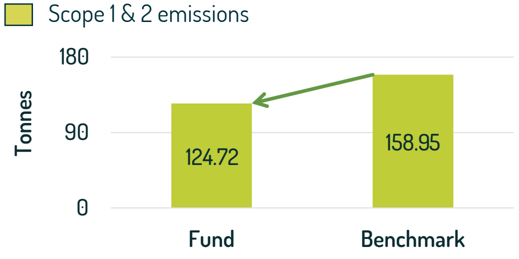
Finally, on water, the fund also has a better performance than the benchmark. Gas extraction and mining are key contributors to the benchmark's larger footprint, which our funds exclude. As with the waste data, the lower water use figures for the UK Smaller Companies Fund also are due to its focus on business models which are more capital light in nature, which may typically have lower levels of water use.

Please note that due to the limited environmental reporting by smaller listed companies, a very large proportion of this data is estimated. We expect that this dataset will fluctuate over the next few years as smaller companies, like those in this fund, begin to measure and report more extensively on their environmental impact.

Please see the glossary for full definitions of scope 1 & 2 emissions.

1. BETTER CARBON EFFICIENCY

Emissions per $1M revenue

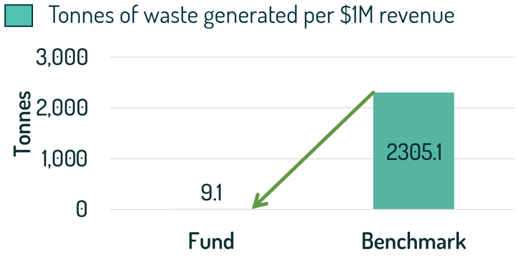


-22%

Fewer emissions produced than the benchmark

2. WASTE:

Tonnes of waste generated per $1M revenue

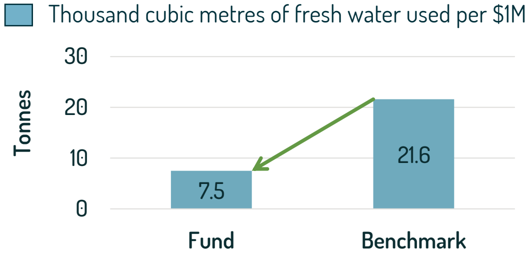


-99.6%

Less waste produced than the benchmark

3. WATER:

Thousand cubic metres of fresh water used per $1M revenue



-65.3%

Less water used than the benchmark

NET ZERO

SUMMARY: A quarter of companies in our UK Smaller Companies Fund have set net zero targets, with a further 17% publicly committing to setting a target in the near future. Among the companies setting targets, 64% aim to be net zero by 2040 or earlier.

56% of the companies in our UK Smaller Companies Fund have made some kind of commitment to carbon reduction: 27% have set a net zero target, 10% have a carbon neutral target in place and a further 17% are in the process of setting a net zero target. This fund has a lower proportion of companies with net zero targets than our other funds, but this is to be expected, as smaller companies have fewer resources to dedicate to carbon monitoring and typically have been under less pressure than their larger counterparts to set ambitious targets to reduce their emissions. Over the past year, we have engaged with 95% of the constituents in this fund, to encourage them to set stretching net zero goals and, crucially, to develop credible transition plans to achieve them.

We are seeing pockets of best practice. For example, Idox and PayPoint are going beyond operational emissions (Scope 1 and 2) to include Scope 3, which typically covers emissions from employee commuting and from a company's supply chain. As awareness around carbon accounting grows within this cohort of companies, we expect to see more of our holdings committing to net-zero across the full value chain.

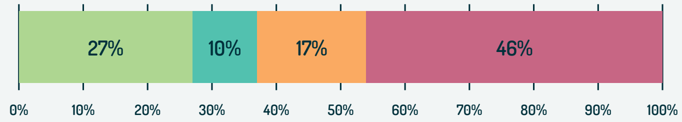
Finally, it is somewhat pleasing to see that, of the 11 companies that have already set net zero targets, the majority (64%) have opted to set a target date that of 2040 or earlier. This is well ahead of the UK government's ambition to transition to a net zero economy by 2050.

Note: that the net zero analysis is based on number of holdings and not weighted by the size of the holding in the fund. This is to ensure consistency with the data we have published in our Annual Stewardship Report.

1. NET ZERO AND CARBON NEUTRAL TARGETS

- Companies that have set a net zero target
- Companies that have set a carbon neutral target
- Companies that are currently in the process of setting a net zero target
- Companies that have not set a net zero or carbon neutral target

(Note- may exceed 100% due to companies with NZ and carbon neutral targets)



2. DATE OF NET ZERO TARGET

NET ZERO TARGET	
2030	18.2%
2040	45.5%
2050	36.4%

3. NET ZERO LEADERS

- Two companies, Idox and PayPoint, are targeting net-zero across the full value chain (Scopes 1, 2 and 3) by 2040.

CFP CASTLEFIELD SUSTAINABLE PORTFOLIO INCOME FUND

POSITIVE THEMES

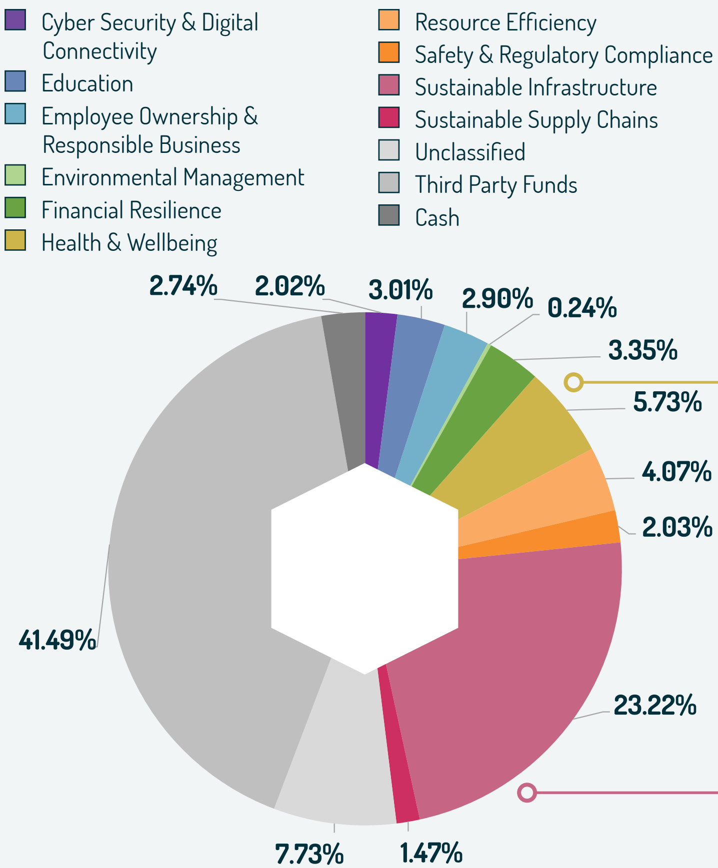
SUMMARY: The Portfolio Income Fund invests in the Castlefield fund range as well as a variety of external funds and investment trusts, as well as select direct bonds. It is not always possible to map external funds onto our own set of positive themes, explaining why 41% of the fund is classified as **Third Party Funds**. **Sustainable Infrastructure** is the most significant of our positive thematic areas, accounting for 23% of the fund.

