Business
Perspective
Investing

Sanford DeLand

TM SDL UK Buffettology Fund

August 2026

FUND SIZE	ACCUMULATION	INCOME
£149.1m	130.85p	305.11p

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.

FUND COMMENTARY

The fund ended the month with a gain of 0.6%. This compared to a 4.0% increase in the IA UK All Companies benchmark and a 3.6% increase in the wider UK stock market.

For some time, we have observed equity markets becoming increasingly driven by themes, often with little regard for the underlying performance of the businesses involved. We attribute this to the growing weight of thematic money, often leveraged, chasing the theme du jour.

This has been most evident in the AI space and especially in the share price movements of global chip manufacturers. There is no doubt these businesses are enjoying a period of super-normal profits as they benefit from the billions being poured into AI infrastructure. However, this crowded trade seems increasingly reliant on the assumption that this golden period will persist indefinitely, while history shows semiconductors to be a highly cyclical industry. "This time it's different" remains a contender for the most expensive four words in the English language.

To help fund the long bets, a number of hedge funds have shorted businesses perceived to be 'AI losers', including Experian, LSEG, RELX and Rightmove. We believe this market perception is exactly that, a perception. Back in reality, all four posted strong updates during July with no evidence of AI disruption. Without exception, they are capitalising on share price weakness by buying back their own shares aggressively.

Towards the end of July, we caught a brief glimpse of how quickly these positioning extremes can unwind. A pullback in semiconductor share prices was sufficient to trigger margin calls at some highly leveraged hedge funds. This meant closing short positions by buying back the very companies they had been betting against, and we saw some sharp upward moves in the fund's holdings.

At the time of writing, it appears that an effective bailout of one particularly high-profile hedge fund has, for now, paused the unwind. However, this episode remains instructive for what may be to come and a timely reminder of another great Buffettism, "The less the prudence with which others conduct their affairs, the greater the prudence with which we must conduct our own."

Our focus remains unchanged. We continue to concentrate on fundamental drivers of investment returns such as organic sales growth, margin progression, returns on capital, and free cash flow generation rather than engaging in speculative trading activity around market themes.

Finally, there are two pieces of portfolio activity to report. The fund has exited healthcare software provider Craneware (-11.4%). The business has been caught out by delays under the 340B drug pricing programme in the US alongside the deferral of a small number of large enterprise contracts. As a result, profit forecasts have been reduced significantly. Post exit, the company disclosed a cyber security incident involving unauthorised access to some of its data including customer and partner records. For a technology business operating in a sector as sensitive as healthcare this strikes us as particularly unfortunate.

We have also started building a new position in the fund, a business that will need little introduction and one known to us for many years. More on that next month.

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.

— TM SDL UK Buffettology General Inc TR in GB [247.10%]

— IA UK All Companies TR in GB [184.48%]

28/03/2011 - 31/07/2026
All data sourced from Morningstar 2026

FUND MANAGERS

From left to right: David Beggs, Eric Burns & Chloe Smith

EB **Eric Burns**
LEAD MANAGER

More than 30 years' investment and research experience as both equity analyst and fund manager. Originally appointed to lead the stock selection process, Eric became lead manager of the Buffettology fund in 2025. A Chartered Fellow of the CISI and sits on the Regional Advisory Group of the London Stock Exchange.

DB **David Beggs**
CO-MANAGER

CFA Charterholder and an Associate member of the CISI. Also holds the CFA UK Investment Management Certificate and the CISI Investment Advice Diploma.

CS **Chloe Smith**
CO-MANAGER

Investment analyst and portfolio manager experience with a focus on UK and European equities, as well as in sustainable and responsible investment.

