




Fact sheet - March 2024

Fund Information

	Fund Manager:
	Keith Ashworth-Lord
	Sector:
	IA UK All Companies
	Launch Date:
	28/03/2011
Fund Size:	£528m
Number of Holdings:	28
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, to lead the stock research process for the UK Buffettology and Free Spirit funds. 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 an LLB in Law 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%	1.18%	30 th Apr 31 st Oct	Yes	GB00BKJ9C676	K6LW	PRESINI:LN	BDAADV
General Accumulation	£500	£50	0.00%	0.95%	1.18%	30 th Apr 31 st Oct	Yes	GB00BF0LDZ31	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 [225.81%]

B—IA UK All Companies TR in GB [107.77%]

28/03/2011—29/02/2024 Data from FE fundinfo 2024

Cumulative Performance (%)

	1 Mth	3 Mths	1 Yr	3 Yrs	5 Yrs	Since Launch
Fund	-0.38	5.77	1.03	-12.24	8.06	225.81
Sector	-0.15	4.38	0.10	11.15	21.71	107.77
Rank	154/236	52/236	80/235	214/236	196/217	4/173
Quartile	3	1	2	4	4	1

Discrete Performance (%)

	2024 YTD	2023	2022	2021	2020	2019
Fund	1.57	1.10	-23.38	8.76	3.85	25.25
Sector	-0.98	7.38	-9.06	17.25	-6.01	22.24
Rank	12/236	222/237	226/254	235/247	32/244	74/240
Quartile	1	4	4	4	1	2

Discrete Year to Quarter End Performance (%)

	Q4 2022 Q4 2023	Q4 2021 Q4 2022	Q4 2020 Q4 2021	Q4 2019 Q4 2020	Q4 2018 Q4 2019
Fund	1.10 -23.38	-23.38 8.76	8.76 3.85	3.85 25.25	25.25

Source of performance data: FE fundinfo as at 29/02/2024.

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 31/08/2023.

Top 10 Holdings (%)

Games Workshop Group	8.77%
Berkshire Hathaway 'A'	6.24%
Relx	6.10%
Bioventix	5.89%
Jet2	5.27%
Rollins	5.08%
Experian	4.73%
London Stock Exchange	4.63%
AB Dynamics	4.50%
Softcat	4.23%

Sector Allocation (%)

Financial Services	17.48%
Support Services	11.11%
Leisure Goods	9.65%
Software & Computer Services	8.98%
Industrial Engineering	7.43%
Media	6.10%
Pharmaceuticals & Biotechnology	5.89%
Food & Beverages	5.57%
Travel & Leisure	5.28%
Construction & Materials	4.29%
Technology Hardware & Equipment	3.88%
Cash	3.48%
Retailers	3.17%
Chemicals	2.89%
Real Estate	2.86%
Electrical & Electronic Equipment	1.94%

Important Information

This document, which is approved and issued by Sanford DeLand Asset Management Limited (SDL), provides information about the CFP SDL UK Buffettology 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 29/02/2024 unless otherwise stated.

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Fund Commentary

February saw a 0.1% increase in the price of the Accumulation shares to 124.77p and a 0.4% decline in the price of the Income shares to 301.38p, the difference being accounted for by the latter trading ex-dividend as of 29 February. I consider this to be a reasonable performance when compared to the 0.2% fall in the wider UK stock market and the 0.1% fall in the IA UK All Companies sector, the Fund's benchmark.

The portfolio was evenly split between winners and losers, there being fourteen of each. Of the twelve companies reporting material newsflow during the month, ten updates were what might be considered to be in line with expectations and two, AG Barr (-7.8%) and Jet2 (+5.0%), were ahead. I think we can be content with this scorecard.

As we close out the thirteenth anniversary of the Fund, I want to use this month's Fact Sheet to provide a recap of what it offers you in terms of the quality of businesses we own and an idea of its underlying valuation. After all, you would not be expected to buy a new shirt without knowing what it costs or whether it's made from polyester or silk.

Quality of Business Metrics

We seek to buy and hold high quality businesses that possess what Warren Buffett terms an *economic moat*. These businesses have a competitive advantage that allows them to earn outsized profits and keep their competitors at bay. A great example is Games Workshop (-4.6%), which truly owns a piece of its customers' minds. If you want to play Warhammer – and there are 1.9m followers on the company's social media channels and growing – you have to buy either directly or indirectly from Games Workshop.

Businesses with moats command better than average profit margins. At a gross level, this stands at a weighted average of 58.9% across the portfolio (in the case of Games Workshop it is 68.3%) compared with an estimated 40% for the UK stock market as a whole. At an operating level, i.e. after administrative costs such as staff and sales and marketing have been deducted, the Fund's weighted average is 25.1%, again comparing very favourably with the wider UK market, which we believe to be around 15%.

Anyone who read my teach-ins in last year's Fact Sheets will know just how important Return on Equity is to us, as it measures a business's profitability in relation to the amount of equity capital invested in it. Superior businesses tend to enjoy higher Returns on Equity and the weighted average across our portfolio stands at 39.4%, compared to the estimated UK market average of just 15%. The differential between this return and the cost of capital, which we assume to be 10% over the long term, is what creates economic value within a business. On this measure, one could argue that our businesses are adding six times as much economic value per £1 of incremental capital invested than the average company quoted on the UK stock market.

When we analyse our investee companies' returns, it is the cash returns that really matter to us. It is only surplus cash that is available to juice our return either through reinvestment in the business, sensible bolt-on acquisitions or the payment of dividends (our preference is in that order). As cash flow can be inherently volatile from year to year, we mainly judge this over a 5-year moving average to smooth out working capital movements and the timing of capital expenditure projects. Ideally, we want this to be as near to 100% as possible, meaning that the cash generated is tracking reported profitability. As at the end of February, 85% of profit after tax was being converted into free cash flow across the portfolio.

Finally, in a time of elevated interest rates, we sleep at night knowing that our companies have strong balance sheets. Of those companies that have any form of debt, the median interest cover stands at thirteen times, meaning that interest costs are in aggregate very well covered indeed by operating earnings.

Valuation Metrics

It should come as no surprise to anyone that higher quality businesses command higher valuations. We seek to buy wonderful businesses at fair prices rather than fair businesses at wonderful prices. In this regard, we are more Buffett 2.0 post the Charlie Munger influence.

The forecast price earnings ratio across the Fund on a weighted average basis stands at around 23x, materially lower than where it was just over two years ago when it stood at over 30x. More importantly to us, the forecast free cash flow yield stands at 4.5%, rising to 4.9% a year later. We regard this as our initial investment coupon but, unlike a straight bond, we can reasonably expect this coupon to grow at around 10% per annum over the long run. We say this because that has been the experience with this cohort of companies over many years.

I hope this provides a useful insight into some of the metrics we monitor and hopefully reassurance of the high quality of the companies owned by your Fund. Irrespective of any wider movements in the macro, share prices or new fads, we remain true to our fundamental principles.

Quality Metrics	Feb 2024
Gross Margin	58.9%
Operating Margin	25.1%
Return on Equity	39.4%
Free Cash Flow Conversion (5-year Moving Average)	84%
Median Interest Cover	13x
Valuation Metrics	
PER	23.1x
Free Cash Flow Yield	4.5%

Sources: Sanford DeLand Asset Management and FE fundinfo 29/02/2024.

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.

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