The Portfolio Income Fund differs from our equity funds in that it is comprised of a variety of investment types, such as UK and globally listed shares, fixed interest securities, commercial property funds and specialist funds. Third-party funds may adopt screening policies or thematic areas that differ from our own, however, we make a concerted effort to seek out fund houses with strong track records on sustainability and financial performance. In addition, we engage with third-party fund managers regularly to ensure that we fully understand their approach to sustainable investment. For example, EdenTree exclude companies engaged in activities that are harmful to society and the environment, whilst applying a positive thematic approach to seek out companies for their strong social utility or sustainability credentials.

23% of the Portfolio Income Fund falls in our Sustainable Infrastructure theme, investing in companies which are involved in the provision of renewable energy infrastructure, from wind power to battery storage, as well as social housing. For example, renewable infrastructure investment trust, Greencoat UK Wind, invests in operating onshore and offshore wind farms across the UK. The Portfolio Income Fund invests in a variety of other positive themes: Health and Wellbeing, Resource Efficiency, and Financial Resilience amongst these.

"Unclassified" holdings refer to those which do not directly align with our own positive themes, however are still subject to our screening policy which excludes socially and environmentally damaging industries.

POSITIVE THEME ALLOCATION



Source: Castlefield as at 31 Dec 2022

EXAMPLE INVESTEE COMPANY

Company: Belong Limited

Positive Theme: Health & Wellbeing

Description: Belong is a not-for profit charity, which provides care for older people in its residential, dementia and nursing homes across the North West of England. In 2007, they opened their first Belong village, and so began their current business model which is based on the premise of ensuring their residents maintain their community participation through building villages which are open to the public. Belong is founded on the vision that 'older people have the right to enjoy the same community belonging and experience that they have always known'.

EXAMPLE INVESTEE COMPANY

Company: JLEN Environmental Assets Group

Positive theme: Sustainable Infrastructure

Description: JLEN is an environmental infrastructure investment fund, supporting more environmentally friendly approaches to economic activity whilst also generating a sustainable financial return. The current Portfolio includes onshore wind, PV solar, waste and wastewater processing plants, hydro and anaerobic digestion plants, low carbon transport, battery storage, controlled environment and hydrogen assets in the UK and mainland Europe.

INVESTING IN SOCIAL AND ENVIRONMENTAL GOOD

SUMMARY: The Portfolio Income Fund invests more significantly than the benchmark in companies which are delivering a positive impact both to the environment and society. Equally, the fund does not invest in sectors which aggravate social issues, and its exposure to sectors considered environmentally harmful is minimal.

The fund invests a higher proportion of revenues than the benchmark in positive environmental solutions, such as renewable energy infrastructure and energy efficient products. For example, Gresham House Energy Storage Fund invests in battery energy storage systems. Battery storage is a key solution to the issues around the intermittency of renewable energy, and is of increasing importance as the UK's approach to electricity generation shifts away from coal and gas-fired power stations. Compared to the benchmark, the funds' exposure to environmental harm is very low given the exclusion criteria adopted by Castlefield and the respective managers of third-party funds which typically screen out pollutive sectors such as fossil fuels and mining. Where exposure does exist, this relates to a small number of the funds' underlying holdings including a dairy co-operative and an investment company holding public or social infrastructure assets covering sectors such as energy transmission and transportation.

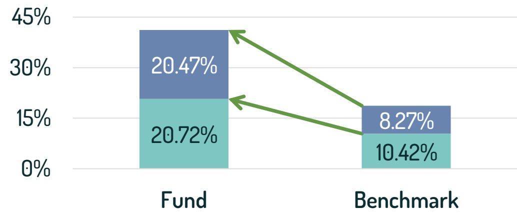
The Portfolio Income Fund invests heavily in sectors delivering a positive impact to society, ranging from healthcare, childcare, fitness and education services. This includes Primary Health Properties, a Real-Estate Investment Trust (REIT) which invests in primary health care facilities. Unlike the benchmark, the fund benefits from no exposure to sectors associated with an adverse societal impact like defence and alcohol.

Please see the glossary for full definitions of social and environmental good and harm.

1. MORE SOCIAL & ENVIRONMENTAL GOOD

Percentage of funds allocated to environmental and social good

Environmental Good | Social Good



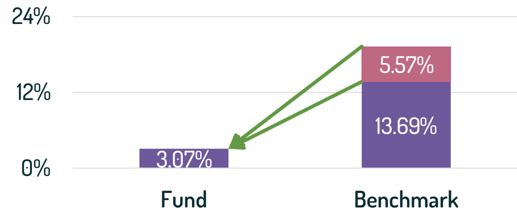
+120%

More investments allocated to environmental and social good than the benchmark

2. LESS SOCIAL & ENVIRONMENTAL DAMAGE

Percentage of funds that create environmental and social harm

Environmental Harm | Social Harm



-84%

Fewer investments that create environmental and social harm than the benchmark

GOVERNANCE PERFORMANCE

SUMMARY: The Portfolio Income Fund far outperforms the benchmark on executive pay given the skew towards mid-cap companies, however there is room for improvement on both gender equality and board independence.

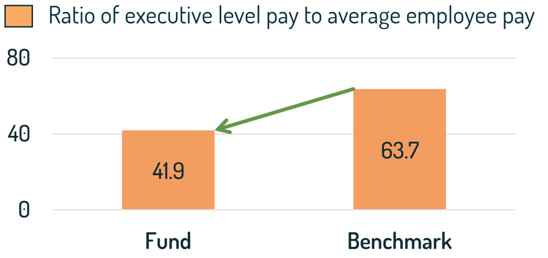
The executive pay ratio indicates how many times more an executive is paid than an average employee – the larger the figure, the more inequitable the pay structure. The Portfolio Income Fund performs strongly on executive pay, explained by its weight towards mid-cap companies where executive remuneration packages are typically less substantial than seen in the largest listed companies. For example, the benchmark is comprised of a higher weight of large-cap companies where the executive pay ratio indicates vast pay disparities across the workforce.

In terms of board independence and gender equality, the performance of the Portfolio Income Fund is not as strong. Again, this can be explained by the governance tendencies of mid-cap companies, who tend to lag behind the largest listed companies on gender and other forms of diversity. In a similar fashion, non-standard governance arrangements are more common which can raise concern over whether the board upholds suitable independence standards. Mitigating this, we frequently engage with our holdings to factor these considerations into succession planning and encourage them to adhere to the highest levels of corporate governance.

Note - The proportion of estimated data used to calculate performance on executive pay, gender equality and board independence is 45%, 30% and 34% respectively. We hope that as the quality of reporting on ESG matters continues to improve, the use of estimated data will decrease.

1. LOWER EXECUTIVE PAY

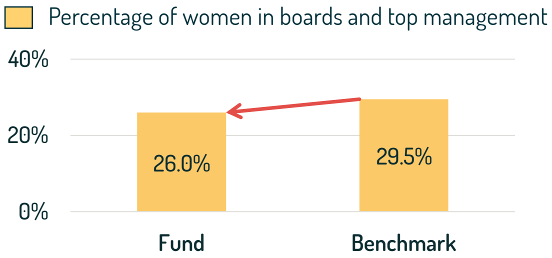
Comparing executive pay to employee pay



-34%
Ratio of executive to employee pay ratio lower than the benchmark

2. GENDER

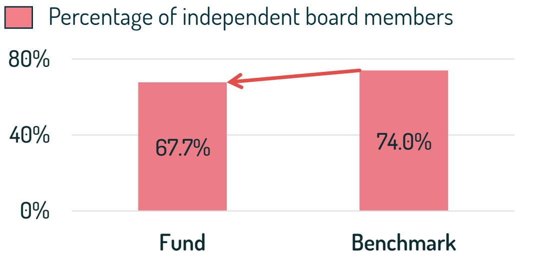
Percentage of women in boards and top management



-12.0%
Lower percentage of women in boards and top management than the benchmark

3. BOARD INDEPENDENCE

Percentage of independent board members



-8.5%
Lower percentage of independent board members than the benchmark

ENVIRONMENTAL METRICS

SUMMARY: The Portfolio Income Fund demonstrates a stronger performance than the benchmark across all three environmental metrics: carbon efficiency, waste efficiency and water efficiency.