FUND OVERVIEW

Number of Holdings	31
Median Market Cap	£1.2bn
Active Share	94%
Sector	IA UK All Companies

Signatory of:
PRI PRINCIPLES FOR RESPONSIBLE INVESTMENT

CUMULATIVE PERFORMANCE (%)

	YTD	1 M	3 M	1 Yr	3 Yrs	5 Yrs	Since Launch
TM SDL UK Buffettology Fund	-0.40	0.58	3.57	-5.68	8.56	-18.80	247.10
IA UK All Companies	9.19	3.95	7.11	14.40	39.61	37.00	184.48
Rank	198 / 200	196 / 200	189 / 200	199 / 200	192 / 197	188 / 191	21 / 142

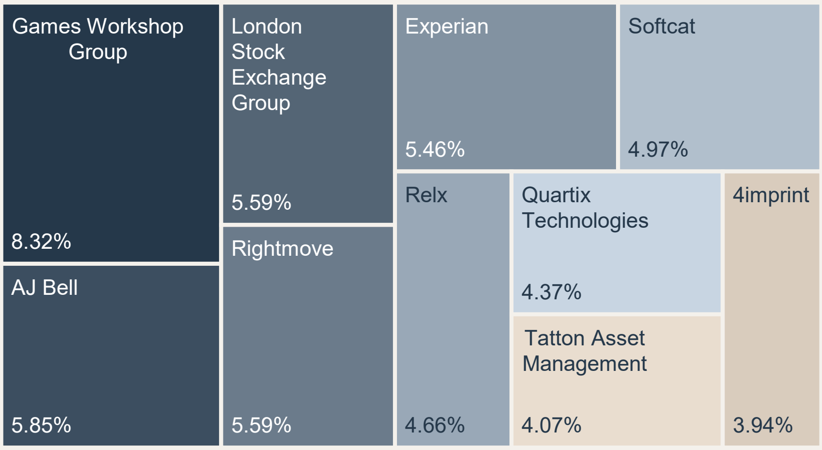
Portfolio Insights

PORTFOLIO FUNDAMENTALS

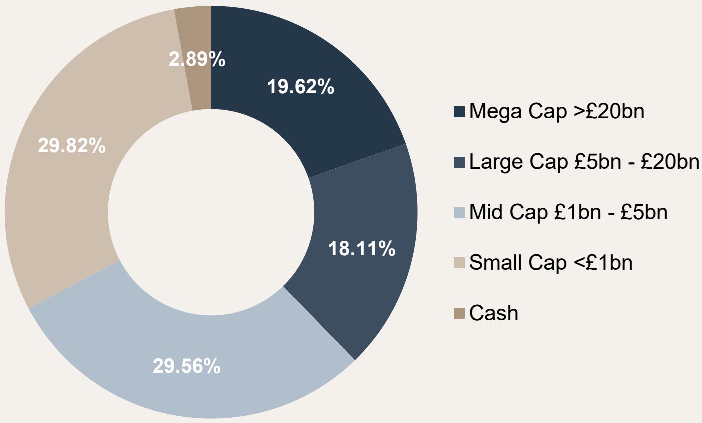
Gross Margin	60.0%
Operating Margin	28.0%
Return on Equity	47.8%
Median Interest Cover	12x
Price / Earnings	20x
Free Cash Flow Yield	5.0%

Source: Sanford DeLand and Alpha.
Data reflects weighted averages of portfolio constituents as at period ends. All financial data is statutory with no adjustments.

