

FUND MANAGER SPOTLIGHT

Keith Ashworth-Lord | www.sanford-deland.com

To describe Warren Buffett as a ‘superinvestor’ is no understatement and it is on his principles that the £18m **Sanford DeLand UK Buffettology Fund** is based. Launched by astute fund manager Keith Ashworth-Lord at 100p a share in March 2011, the price is currently 156p – a relative outperformance of 32%. It has also recently secured the coveted 5 Crown Fund Rating awarded by Financial Express to the top 10% of funds based on their performance.

With a 10-year licence agreement to use the ‘Buffettology’ name, the key to his success is ‘business perspective investing’, which involves studying a business in great detail and taking the view that owning a share of it is no different to owning the whole company. He seeks out companies that have easy to understand business models, deliver consistent performance, strong cash flow and where high returns on capital and equity are achieved. Ashworth-Lord says, “having found an ideal candidate, I will only invest if I believe I am getting more in economic value than I am being asked to pay in price”. It is this resolute, dogged approach that has

led to a concentrated portfolio of 27 stocks (two FTSE 100, 10 FTSE 250 and the balance in AIM and Small Cap companies). Of the top 10 holdings, he has held seven since the fund’s launch – including fasteners specialist **Trifast**, adhesive tapes business **Scapa** and dispute resolution outfit **Driver Group**.

He keeps a close eye on companies where, in his opinion, price falls are overdone – recently he has taken advantage of this by buying more of translations group **RWS**, retailer **Games Workshop** and consumer credit firm **International Personal Finance**.

Ashworth-Lord is also happy to be contrarian, for example, with electronics specialist **Dixons Retail**. Here he says, “many investors had written the company off, but the demise of competitors has left it the last man standing”. The shares have almost trebled since he first bought in. Due to his highly selective criteria, Ashworth-Lord can boast he has never had a company go bankrupt on him. This owes itself to experience, but also the ability to avoid ‘egotistical management’ as well as a lack of pricing power and ‘murky accounts’. The fund is about long-term investing – to this end he



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picks out niche engineering business **Rotork**, and cyber security group **NCC** as two examples of companies that have generated huge amounts of cash and reinvested it wisely. With the fund sitting on 11% cash, he is currently on the lookout for opportunities but is not prepared to overpay. Stocks on his watchlist include **Dignity**, **Unilever** and **Reckitt Benckiser**.

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