The Portfolio Income Fund performs well on carbon efficiency, a measure of Scope 1 and 2 emissions generated per $1mn of revenue. This is because both the Castlefield funds, as well as the third-party funds, implement screening policies which tend to exclude carbon-intensive sectors like oil, gas and mining. Where the fund does have exposure to the energy sector, holdings maintain a focus on decarbonization.

Likewise, the fund outperforms the benchmark on waste efficiency, primarily because the mining sector is excluded from its investable universe. Mining corporations generate enormous quantities of discarded natural materials, and unsurprisingly rank amongst the worst offenders on this metric. The fund invests more heavily in office-based sectors like financial services and software, responsible for very little waste.

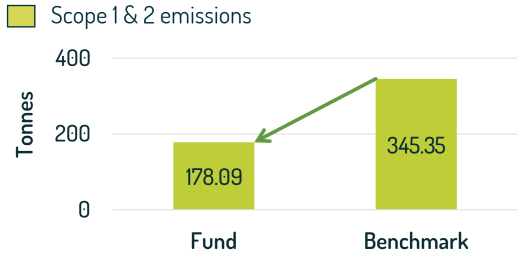
On water efficiency, the Portfolio Income Fund outperforms the benchmark, which includes sectors such as construction, cement, energy and mining, all of which utilize large volumes of fresh water. Again, the funds strong performance can be attributed to the higher weight towards office-based sectors like financial services.

Note - The proportion of estimated data used to calculate performance on carbon efficiency, waste efficiency and water efficiency is 38%, 61% and 70% respectively. We hope that as the quality of reporting on ESG matters continues to improve, the use of estimated data will decrease.

Please see the glossary for full definitions of scope 1 & 2 emissions.

1. BETTER CARBON EFFICIENCY

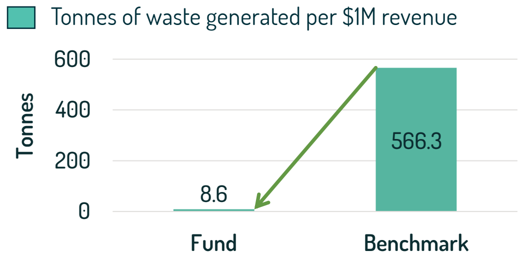
Emissions per $1M revenue



-48%
Fewer emissions produced than the benchmark

2. WASTE:

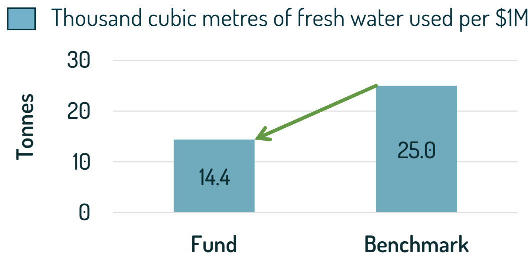
Tonnes of waste generated per $1M revenue



-98.5%
Less waste produced than the benchmark

3. WATER:

Thousand cubic metres of fresh water used per $1M revenue



-42.7%
Less water used than the benchmark

NET ZERO

SUMMARY: The Portfolio Income Fund invests in a variety of products including Castlefield funds, third-party funds and retail charity bonds issued by housing associations. 60% of these holdings have set a target to achieve net zero by 2050 or sooner – although for the funds, this refers to the net zero target at fund-level, rather than each underlying holding.

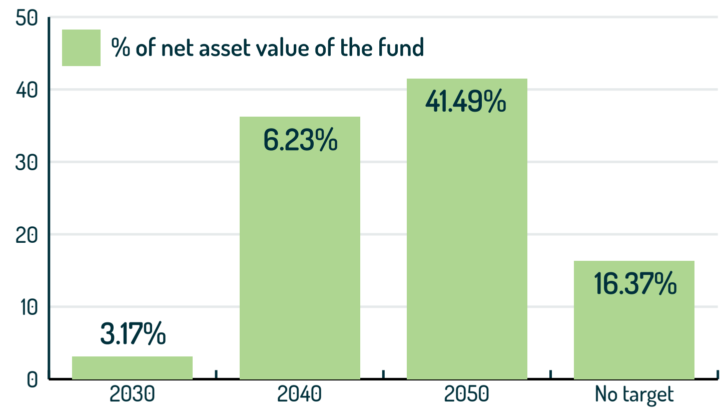
By 2040, Castlefield aim to achieve net zero across our investment portfolio. Our investment approach is centered around excluding the most carbon-intensive sectors, whilst seeking out companies which contribute to the net zero transition, such as renewable energy companies. Whilst we do not have direct control over company emissions, our investment approach coupled with regular company engagement will be key to reaching our net zero goals.

