

**David F Ridland**

Manager &amp; CIO

David co-founded Castlebay and has managed the fund since inception. Previously he managed UK equities at Ignis and Barclays. David took Modern History at the University of St Andrews, as well as the MSC in Investment Analysis at Stirling University.

**Fund Attributes**

Our investment process identifies companies with:

- Strong cash flows
- High returns on invested capital
- High operating margins
- Low or no debt
- An operational margin of safety
- A valuation margin of safety

**Investment Risks**

- Past performance is not necessarily a guide to future returns.
- The value of the investments and income derived from them may rise and fall in the future.
- A concentrated portfolio of 20-30 companies can involve higher risk and more fluctuations of capital value.
- A minimum of five years is suggested as an investment time horizon.
- There are areas of the UK market in which we will not invest such as Banks & Big Oil due to their low returns on equity capital.

**Fund & Share Class information**

Fund Type	UCITs (UK)
Launch Date	28 Jan 2015
Dividend Payment	Feb, May, Aug, Nov
Dividend Yield	3.2%
Initial & Exit costs	None
Dilution Levy <sup>1</sup>	Yes
Auth. Corp Director	Valu-Trac
Depository	NatWest
Dealing	Daily at Noon
IMA Sector	IA UK All Companies
Fund Size	£137M
Portfolio Turnover <sup>2</sup>	12%
Av holding period	8 years
Active Share	84% at 31/07/22
5 Day Liquidity <sup>3</sup>	74%
No. Holdings	27
Average co. founded	1945
Average Mkt Cap	£38BN

<sup>1</sup> Dilution levy applies to large purchases & redemptions (10%+) of the fund NAV. The levy is calculated and charged by Valu-Trac (ACD), to protect existing investors from the costs associated with large fund purchases and sales.

<sup>2</sup> Portfolio Turnover Ratio (PTR) calculated as Purchases or Sales (whichever is less) divided by Average NAV of fund, annualised since inception 28/01/15.

<sup>3</sup> Trading no more than one third of average daily volumes.

**About Castlebay Investment Partners LLP**

Castlebay Investment Partners LLP was established by David MacNeil & David Ridland in 2013. The VT Castlebay UK Equity fund was subsequently launched in January 2015. Castlebay is owned by the Partners who make business & investment decisions according to four guiding principles:

- **Transparency & alignment of best interests with our fellow shareholders**
- **Adherence to our investment philosophy & process**
- **Independence of thought to avoid the market herd**
- **Focus on costs: management fees capped & low turnover**

**Investment objective:**

Our fund invests a minimum of 80% in UK listed companies with the flexibility to invest up to 20% in cash, fixed interest securities or international companies. We aim to generate real returns by exceeding inflation (CPI) plus 4%, per annum, on a rolling three year basis.

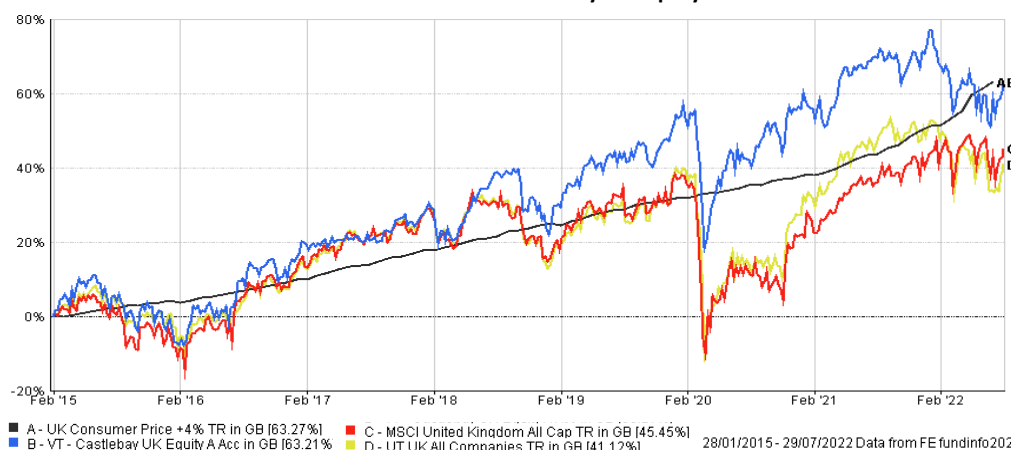
**Investment approach:** We are **Quality value** investors (in that order) and invest in high returning companies when they are attractively valued, in comparison to their own long term average valuations.

