


Fact sheet - June 2023

Fund Information

	Fund Manager:
	Keith Ashworth-Lord
	Sector:
	IA UK All Companies
	Launch Date:
	28/03/2011

Fund Size:	£664.2m
Number of Holdings:	27
ACD:	ConBrio Fund Partners Limited

Platform Availability

Aberdeen, Advance by Embark, Aegon, AJ Bell, Aviva, EQi, Fidelity, Hargreaves Lansdown, Interactive Investor, James Hay, M&G Wealth, Novia, Nucleus, Pershing, Quilter, Transact and 7IM.

Ratings



Fund Manager

Keith Ashworth-Lord
Chief Investment Officer & Fund Manager



Keith has over 35 years' equity market experience and is a seasoned practitioner of 'Business Perspective Investing' as championed by Benjamin Graham and Warren Buffett. Keith founded Sanford DeLand in 2010. He holds a BSc in Astrophysics and a MSc in Management Studies and is a Chartered Fellow of the Chartered Institute for Securities & Investment.

Investment Analysts

Eric Burns Chief Analyst

Eric has over 25 years' experience of UK equity markets. He joined Sanford DeLand in 2020, to lead the stock research process for the UK Buffettology and Free Spirit funds. He is a Chartered Fellow of the CISI and was voted Analyst of the Year at the 2015 UK SmallCap Awards.

Chloe Smith Investment Analyst

Chloe joined in October 2021 as an Investment Analyst, with experience in UK and European equity research, as well as in sustainable and responsible investment. She graduated with a Law degree and a MSc in International Financial Analysis from Newcastle University.

David Beggs Investment Analyst

David joined Sanford DeLand in October 2020 as an Investment Analyst. He has a First Class Degree in Economics from Newcastle University and is a CFA Charterholder.

Share Class Information

Share class	Min. Investment	Min. Saver*	Initial Charge	Investment Adviser Fee	Ongoing Charge **	Payment Dates	ISA Eligible	ISIN	CITI Code	Bloomberg	MEXID
General Income	£500	£50	0.00%	0.95%	1.15%	30 th Apr 31 st Oct	Yes	GB00BKJ9C676	K6LW	PRESINI:LN	BDAADV
General Accumulation	£500	£50	0.00%	0.95%	1.15%	30 th Apr 31 st Oct	Yes	GB00BFOLDZ31	O5M6	CSUKBIA:LN	CFSMC

Fund Objective and Strategy

The investment objective of the Fund is to seek to achieve an annual compounding rate of return over the long term, defined as five to ten years, which is superior to the median performance of all of the funds forming the official peer group of which the Fund is part. 'Peer group' is defined as being the Investment Association sector to which the Fund has been allocated (currently being the UK All Companies Sector) or to which it may be allocated in the future, as determined by that body. Investments will be made principally in UK equities with strong operating franchises and experienced management teams, applying the methodology of Business Perspective Investing.

Pricing Spread: Bid-Bid Data Frequency: Daily Currency: Pounds



A—CFP—SDL UK Buffettology General Inc TR in GB [207.35%]

B—IA UK All Companies TR in GB [100.00%]

28/03/2011—31/05/2023 Data from FE fundinfo 2023

Cumulative Performance (%)

	1 Mth	3 Mths	1 Yr	3 Yrs	5 Yrs	Since Launch
Fund	-1.61	-4.69	-7.63	-6.49	1.42	207.35
Sector	-2.67	-3.55	-1.01	25.40	8.39	100.00
Rank	48/248	197/248	220/246	229/235	174/226	5/182
Quartile	1	4	4	4	4	1

Discrete Performance (%)

	2023 YTD	2022	2021	2020	2019	2018
Fund	-3.12	-23.38	8.76	3.85	25.25	0.37
Sector	2.35	-9.06	17.25	-6.01	22.24	-11.19
Rank	237/247	226/ 254	235/ 247	32/ 244	74/ 240	3/ 234
Quartile	4	4	4	1	2	1

Discrete Year to Quarter End Performance (%)

	Q1 2022	Q1 2021	Q1 2020	Q1 2019	Q1 2018
	Q1 2023	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Fund	-12.57	-7.13	43.36	-10.91	5.12

Source of performance data: FE fundinfo as at 31/05/2023.

Past performance is not a guide to future performance.

Investment in the Fund carries the risk of potential loss of capital.

* £50 Regular saver minimum applies once the £500 minimum investment is met.