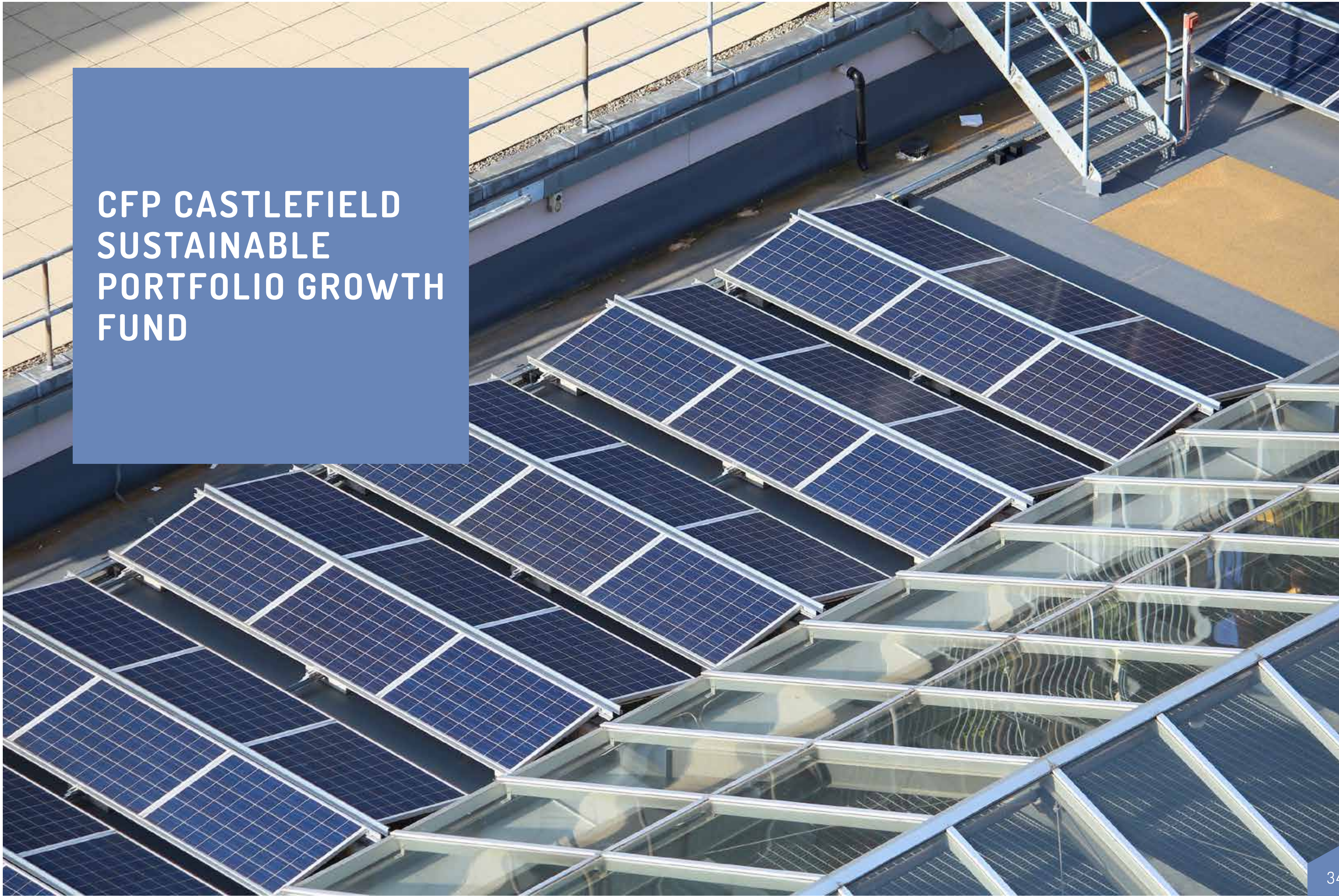
The Portfolio Income Fund also invests in third-party funds, which have been identified as performing well on ESG and sustainability concerns. For example, Edentree is an investment management firm with a heritage of directing capital to long-term sustainable solutions. By introducing fund-level decarbonisation targets, as well as ensuring at least 80% of each fund's financed emissions are covered by a Science-Based Target by 2025, Edentree is committed to tackling climate change.

Finally, the fund consists of retail charity bonds, such as Dolphin Square, a housing charity seeking to provide affordable housing for people on modest incomes. Dolphin Square is developing a roadmap to reach the target of net zero by 2050, which will be achieved through a variety of measures including improvements in the energy efficiency of its developments.

Note: that the net zero analysis is based on number of holdings and not weighted by the size of the holding in the fund.

1. DATE OF NET ZERO TARGET





CFP CASTLEFIELD SUSTAINABLE PORTFOLIO GROWTH FUND

POSITIVE THEMES

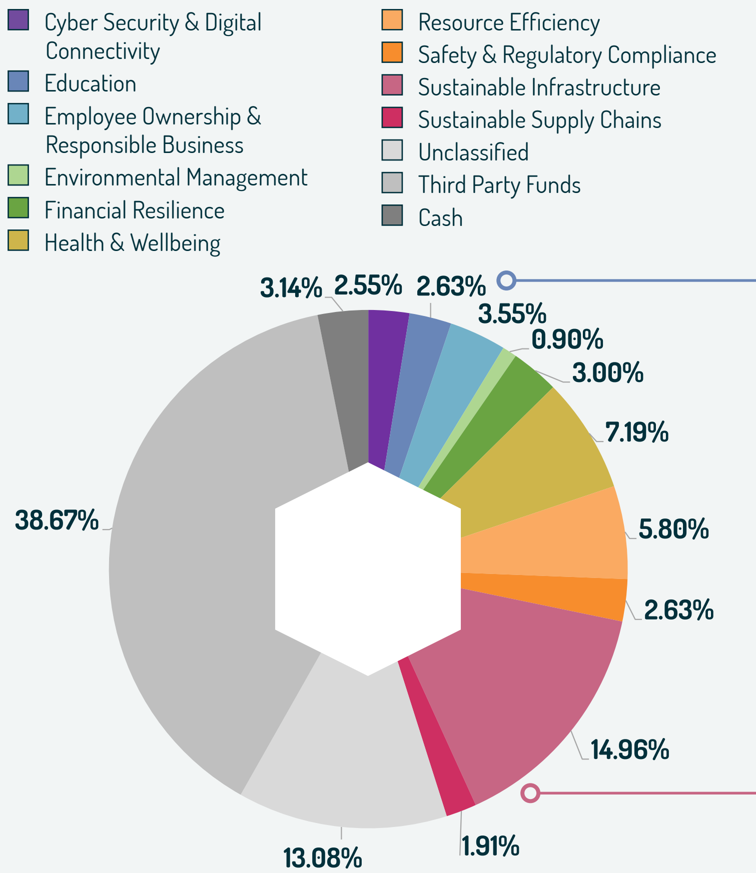
SUMMARY: Sustainable Infrastructure is the most significant of our positive thematic areas in the Portfolio Growth Fund, accounting for 15% of the fund. However, the majority of the fund is held in third-party funds which are managed by other highly regarded investment houses selected for their strong track record on financial and sustainability performance.

Unlike the single strategy equity funds, the Portfolio Growth Fund is a multi-asset portfolio with exposure to UK and globally listed shares, fixed interest securities and other investments, such as commercial property funds and specialist funds. It has not been possible in every instance to map the externally managed funds to a particular positive theme given their respective screening policies and thematic areas may differ from our own. This explains why 39% of the fund is classified as a third-party funds. However, we place high importance on engaging with external managers to assess their willingness and ability to address ESG and sustainability concerns. For example, WHEB are positive impact investors committed to investing in the companies providing solutions to environmental and social challenges and we hold their fund within our allocation to global equities.

Sustainable Infrastructure relates to the provision of resilient infrastructure, including transportation, renewable energy, and social housing. In the Portfolio Growth Fund, there is a considerable weight towards companies that develop and operate renewable energy infrastructure, including solar, battery storage and wind power. In addition, the fund aligns with a number of other positive themes, including Health and Wellbeing, Cyber Security & Digital Connectivity, and Education.

"Unclassified" holdings refer to those which do not directly align with our own positive themes. However, these securities must still pass our screening process which excludes controversial sectors from the investible universe.

POSITIVE THEME ALLOCATION



Source: Castlefield as at 31 Dec 2022

EXAMPLE INVESTEE COMPANY

Company: Alnwick Garden Trust

Positive theme: Education

Description: Alnwick Garden was first established in 2001 and has rapidly become one of the North-East's top tourist attractions. Behind the scenes of the picturesque garden, the Trust is underpinned by wider charitable objectives which focus on social outreach and support for isolated or underprivileged communities within the North East.

EXAMPLE INVESTEE COMPANY

Company: TRIG (The Renewables Infrastructure Group)

Positive theme: Sustainable Infrastructure

Description: TRIG's purpose is to generate sustainable returns for its shareholders from a diversified portfolio of renewables infrastructure that contributes towards a zero-carbon future. The portfolio includes onshore and offshore wind farms and solar parks in the UK and Europe.

INVESTING IN SOCIAL AND ENVIRONMENTAL GOOD

SUMMARY: The Portfolio Growth Fund outperforms the benchmark by investing more heavily in companies providing products or services that deliver environmental benefits and/or alleviate social issues. In addition, the fund has very little exposure to environmentally harmful sectors and no exposure to sectors which aggravate social issues.

