




Fact sheet - January 2025

Fund Information

	Lead Manager:
	Keith Ashworth-Lord
	Sector:
	IA UK All Companies
	Launch Date:
	28/03/2011
Fund Size:	£386.9m
Number of Holdings:	28
ACD:	ConBrio Fund Partners Limited
Platform Availability	
Abrdn, Advance by Embark, Aegon, AJ Bell, Allfunds, Aviva, EQi, Elevate, Fidelity, Hargreaves Lansdown, Hubwise, Interactive Investor, James Hay, M&G Wealth, Morningstar wealth, Novia, Nucleus, Parmenion, Pershing, Quilter, Scottish Widows, Transact and 7IM.	
Ratings	
	ALPHA MANAGER 2022 Keith Ashworth-Lord
	

Fund Managers

Keith Ashworth-Lord

Lead 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.

Eric Burns

Deputy Manager

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.



SDL Investment Team

From left to right:

Eric Burns, Chloe Smith, Keith Ashworth-Lord & David Beggs

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

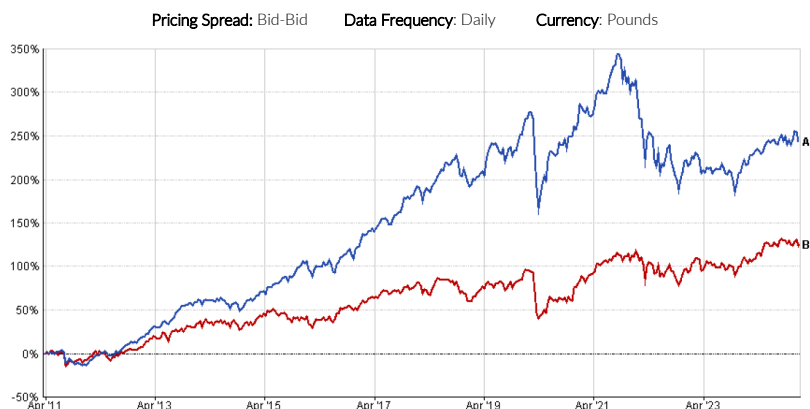
David joined Sanford DeLand in October 2020 as an Investment Analyst. He has a First Class Degree in Economics from Newcastle University and is a CFA Charterholder.

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
Income	£500	£50	0.00%	0.95%	1.0%	30 th Apr 31 st Oct	Yes	GB00BKJ9C676	K6LW	PRESINI:LN	BDAADV
Accumulation	£500	£50	0.00%	0.95%	1.0%	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, applying the methodology of Business Perspective Investing.



A—CFP—SDL UK Buffettology General Inc TR in GB [243.70%]

B—IA UK All Companies TR in GB [126.35%]

28/03/2011—31/12/2024 Data from FE fundinfo 2025

Month-end prices

Income class	313.67p	Accumulation class	131.06p
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Cumulative Performance (%)

	1 Mth	3 Mths	1 Yr	3 Yrs	5 Yrs	Since Launch
Fund	-3.60	-0.52	7.15	-17.00	-6.25	243.70
Sector	-1.38	-1.31	7.87	5.34	16.09	126.35
Rank	226/227	73/226	141/226	206/220	199/210	7/162
Quartile	4	2	3	4	4	1

Discrete Performance (%)

	2024	2023	2022	2021	2020	2019
Fund	7.15	1.10	-23.38	8.76	3.85	25.25
Sector	7.87	7.38	-9.06	17.25	-6.01	22.24
Rank	141/226	222/237	226/254	235/247	32/244	74/240
Quartile	3	4	4	4	1	2

Discrete Year to Quarter End Performance (%)

	Q4 2023	Q4 2022	Q4 2021	Q4 2020	Q4 2019
	Q4 2024	Q4 2023	Q4 2022	Q4 2021	Q4 2020
Fund	7.15	1.10	-23.38	8.76	3.85

Source of performance data: FE fundinfo as at 31/12/2024.

Past performance is not a guide to future performance.

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

Top 10 Holdings (%)

Games Workshop Group	9.92%
Relx	5.99%
Jet2	5.59%
London Stock Exchange	5.57%
Rollins	4.93%
AB Dynamics	4.85%
Experian	4.49%
Next	4.19%
Softcat	4.14%
Bioventix	4.09%

Sector Allocation (%)

Financial Services	19.29%
Leisure Goods	11.18%
Support Services	10.50%
Software & Computer Services	9.68%
Industrial Engineering	7.28%
Media	5.99%
Travel & Leisure	5.59%
Food & Beverages	5.47%
Retailers	4.19%
Construction & Materials	4.16%
Pharmaceuticals & Biotechnology	4.09%
Real Estate	4.08%
Technology Hardware & Equipment	3.78%
Cash	2.53%
Chemicals	2.19%

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 31/12/2024 unless otherwise stated.