Our 'Quality table' highlights some important metrics we assess when we analyse a business. We believe that the underlying returns generated by companies drive share price performance over the long term. Our focus is on companies which have demonstrated an ability to generate high returns in the past and where they are in a strong position to carry on making high returns in the future.

Quality Table	Castlebay	Market
Return on Equity	44%	18%
Operating profit margin	20%	12%
Net debt to equity	58%	88%
Cash conversion	87%	87%
Free Cash Flow yield	4.5%	4.6%

Source: Bloomberg as at 31/07/22

We invest in companies with conviction and for the long term. We do not speculate on short term share price movements. We invest from our investment universe. Our universe consists of companies from the whole of the UK market and developed international markets, which have passed our quality test. Our charges are transparent. We pay the ongoing fund charges from our management fee and dealing costs are low. Investing mistakes often prove to be a source of learning and these are examined, along with our approach to investment, in our quarterly investor letters.

**Performance of the VT Castlebay UK Equity fund**

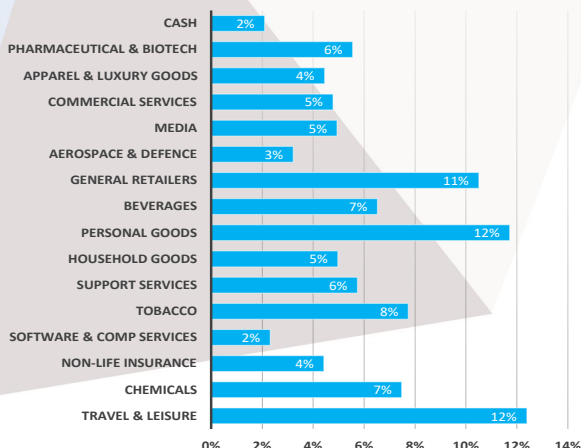
Benchmark	2022	2021	2020	2019	2018	2017	2016	2015 <sup>^</sup>	Launch
VT Castlebay UK Equity Fund <sup>1</sup>	-7.5%	12.8%	2.0%	23.0%	-2.6%	10.1%	17.7%	-1.3%	63.2%
CPI +4%*	7.9%	9.6%	4.7%	5.4%	6.2%	6.9%	5.6%	4.7%	63.3%*
UK Equities <sup>2</sup>	0.9%	18.8%	-11.3%	18.3%	-9.8%	13.1%	17.3%	-3.3%	45.5%
IA UK All Companies <sup>3</sup>	-7.4%	17.2%	-6.3%	21.8%	-10.7%	13.8%	11.2%	0.9%	41.1%

<sup>1</sup>A Class Accum Net of Fees, priced at Noon (source: FE 2021) Castlebay UK Equity fund inception 28/01/15 <sup>2</sup>MSCI UK All Cap (GBP) (Source: FE 2021) <sup>3</sup>IA All Companies sector (source FE 2021) <sup>^</sup>2015 Performance since fund launch 28/01/15 to end December 2015 \*CPI+4% to 30/06/22 (source FE 2022)

Past performance is not necessarily a guide to future returns. The value of the investments & the income from them may fall. You may not get back what you invest