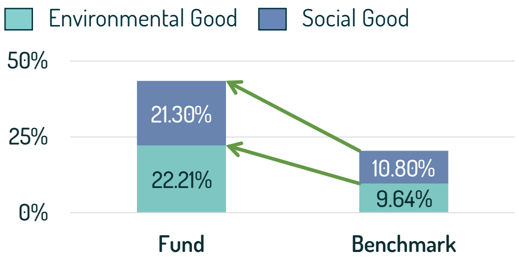
The Portfolio Growth Fund dedicates a higher proportion of revenues to positive environmental solutions than the benchmark, most prominently in companies and funds investing in renewable energy infrastructure. NextEnergy Solar Fund, for example, is leading the transition to clean energy by investing in a range of solar and energy storage assets. Our portfolio funds also has a low exposure to environmentally harmful sectors, with the exception of some minor exposure to the dairy industry in a couple of the underlying funds.

In terms of positive social impact, the Portfolio Growth Fund outperforms the benchmark. This can be attributed to the fund having a sizeable weighting in the healthcare sector. For example, Primary Health Properties is a Real-Estate Investment Trust (REIT) which acquire, refurbish or develop healthcare facilities such as GP practices, delivering benefits to society through its portfolio which serves 8.9% of the UK population.[1] Unlike the benchmark, there is no exposure to socially harmful industries, given both Castlefield and the third-party funds typically adopt screening policies which avoid sectors such as defence and alcohol.

Please see the glossary for full definitions of social and environmental good and harm.

1. MORE SOCIAL & ENVIRONMENTAL GOOD

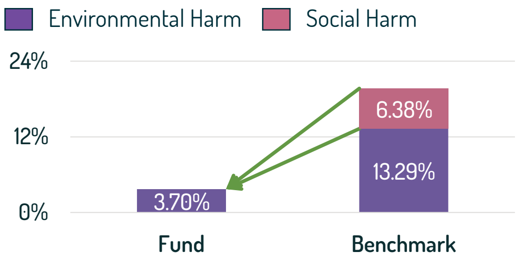
Percentage of funds allocated to environmental and social good



+113% More investments allocated to environmental and social good than the benchmark

2. LESS SOCIAL & ENVIRONMENTAL DAMAGE

Percentage of funds that create environmental and social harm



-81% Fewer investments that create environmental and social harm than the benchmark

1. Social impact | Primary Health Properties PLC (LSE: PHP) (phpgroup.co.uk)

GOVERNANCE PERFORMANCE

SUMMARY: Although the Portfolio Growth Fund far outperforms the benchmark on executive pay, there is still scope for improvement on gender equality and board independence.

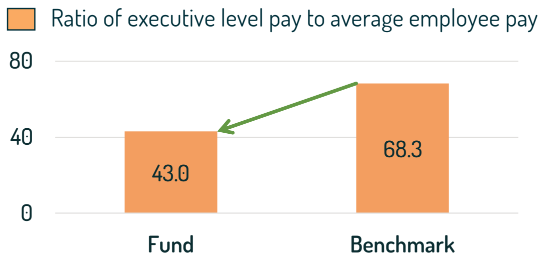
The executive pay ratio indicates how many times more an executive is paid than an average employee. Strong performance on executive pay can be explained by the fund's skew towards mid-cap companies, where the pay disparity between senior management and the wider workforce is smaller than typically seen in the largest listed companies. For example, the benchmark has a higher weight of large-cap companies where CEOs commonly receive excessive remuneration packages.

The fund slightly underperforms on the percentage of women in boards and top management, which again can be explained by the weight of mid-cap companies, which are typically further behind the largest listed companies on gender and other forms of diversity. Likewise, atypical governance arrangements are more common in mid-cap companies. For example, it's not uncommon to see a business' founder remaining on the board as chairperson or non-executive director for a prolonged period and this is at odds with the Corporate Governance Code which encourages more regular board renewal. However, we regularly engage with companies on governance topics, irrespective of their size, to encourage them to factor these considerations into succession planning.

Note - The proportion of estimated data used to calculate performance on executive pay, gender equality and board independence is 43%, 24% and 26% respectively. We hope that as the quality of reporting on ESG matters continues to improve, the use of estimated data will decrease.

1. LOWER EXECUTIVE PAY

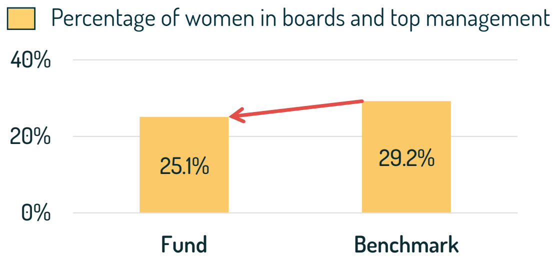
Comparing executive pay to employee pay



-37%
Ratio of executive to employee pay ratio lower than the benchmark

2. GENDER

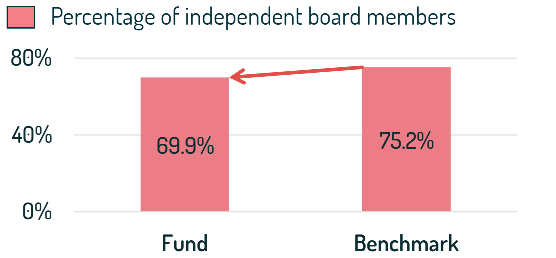
Percentage of women in boards and top management



-14.0%
Lower percentage of women in boards and top management than the benchmark

3. BOARD INDEPENDENCE

Percentage of independent board members



-7.1%
Lower percentage of independent board members than the benchmark

ENVIRONMENTAL METRICS

SUMMARY: The Portfolio Growth Fund demonstrates a stronger performance than the benchmark on all three environmental metrics: carbon efficiency, waste efficiency and water efficiency.

On carbon efficiency, the fund generates less Scope 1 and 2 emissions than the benchmark due to the broad exclusion of carbon-intensive sectors, namely oil, gas and mining, across both Castlefield funds and the third-party funds. For example, managers of third-party funds including WHEB and Liontrust exclude companies from their fund range which derive more than 5% of revenues from fossil fuel activities.

Further, the fund generates less waste than the benchmark, primarily because it does not invest in the mining sector, associated with the disposal of huge volumes natural materials. Rather, there is a considerable weight towards office-based sectors like financial services and software.

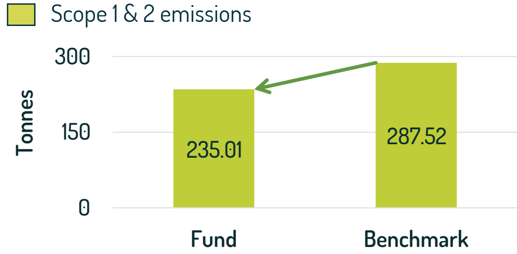
Likewise, the Portfolio Growth Fund is less water-intensive, given that the benchmark includes companies operating in sectors that utilize vast amounts of fresh water such as cement, energy and mining. Where the fund does invest in the energy sector, these holdings demonstrate a commitment to delivering on sustainability objectives including water consumption and decarbonisation.

Note - The proportion of estimated data used to calculate performance on carbon efficiency, waste efficiency and water efficiency is 36%, 61% and 64% respectively. We hope that as the quality of reporting on ESG matters continues to improve, the use of estimated data will decrease.

Please see the glossary for full definitions of scope 1 & 2 emissions.

