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Anniversary celebrations for Barmac fund

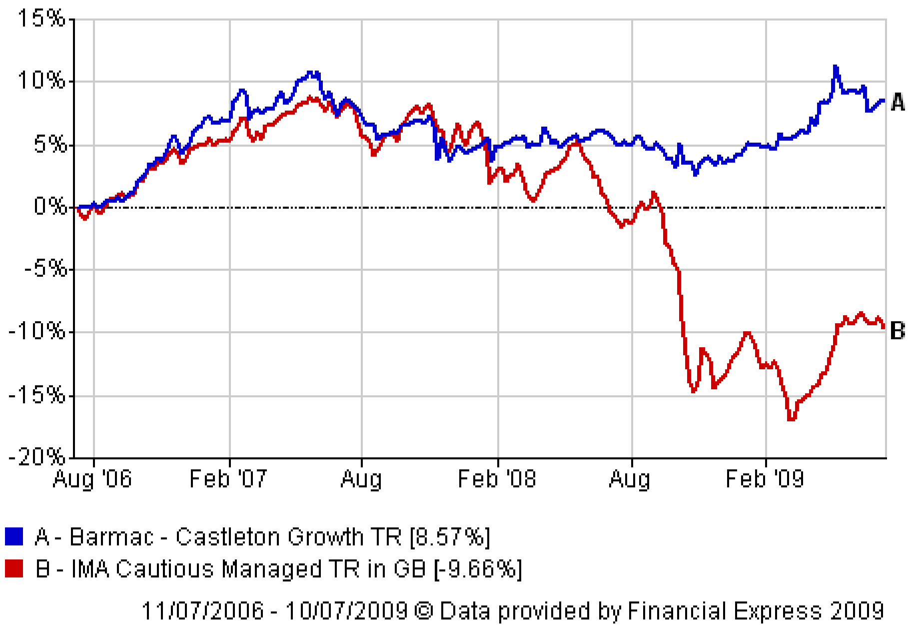
Since its launch three years ago, the Barmac Castleton Growth fund has been putting in a good performance

The **Barmac Castleton Growth** fund turned three on the 11th of July. This matters because three-year growth is one of the key indicators fund selectors and advisors look at before recommending a fund.

A fund without a three-year track record is likely to struggle for attention without a heroic effort from its marketing department. It is only when a fund turns three that it starts appearing on most IFAs' radars.

The **Castleton Growth** fund has a lot to celebrate. It has enjoyed excellent performance over its relatively short life. For the three years since launch it has returned 8.57 per cent compared to the IMA Cautious Managed sector which lost 9.66 per cent over the same period, placing the fund second out of 82 in the sector for three year performance.

Performance of Barmac Castleton Growth fund over 3-yrs



Source: Financial Express Analytics

This has not gone unnoticed. The fund has steadily been gaining interest in the industry with assets under management increasing by around 50 per cent over the last year and by an additional 5 per cent in the two weeks since turning three.

Barmac started out as a research house and a large part of the fund's success can be attributed to its in house research and technical analysis. It uses a proprietary model to identify market opportunities. Where they differ from other groups however, is the level of conviction they place on these recommendations. If they believe the market is entering a negative phase they will look to withdraw by shifting into cash or by hedging their exposure. Capital preservation is still firmly in mind when investing in rising markets, a stop loss of around three percent is usually in place to limit any short term losses.

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The level of active management and a much wider array of investments than is traditional for many cautious managed funds is what sets this fund apart from its peers. Additionally a focus on market timing has seen the fund miss large parts of the recent market turmoil; ensuring it minimised its losses and also making it one of the most cautious, the fund has the lowest volatility in the sector for the three year period.

Director Andrew Bartles points to liquidity as being the key to this strategy.

"We always think about what happens if it goes wrong, we look for investments with a high level of liquidity we can unwind quickly, such as large cap stocks, ETF's and index futures."

This focus on liquid instruments means the fund is well placed to cope with an influx of new money and shouldn't need to make serious adjustments to the way it runs money. Andrew Bartles is confident they could continue their strategy successfully with assets of £500m plus.

The **Barmac Castleton Growth** fund has had to endure some of the most volatile market conditions ever seen since its launch and has performed admirably. Its record of capital preservation during falling markets is outstanding and its focus on capital preservation is exactly what cautions investors and those with short time horizons should be looking for. It remains to be seen how the fund performs in strongly rising markets, but this should not put off investors still sceptical of an economic recovery.

End of article