** The Ongoing Charge Figure has been calculated as of 28/02/2023.

Top 10 Holdings (%)

Games Workshop Group	9.88%
Bioventix	5.33%
Berkshire Hathaway 'A'	5.24%
AB Dynamics	5.09%
Rollins	4.95%
Relx	4.86%
Jet2	4.81%
London Stock Exchange	4.67%
Experian	4.57%
Softcat	4.54%

Sector Allocation (%)

Financial Services	16.01%
Support Services	11.87%
Leisure Goods	11.38%
Pharmaceuticals & Biotechnology	9.45%
Software & Computer Services	8.34%
Food & Beverages	6.84%
Technology Hardware & Equipment	6.76%
Industrial Engineering	5.09%
Media	4.86%
Travel & Leisure	4.81%
Construction & Materials	4.79%
Chemicals	4.33%
Cash	3.25%
Retailers	2.22%

Important Information

This document, which is approved and issued by Sanford DeLand Asset Management Limited (SDL), provides information about the CFP SDL UK Bufftology Fund (the Fund). ConBrio Fund Partners Limited (CFP) is the Authorised Corporate Director (ACD) of the Fund. SDL is the appointed Investment Adviser to the Fund. CFP and SDL are authorised and regulated by the Financial Conduct Authority (FCA).

This document does not constitute or form part of, and should not be construed as, an invitation or offer 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. We recommend that investors who are not professional investors should contact a professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from www.conbriofunds.com or direct from ConBrio Fund Partners Limited.

All data as at 31/05/2023 unless otherwise stated
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Fund Commentary

Growth obsesses investors. If you were to ask why, nearly all would say growth in sales, profits and earnings – and little else – is what drives share prices. Most observers believe an expanding business is also expanding value creation but this is not necessarily so. Companies can grow yet still destroy owner value. Focusing on growth alone neglects the equally important concepts of profitability of capital and free cash flow.

The traditional accounting model of company valuation says that share prices are determined by capitalising accounting earnings at an appropriate Price: Earnings Ratio. The accounting model centres on the Income Statement and Balance Sheet. For the E calculation, it matters if a cash outlay can be capitalised in the balance sheet rather than expensed through the profit and loss account. And what other than comparison to some other company, or investment class, determines the appropriate multiple of E to get the P? By contrast, the economic model of company valuation focuses on the sources and uses of cash. So, it doesn't matter where the cash outlays get recorded. Business Perspective Investors care only about how much cash seems likely to be generated over the lifetime of the business and the risk that it won't materialise. Growth is important in that a good business will be able to expand its cash earnings (effectively its coupon) at a higher rate than the discount rate used to bring those future earnings back to present value.

But profitability is also important. Take two businesses Sanford and DeLand. Both currently have the same earnings and are expected to report the same growth rate. Should they be valued on the same PER? Suppose that Sanford has to invest twice as much capital as DeLand to achieve that growth rate. Or put another way, for the same amount of capital invested, DeLand generates twice the rate of growth as Sanford. Should DeLand command twice the PER of Sanford then? Sanford is spending its way to the growth that DeLand manages to achieve by more efficient use of capital. A capital-intensive company may need to use much of its cash flow to reinvest in productive assets to maintain its earnings power. Conversely, a company with a different shape may have very little fixed asset needs so that its cash flow becomes available for acquisitions or returning to shareholders as dividends or buy-backs. And cash flow becomes really valuable once it becomes distributable.

Managers of companies with slower intrinsic growth can boost their apparent returns by throwing more capital at the business. Often this is done by making acquisitions, which make less than ideal business sense. Worse still, if that capital is earning less than its opportunity cost, any growth produced actually destroys owner value. Clearly, there is more to growth than meets the eye.

In May, the Fund's Income and Accumulation classes both fell by 1.61%, the former from 291.59p to 286.89p and the latter from 119.12p to 117.20p. Although this was some way better than the performances of both the UK stock market (-5.07%) and the IA UK All Companies sector (-2.75%), the Fund's benchmark, we are reminded that you can't eat relative performance, as the old proverb goes.

AB Dynamics (+11.05%), Focusrite (+8.79%), Quartix Technologies (+6.38%), Craneware (+6.07%) and Team17 (+5.59%) led the share price gainers after rebounding from recent lows but on the back of no newsflow of any materiality. The operating performance of those companies that did report newsflow continued to be positive with the exception of Dechra Pharmaceuticals (-7.89%) which warned of a more volatile trading environment relating to a deeper destocking by US wholesalers. Shortly post the month end, however, Dechra confirmed it had agreed an all-cash takeover by Swedish private equity firm EQT at a price of 3,875p per share. As regards activity, we have started to build a position in a new company for the portfolio. More about that in due course when we are fully invested.

Sources: Sanford DeLand Asset Management and FE fundinfo 31/05/2023.

Past performance is not a guide to future performance.
Any views expressed are the Fund Manager's and as such are subject to change, without notice, at any time.

Contact Information

Sanford DeLand Asset Management
7 Park Row, Leeds LS1 5HD
0113 350 1820
www.sanford-deland.com

Dealing Information & General Enquiries:
ConBrioEnquiries@uk.dstsystems.com
0330 123 3739 (UK)
+44 (0)20 3975 1021 (International)

Authorised Corporate Director
ConBrio Fund Partners
111 Piccadilly, Manchester M1 2HY
www.conbriofunds.com