1. BETTER CARBON EFFICIENCY

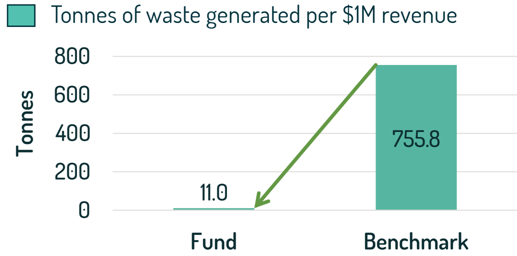
Emissions per $1M revenue



-18%
Fewer emissions produced than the benchmark

2. WASTE:

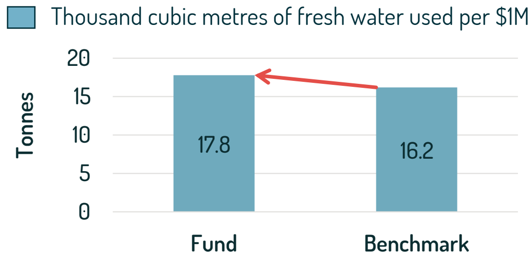
Tonnes of waste generated per $1M revenue



-98.5%
Less waste produced than the benchmark

3. WATER:

Thousand cubic metres of fresh water used per $1M revenue



+6.2%
More water used than the benchmark

NET ZERO

SUMMARY: The Portfolio Growth Fund is comprised of a variety of investment products including Castlefield funds, third-party funds, investment trusts and retail charity bonds. 61% of these holdings have set a target to achieve net zero by 2050 or sooner – although for the funds this refers to the net zero target at fund-level, rather than each underlying holding.

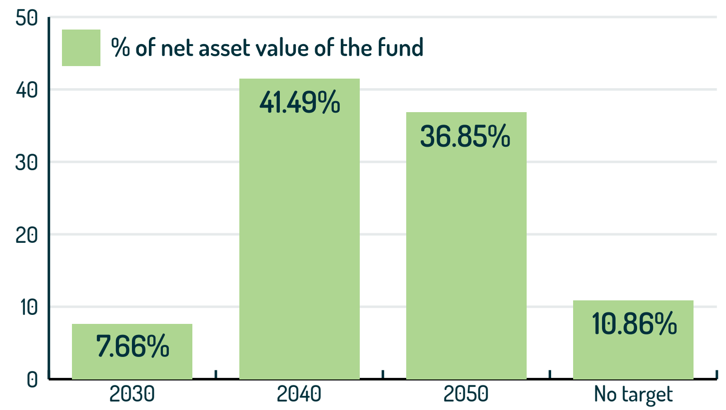
In terms of the Castlefield fund range which the Portfolio Growth Fund invests in, we are aiming to achieve net zero across our investment portfolio by 2040. Whilst we do not have direct control over the emissions from the companies we invest in, ongoing engagement is a key tool to hold investee companies accountable against their net zero commitments. Further, ESG considerations lie at the core of our investment approach, actively seeking out companies with positive environmental credentials.

In a similar fashion, the third-party funds within the Portfolio Growth Fund demonstrate strong track records on ESG and sustainability concerns. For example, WHEB commit to engaging with underlying companies held in investment strategies to ensure that 100% of the emissions produced by investee companies are covered by net zero carbon commitments by 2030. Royal London is aiming for net zero by 2050 and similarly expect companies to set targets in line with the 1.5°C ambition.

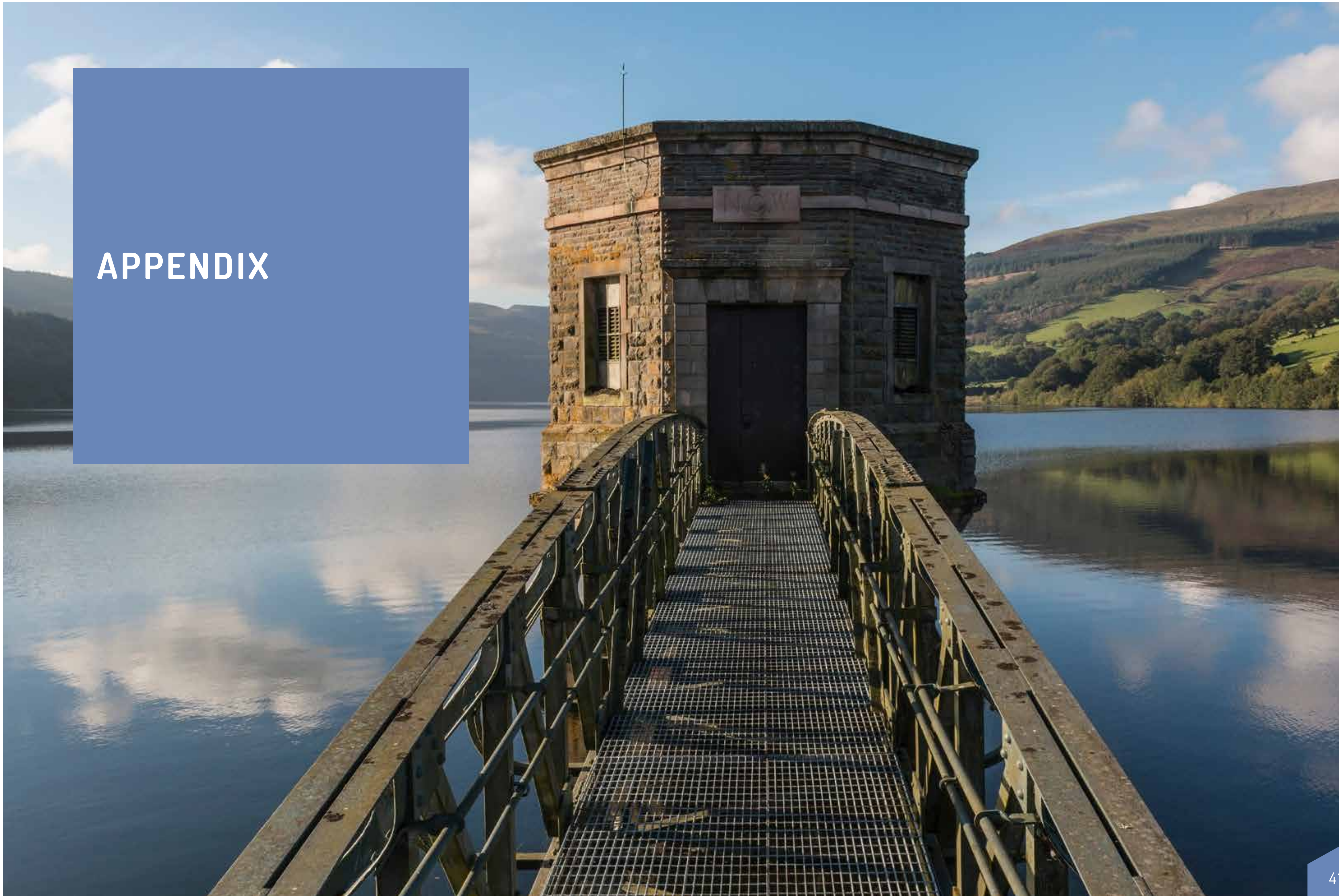
Finally, the fund invests in retail charity bonds, such as those issued by Hightown Housing Association, which provides care and supported housing services and has committed to net zero by 2050 through increasing the energy efficiency of its homes and using sustainable construction methods.

Note: that the net zero analysis is based on number of holdings and not weighted by the size of the holding in the fund.