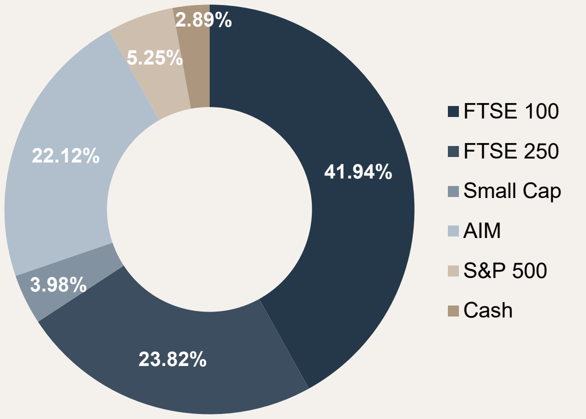
TOP 10 HOLDINGS



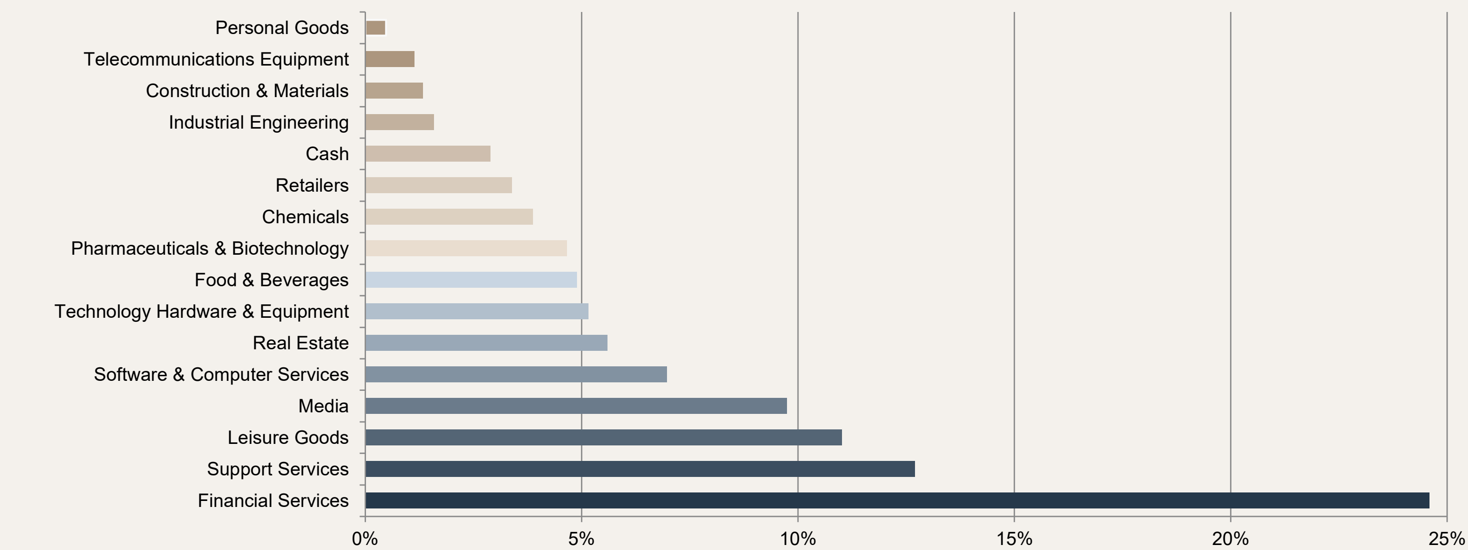
MARKET CAP. ALLOCATION



INDICES ALLOCATION



SECTOR ALLOCATION



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Fund Information

FUND FACTS

Launch date	28 March 2011
Authorised Corporate Director (ACD)	Thesis Unit Trust Management Limited
Sector	IA UK All Companies
Valuation point	12:00 daily
Business hours	08:30 - 17:00 Monday to Friday (ex-public holidays)

PLATFORM AVAILABILITY

Aberdeen, Aegon, AJ Bell, Allfunds, Aviva, EQi, Embark, Fidelity, Hargreaves Lansdown, Hubwise, Interactive Investor, James Hay, M&G Wealth, Morningstar Wealth, Novia, Nucleus, Parmenion, Pershing, Quilter, Raymond James, Scottish Widows, SECCL, Transact, Wealthtime and 7IM.

BUSINESS PERSPECTIVE INVESTING

Business Perspective Investors start from the premise that there is no philosophical distinction between part ownership (i.e. buying shares in a company) and outright ownership (i.e. buying the business in its entirety). All we are looking for is pieces of businesses to buy at the right price.

It follows that there are several important criteria that companies selected for investment consideration must exhibit in abundance. Among these are that:

- Their business model is easily comprehensible;
- They produce transparent financial statements;
- They demonstrate consistent operational performance with earnings being relatively predictable;
- They generate high returns on capital employed;
- They convert a high proportion of accounting earnings into free cash;
- Their balance sheet is strong without unduly high financial leverage;
- Their management is focused on delivering shareholder value and is candid with the owners of the business;
- Their growth strategy is more likely to rely on organic initiatives than frenetic acquisition activity.

For more information on Business Perspective Investing, visit www.sanford-deland.com

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
Accumulation	£500	£50	0.00%	0.95%	1.0%	30th Apr 31st Oct	Yes	GB00BF0LDZ31	O5M6	CSUKBIA:LN	CFSMC
Income	£500	£50	0.00%	0.95%	1.0%	30th Apr 31st Oct	Yes	GB00BKJ9C676	K6LW	PRESINI:LN	BDAADV

CONTACT INFORMATION

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IMPORTANT INFORMATION

All data as at 31/07/2026 unless otherwise stated.

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