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Fund Commentary

Although there was no 'Santa Rally' this December, the Fund's Accumulation shares closed out 2024 with a gain of 7.2%. This compares to an increase of 5.6% in the wider UK stock market and an increase of 7.9% in the IA UK All Companies sector, the Fund's benchmark.

Whilst not uniform, sentiment towards UK equities seemed to improve slightly over the course of the year. A large part of this can be put down to the relative undervaluation of the UK versus overseas markets, most notably the US. It came as no surprise, therefore, that 2024 saw takeover bids launched for three of our companies; two successful, one rebuffed. All were at very material premiums to their undisturbed share prices, supporting the view that UK equities remain "on sale". Indeed, the top two performers during the year, Hargreaves Lansdown (+50.7%) and Spirent (+45.9%), will both disappear from the stock market this year. I'm pretty confident in saying these won't be the last.

As we go into the New Year, I want to use this Fact Sheet to share some of the operating and valuation metrics we track for our holdings. We present *look-through* metrics, which show investors what they would be buying if Buffettology were a company in its own right. The exercise serves two main purposes: 1) it gives accountability that we are staying true to our investment principles and there is no style drift; and 2) it gives discipline to the team when considering new investments with the obvious question of how buying XYZ would enhance or detract from the overall Fund metrics. It keeps us on the tram tracks if you like.

Presented below is the last four years of data from December 2021 to December 2024.

Quality Metrics	Dec 2021	Dec 2022	Dec 2023	Dec 2024
Gross Margin	54.6%	58.0%	58.6%	59.3%
Operating Margin	17.5%	22.4%	22.9%	23.9%
Return on Equity	22.4%	28.1%	36.4%*	40.1%*
Free Cash Flow Conversion (5-year Moving Average)	79%	79%	78%	86%
Median Interest Cover	19.4x	27.8x	13.1x	10.3x
Valuation Metrics				
PER	30.2x	22.0x	23.2x	22.7x
Free Cash Flow Yield	3.3%	4.8%	4.8%	5.0%

An obvious takeaway of these metrics is that the quality of our businesses has been steadily improving at a time when valuations remain at or close to multi-year lows. To start off with margin, at a gross level this stands at a weighted average of 59.3% across the portfolio compared with an estimate of around 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 23.9%, again significantly higher than the wider UK market which we believe to be around 15%. This provides greater resilience for the companies within our portfolio, particularly during periods of elevated inflation, as we have seen over recent years.

Superior businesses tend to enjoy higher Returns on Equity and the weighted average across our portfolio now stands at over 40%, or over twice that of the estimated UK market average, reflecting their strong competitive positions and efficient use of capital. We should point out that this reading is juiced by Rightmove, where the Return on Equity (RoE) is north of 250%. Even without this, the RoE is just under 30%.

When we analyse our investee companies' returns, it is the cash returns that really matter to us as a greater indicator of a company's ability to create value than accounting-based profits. It also represents what is available to be reinvested back into the business or for distribution to shareholders. As cash flow can be inherently volatile from year to year, we mainly judge this over a 5-year moving average time period 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 December, 86% of profit after tax was being converted into free cash flow across the portfolio.

Only 13 of the 28 companies in the Fund have borrowings but, of those that do, we sleep at night knowing that the median interest cover, the ratio of operating earnings to interest costs, is more than ten times.

The forecast price earnings ratio across the Fund on a weighted average basis stands today at under 23x, materially lower than where it was three years ago and very close to multi-year lows. More importantly, the forecast free cash flow yield now stands at 5.0% and is expected to rise to 5.3% a year later. We regard this as our initial investment 'coupon' but we can reasonably expect this 'coupon' to grow at around 10% per annum over the long run, unlike the return from a straight bond where the coupon remains static.

Last year was the Fund's best year for absolute performance since 2021. Given the aforementioned quality of business and valuation backdrop, together with a little better sentiment to the UK, we stand in great stead going into 2025.

Sources: Sanford DeLand Asset Management and FE fundinfo 31/12/2024.

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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