1. DATE OF NET ZERO TARGET



APPENDIX



A NOTE ON THE DATA

DATA SOURCES

We have used three main sources of data for this report, which we set out below:

1. **Positive themes data:** we generate this data in-house, using a set of definitions agreed by our internal stewardship committee. A full list of the positive themes and their definitions is available on pages 37-40. We have used fund holdings at 31st December 2022 to calculate the positive theme exposure data for this report. The data reported is weighted by holding size in the fund.

2. **Data supplied by Impact Cubed:**
    a. Investing in social and environmental good
    b. Governance performance
    c. Environmental metrics

    For our single strategy equity funds, we have used holdings data from 30th September 2022. For our portfolio funds, we have used holdings data from 30th June 2022, given the time lag that some external fund managers require before releasing holdings data.

4. **Net Zero data:** this is data that is generated in house, using publicly available information and information derived through engagements. For this report, we have used the dataset at 31st December 2022. The net zero data for this report has been calculated on the basis of the number of holdings in each fund to keep it consistent with the reporting approach taken in the stewardship report.

POSITIVE THEMES

CYBER SECURITY & DIGITAL CONNECTIVITY

In a technology-driven world, cyber security & digital connectivity is essential. It protects all kinds of data from theft, damage and other cyberthreats, to the benefit of all. The Cyber Security & Digital Connectivity theme covers companies providing products or services which support consumer privacy, digital security and the development of secure digital infrastructures.

Example Holding:

GB Group is a global specialist in identity data which helps service companies to verify the identity and locations of customers; it also aides compliance with regulation and protection against fraud. Specifically, it operates in three core areas: identity verification, fraud and location intelligence. The company has a broad customer base, currently serving over 20,000 customers which range from small companies to global businesses.[1]

1. https://www.gbgplc.com/en/about-us/

EDUCATION

Education is crucial to economic growth and development and should be accessible to all. Our Education theme covers the provision of products and services that improve the quality of education, such as scholastic materials or academic journals. This theme also encompasses companies widening access to education, along with developers of information technology for the education sector.

Example Holding:

Tribal Group is a leading provider of software and services to the international education market. Its core business is the delivery of Student Information Systems.[2] Ensuring a high-quality experience with increased digital interaction is critical for the education sector but often institutions are saddled with complex, legacy digital ecosystems which are hard to change and require specialist skills to administer. Tribal's product portfolio consists of market-leading, cloud-enabled Student Information Systems and a broad range of Education Services, which encompass the student journey from recruitment to graduation and cover institutional requirements such as quality assurance, peer review, improvement and inspections, and institution benchmarking and analysis.

2. https://www.tribalgroup.com/about-us

EMPLOYEE OWNERSHIP & RESPONSIBLE BUSINESS

Employee Ownership & Responsible Business is a theme which encompasses companies that provide employees with opportunities to build their own personal stake in the business. It is also linked to employee development, youth training, apprenticeships and STEM development. It is an important theme as it helps to align the interests of companies and their employees around securing long-term, sustainable growth. The companies in this theme stress the importance of protecting labour rights and promoting safe and secure working environments, for example, paying living wages.

Example Holding:

Mattioli Woods is a leading provider of pensions and wealth management services for business leaders, professional people, owner-managed businesses and small-to-medium-sized PLCs. The company has large employee shareholdings and management have been strong in their quick response to COVID 19, with the CEO opting to take a 100% salary cut and other directors seeing a cut of 50%.

ENVIRONMENTAL MANAGEMENT

Healthy ecosystems purify our air, clean our water, provide us with food and regulate the climate. The environment provides the raw materials which are the foundation of all civilisation and sustain our economies. Environmental Management is an important theme in our investments. It covers companies which are involved in emissions management, waste control, pollution monitoring and water use.

Example Holding:

Alumasc is a UK-based supplier of premium building materials, systems and solutions, with a focus on energy and water management. A significant proportion of Alumasc's products are designed to provide effective solutions to increase sustainability within the built environment. One example is the company's Green Roofs System, which can offer engineered living roof systems which contribute to sustainability, biodiversity and the attenuation of storm water. Another product with significant environmental benefits is Alumasc's Derbigum Olivine roofing, which utilises a naturally occurring mineral layer which neutralises the CO2 in rainwater on contact via an irreversible chemical reaction.[3]

3. https://www.alumasc.co.uk/wp-content/uploads/2020/09/Sustainability-Report-2020.pdf

FINANCIAL RESILIENCE

We define financial resilience as the ability to withstand life events that could impact an individual's income and/or assets. The Financial Resilience theme covers companies which provide products and services that lessen the impact of financially stressful events, such as unemployment, divorce, disability, and ill health. This includes firms providing products and services that enable individuals to save and develop financial independence. It also includes insurance companies which focus on improving security and reducing customers' risk exposure.

Example Holding:

Experian plc is an Anglo-Irish multinational consumer credit reporting company. By accessing consumer credit data, businesses can make smarter decisions, lenders can lend more responsibly, and organizations can prevent identity fraud and crime. In addition, Experian is committed to increasing access to financial services by enabling access to credit by allowing people to develop a credit profile. For example, over a billion people in the Asia Pacific region lack access to formal financial services, 45 million in the US have limited or no credit profiles, 45 million in Brazil are unbanked and there are over five million in the UK who have no credit history at all.[4]

4. https://www.experianplc.com/responsibility/improving-financial-health/

HEALTH & WELLBEING

Staying healthy contributes to improved quality of life, increased productivity and, ultimately, longer lifespans. We recognise Health & Wellbeing as a positive theme which relates to companies providing products or services that improve access to affordable healthcare or result in better patient outcomes. This theme also includes companies providing products or services that prevent underlying causes of poor health, for example, through the provision of healthy food options and access to exercise facilities.

Example Holding:

Tristel is a manufacturer of infection and contamination control products. The core product is a chlorine dioxide disinfectant which is primarily used on medical instruments in hospitals. The disinfectant prevents the transmission of microbes, which can be a source of infection and subsequently cause illness or even death. Tristel products have several advantages over competitors. For example, they allow equipment to be prepared for the next patient quickly (typically around 30 seconds) as opposed to needing a duplicate instrument while the first one is being disinfected in a machine which can take up to 15 minutes. This makes Tristel products an efficient and cost-effective option for hospitals.

RESOURCE EFFICIENCY

Resource Efficiency increases the competitiveness of industries by stimulating innovation. It also boosts sectors such as recycling and resource recovery and helps to secure supplies of key materials. This theme covers companies that can increase the efficiency of resource intensive processes. These companies seek to improve their processes and practices in order to reduce the amounts of raw materials required to produce goods and services whilst also seeking to improve the energy efficiency of products.

Example Holding:

Software company Blancco provide services including data erasure and mobile diagnostics to a large, global customer base. Their data erasure software has been tested, certified and approved by over 15 governing bodies and meets the highest levels of global data privacy requirements. Blancco's software allows organisations to focus on erasing and reusing assets instead of physically destroying them, increasing the lifespan of devices and reducing landfill waste. The company has been awarded the London Stock Exchange's Green Economy Mark, and recently published their first ESG Report which included an estimate that '75.9 million kilograms of electronic equipment was securely sanitised during the year, with a pre-use carbon footprint of 5.6 billion kilograms'.[5]

5. Blancco ESG Report, 2021

SAFETY & REGULATORY COMPLIANCE

Across the economy, companies need to comply with health, safety and other regulatory requirements to ensure the safety and wellbeing of employees, customers and the community at large. Regulatory compliance also helps to build trust with clients. Our Safety & Regulatory Compliance theme relates to companies which manufacture and produce safety equipment. In addition, this theme includes companies that provide products or services which contribute to the reduction of accidents, or that assist companies in meeting their regulatory requirements.

