

CastleArk Management

Background

Our Firm

CastleArk was established in 1999 to provide unique, enhanced investment management services focused on Growth, Energy and Total Fund strategies. Our culture is built on the values of a Boutique Investment Partnership. Our philosophy is rooted in a belief that in-depth company research coupled with sound risk management principles will deliver superior results. Our investment processes take advantage of behavioral mispricing of forward earnings leading to strong returns over time.

Our unique investment approach has achieved market-beating results across our strategy offerings.

Our Partnership

We foster a collaborative environment where challenges and successes alike are shared by the entire firm. To accomplish this, we attract experienced investors who embrace a small and specialized boutique culture. Additionally, we support our investment teams with first-rate execution, operational, and client-facing professionals. Principals of the firm hold a vested interest in CastleArk, providing incentive to balance risk-taking with prudence. CastleArk strategies are led by experienced investors in a team-oriented structure along with next generation investment talent. The interests of our clients and our partners are aligned.

Our entrepreneurial culture aligns our interests with those of our clients.

Our Comparative Advantage

Global Perspective. Leveraging a global team structure our investment analysis considers a wide breadth of perspectives that incorporates economic conditions in both equity and fixed income markets. Our global perspective allows us to include critical insights on opportunities and innovation from all major markets into our fundamental research.

Stock Selection. Decades of behavioral research has established that once a view is formed people embrace information that confirms that view while rejecting information that conflicts with it. Recognizing opportunity requires us to overcome this type of confirmation bias in our stock selection process. Our boutique culture encourages us to seek disconfirming information, think independently, and engage in rigorous debate to question our assumptions. Recognizing out of consensus views on earnings expectations in our investment process leads us to identify and act on mispricing opportunities in equity markets.

Proprietary Risk Management. Our risk management process allows us to compare how risk is priced across markets. Using key economic indicators our risk model identifies classification and economic risks present at both an individual holding and a portfolio level. We incorporate conventional measures of size, style, and sector affiliation with an economic factor discipline to give us an edge in generating alpha with well-measured risk.

We bring a global perspective to our proprietary company analysis and risk management processes.

The following expands on the philosophy and process of our organization. How we are structured, why we have succeeded, and why we believe our approach will endure.

CastleArk Management: A Boutique of Boutiques

CastleArk Strategy: Year of Inception



Successful investment managers provide a range of clients - Endowments, Plan Sponsors and Wealth Advisors – indispensable services, key among them: consistent investment strategies, the focus of an ownership culture, and high-quality execution and support. These are the foundational principals upon which CastleArk operates.

CastleArk started in 1999 managing Balanced Fund and Large Cap Growth strategies. Building upon the success of our flagship strategies, over the course of the next fifteen years CastleArk methodically expanded our capabilities. To complete our growth offerings, US Small- and Mid-Cap Growth strategies were started in 2007 and 2013 respectively. Seizing upon market opportunities in the energy sector, between 2009 and 2011 CastleArk introduced its Global Energy and MLP strategies. Amid an accelerating pace of global commerce, in 2015 CastleArk added International Growth strategies to our fund offerings. Each strategy is managed by a small, dedicated team of investment professionals responsible for research, stock selection, and portfolio construction. An independent risk-management group monitors each strategy's risk exposure on a variety of risk and economic factors. A central Investment Committee, headed by the firm's Co-CIOs, augments the collaborative environment for the Portfolio Managers across all CastleArk strategies.

CastleArk was founded with three multi-asset mandates that remain under our oversight. To generate strong results, we employ a multi-faceted investment discipline that looks beyond style and size parameters while remaining aware of the competing asset classes around us. Our solid growth discipline coupled with in-depth factor analysis adds to our development of comprehensive investment strategies.

For a variety of reasons biases exist in the consensus outlook for company earnings. Experience has taught us to invest in companies that possess catalysts for earnings paths that differ from expectations. All our strategies benefit by avoiding companies with overly optimistic forecasts while focusing on those we believe the market has mispriced. This objective analysis coupled with our proprietary risk management approach has generated positive alpha for our clients across seven distinct investment strategies.