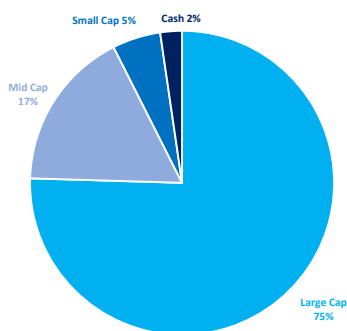


Portfolio sector weightings

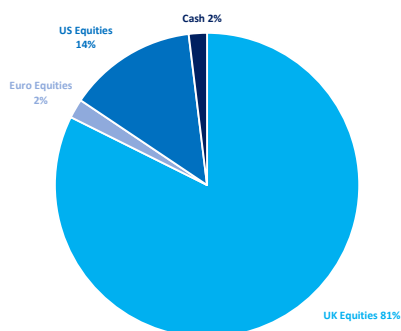


Source: Valu-Trac 31/07/22

Market Capitalisation



Geographic weightings



Source: Valu-Trac 31/07/22

VT Castlebay UK Equity portfolio

Company	Sector	Weight
Diageo	Beverages	5.6%
Unilever	Personal Goods	5.3%
Reckitt Benckiser	Household Goods	5.0%
Relx	Media	4.9%
Victrex	Chemicals	4.8%
Intertek Group	Commercial Services	4.8%
BATs	Tobacco	4.7%
Compass Group	Travel & Leisure	4.6%
Next	Retailers	4.6%
Burberry Group	Apparel & Luxury Goods	4.5%
Admiral Group	Non-life insurance	4.4%
Intercontinental Hotels	Travel & Leisure	4.4%
Colgate Palmolive Co	Personal Goods	4.2%
Pagegroup	Support services	3.7%
AutoZone	Retailers	3.5%
Domino's Pizza Group	Travel & Leisure	3.4%
Avon Protection	Aerospace & Defence	3.2%
Imperial Brands	Tobacco	3.1%
Croda International	Chemicals	2.7%
Dunelm Group	General Retailers	2.4%
Craneware	Software & Comp Services	2.3%
Estee Lauder	Personal Goods	2.2%
Novo Nordisk	Pharma & Biotech	2.0%
Edwards Lifesciences	Pharma & Biotech	2.0%
Accenture	Support services	2.1%
Bioventix	Pharma & Biotech	1.5%
Nichols	Beverages	0.9%
Cash	Cash	2.1%
Rev/Cap Accruals	Cash	1.1%
<b>Total</b>		<b>100.0%</b>

Source: Valu-Trac 31/07/22

Share class information

Share Class	Ongoing Charges Figure*	Minimum investment	Price (P)	ISIN
A Class Accumulation	1.0%	£10,000	163.21	GB00BVOLF607
A Class Income	1.0%	£10,000	130.46	GB00BVOLF599
B Class Accumulation	0.8%	£2,000,000	149.23	GB00BVOLF821
B Class Income	0.8%	£2,000,000	134.13	GB00BVOLF714
C Class Accumulation	0.6%	£20,000,000	170.55	GB00BVOLF599
C Class Income	0.6%	£20,000,000	99.27	GB00BVOLF938

\*Castlebay pay all ongoing fund costs from their management fee which means the Annual Management Charge is the same as the Ongoing Charges Figure (OCF). Ongoing fund charges exclude stamp duty and dealing commission. These costs are published in our final quarterly letter each year.

Why a CPI+4% comparison?

We prefer not to follow the investing herd. Our aim of exceeding inflation (CPI) plus 4% per annum, on a rolling three year basis, frees us up to invest only in those businesses which satisfy our quality characteristics.

We will never own a company merely because it is a large constituent of an index, nor will we allocate to certain sectors so we do not deviate significantly from an index.

We do not invest in banks or big oil companies because they do not earn sufficient returns on their capital. We will often deviate from the market crowd. It is important you understand and are comfortable with that before you invest.

Platform Availability

Aegon	Cofunds	Interactive investor	Praemium
AJ Bell	Elevate	James Hay	7IM
AllFunds	Embark	Novia	Share Centre
Ascentric	Fidelity funds network	Nucleus	Standard Life
Aviva	FNZ	Old Mutual	Transact
Barclays Direct	Hargreaves Lansdown	Pershing	Zurich

How to invest

Please contact David MacNeil at Castlebay for further information on how to invest in the fund:

Tel: 0141 212 7930

Email: davidmacneil@castlebayinvestments.com

Web: www.castlebayinvestments.com

Address: Crosstrees House, 14 Sandyford Place, Glasgow G3 7NB



Castlebay are signatories of the **United Nations Principles for Responsible Investment (UNPRI)** and remain committed to their 6 principles of investing (below) as we implement our long term approach to 'Quality value' investment. Further details on our responsible investment policy and stewardship are on our website.

6 Principles of the UN PRI:

- **Principle 1.** We will incorporate Environmental, Social and Governance (ESG) issues into investment analysis and decision-making processes.
- **Principle 2.** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3.** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4.** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5.** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6.** We will each report on our activities and progress towards implementing the Principles.



#### **IMPORTANT INFORMATION**

VT Castlebay UK Equity fund is a sub-fund of the Valu-Trac Investment Funds ICVC. Full details of the VT Investment Funds, including risk warnings, are published in the VT Investment Funds Prospectus, the VT Investment Funds Supplementary Information Document (SID) and the VT Investment Funds Key Investor Information Documents (KIIDs) which are available on request and at [www.castlebayinvestments.com](http://www.castlebayinvestments.com). Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Castlebay Investment Partners LLP is authorised and regulated by the Financial Conduct Authority (No.624445) Valu Trac Investment Funds ICVC is authorised and regulated by the Financial Conduct Authority. (No. 581955). This document does not constitute or form part of and should not be construed as, an initiation to buy or sell shares in the Fund and neither this document nor anything contained or referred to in it shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

**The value of shares and the income generated from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally subscribed. Equity investments should always be considered as long term. Investors should not purchase shares in the Fund except on the basis of information contained in the Fund's Prospectus.**