Example Holding:

Intertek is a global provider of testing, inspection, certification and assurance services, with over 1,000 locations in over 100 countries.[6] They work with businesses to ensure that products meet quality, health, environmental, safety, and social accountability standards and can help companies meet global accreditation schemes. We believe that measuring and having external verification of key sustainability information helps stakeholders assess the credentials of companies; it is also crucial for businesses to demonstrate their impact on the world around them. Companies such as Intertek have in important role to play in enabling and accelerating the trend towards increased disclosure of sustainability data.

6. https://www.intertek.com/about/

SUSTAINABLE INFRASTRUCTURE

Societies need reliable infrastructure to connect people and supply chains. Sustainable Infrastructure is a theme which relates to companies involved in the provision of resilient infrastructure, including transportation. This theme also includes businesses involved in the manufacturing or operation of real assets, such as renewable energy infrastructure. In addition, this theme covers companies constructing, maintaining and managing social and affordable housing.

Example Holding:

Vestas designs, manufactures, installs and services wind turbines across 85 countries, currently providing over 145GW of power. Vestas' sustainable energy solutions have already prevented 1.5 billion tonnes of CO_2 from being emitted into the atmosphere and contribute to a more sustainable energy system.[7] The need to increase renewable generation is clear and wind will be a significant power source for a nation like the UK, where sunshine is not guaranteed. In turn, the cost of wind generation is significantly advantageous when compared to other massive capital spend projects such as nuclear power production. As such, increasing the share of wind energy continues to play a meaningful role in reducing the level of carbon emissions from UK power generation.

7. https://www.vestas.com/

SUSTAINABLE SUPPLY CHAINS

It is common for supply chains to be beset with environmental, social and legal concerns. The companies which fall into the Sustainable Supply Chains theme are committed to sourcing materials responsibly. They have policies and practices for eradicating a range of human rights issues, for example, forced and child labour, modern slavery and human trafficking within the supply chain. Another key aspect of this theme is that it also includes companies which take responsibility for their suppliers' environmental and social impacts and manage them in line with the growing expectations of stakeholders.

Example Holding:

SAP is a German multinational software business that develops enterprise software to support business operations and customer relations. The software is extremely useful in its ability to audit supply chains from a sustainability point of view, and it forms an integral part in business leaders' ability to measure and control water and carbon usage, in addition to auditing the provenance of ingredients and their traceability.

!

We also have some holdings which have been designated 'Unclassified.' These holdings either sit outside of the key positive themes that we have identified or do not contribute to a theme meaningfully enough to be categorised. Some examples of industries and activities in the 'Unclassified' category include:

- **companies in the leisure sector, such as hotel operators**
- **particular companies in the financial sector, such as professional services consultancies**
- **asset managers where the percentage of assets managed in ESG or sustainability strategies is relatively low (but growing)**

GLOSSARY

TERM		DEFINITION
A	AIM	Alternative Investment Market - An investment exchange initially established in 1995 to promote the growth of smaller companies seeking public equity finance. Owned by the London Stock Exchange group, AIM is a Recognised Investment Exchange.
	AGM	Annual General Meeting - a mandatory annual assembly of a company's executives, directors, and interested shareholders.
C	Carbon Footprint	A measure of a group, individual, company or country's greenhouse gas emissions.
	Carbon Neutral	An organisation is considered carbon neutral if the company does not emit any carbon emissions or offsets their emissions in some way (see carbon offsets below). Critics of this concept argue that it negates the need to take action on emissions reductions and therefore the concept is not without controversy.
	Carbon Offsetting	Compensating your total carbon emissions by funding carbon negative activities elsewhere. Companies often offset their existing emissions by investing in projects such as tree-planting. The quality of offset projects can vary and the concept is not without controversy.
	Circular Economy	An economy in which there is no waste because resources are never disposed of – they are continually recycled or re-used.
E	Engagement	Engagement is about the interactions with an investee company but it is much more than simply meeting with the company's management team. Engagement presents an opportunity to help shape and gain insight into a company's long-term approach to sustainability. It also gives us the opportunity to share our expectations on corporate behaviour and to influence company interactions with their stakeholders.
	Environmental Good	Examples are renewable energy, waste and environmental management, public transportation services.
	Environmental Harm	Examples are oil and gas exploration, plastic production, coal mining.
	ESG	Environmental, Social or Governance issues. These provide a set of parameters to measure the sustainability and ethics of a potential investment. Environmental criteria are used to evaluate the environmental impact a business has (such as its carbon emissions or pollution levels); Social criteria address issues such as human rights policies and responsible employment practices, while Governance criteria include the running of a business or best practice, such as its political contributions, executive pay or shareholder rights.
G	Green washing	This relates to the false communication as to the environmental or ESG credentials of a product, service, fund or organisation in order to make it appear to be more environmentally-friendly than it really is.

For our full list of industry terms and definitions please visit our website.

TERM		DEFINITION
N	Net Zero	This is defined by the UN as "cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance." See https://www.un.org/en/climatechange/net-zero-coalition for further information.
R	Responsible and Sustainable Investment	Responsible and Sustainable Investing can mean different things to different people and covers all manner of investment approaches. Primarily it is an investment approach that considers ESG risks and opportunities as part of the investment process and uses engagement and voting in order to generate sustainable, long-term financial returns. Responsible and sustainable investing at Castlefield enables an investor to avoid companies whose activities they do not wish to support, whilst investing in those whose practices and values reflect their own values. We call this Thoughtful Investing.
S	Scope 1 Emissions	Emissions generated directly by the company, e.g. emissions from boilers or vehicle fleet.
	Scope 2 Emissions	Indirect emissions, eg. from purchased electricity that the company uses.
	Social Good	Examples include telecoms, educational services, healthcare.
	Social Harm	Examples include tobacco, gambling and casino.
	Stewardship	This relates to actively influencing the responsible allocation, management and oversight of an investee's capital in a way that creates long-term, sustainable value. It includes the voting and engagement activity we carry out as investment managers on behalf of our clients.
T	Thoughtful Investor ®	Castlefield's trademarked investment approach. We offer values-based investing from the perspective of being a values-based organisation.

IMPACT CUBED ANALYSIS

CASTLEFIELD FUNDS AND BENCHMARKS USED FOR IMPACT CUBED FOR THE IMPACT ANALYSIS

FUND	BENCHMARK USED IN IMPACT ANALYSIS
CFP Castlefield Sustainable UK Opportunities Fund	UK - Morningstar
CFP Castlefield Sustainable UK Smaller Companies Fund	UK Small Cap - Morningstar
CFP Castlefield Sustainable European Fund	Developed Markets Europe ex UK - Morningstar
CFP Castlefield Sustainable Portfolio Growth Fund, CFP Castlefield Sustainable Portfolio Income Fund	Composite benchmark reflecting the asset classes and geographic exposure of the funds, ie UK and global equities, corporate bonds, UK real estate and developed markets infrastructure.

More information on the benchmarks used is available on request

Impact Cubed analysis was carried out on 03/01/2023 using Castlefield equity fund data from 30/09/2022 and external fund data from 30/06/2022.

impact cubed

IMPORTANT INFORMATION

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