




## Factsheet - September 2022

### Fund Information

	<b>Fund Manager:</b>
	Keith Ashworth-Lord
	<b>Sector:</b>
	IA UK All Companies
	<b>Launch Date:</b>
	03/01/2017
<b>Fund Size:</b>	£92.1m
<b>Number of Holdings:</b>	27
<b>ACD:</b>	ConBrio Fund Partners Limited
<b>Platform Availability</b>	
Aegon, AJ Bell, Alliance Trust, AllFunds, Ascentric, Aviva, Elevate, Fidelity, Hargreaves Lansdown, Interactive Investor, James Hay, M&G, Nucleus, Novia, Pershing, Quilter, Self Trade, Standard Life, Transact, Zurich and 7IM.	
<b>Ratings</b>	
	
	

### 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

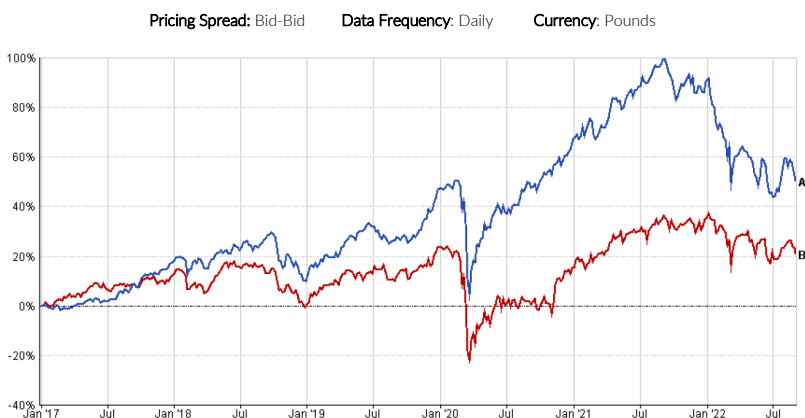
David joined Sanford DeLand in October 2020 as an Investment Analyst. He has a First Class Degree in Economics from Newcastle University and is a CFA Charterholder.

### Share Class Information

Share class	Min. Investment	Min. Saver**	Initial Charge	Investment Adviser Fee	Ongoing Charge ***	Payment Dates	ISA Eligible	ISIN	CITI Code	MEXID
General Income	£500	£50	0.00%	0.90%	1.13%	30 <sup>th</sup> Apr 31 <sup>st</sup> Oct	Yes	GB00BYYQC495	NPFA	CFXYA
General Accumulation	£500	£50	0.00%	0.90%	1.13%	30 <sup>th</sup> Apr 31 <sup>st</sup> Oct	Yes	GB00BYYQC271	NPFB	CFXYB

### Fund Objective and Strategy

The investment objective of the Fund is to seek to maximise total returns over the long term, defined as five to ten years. The Fund will invest mainly in a portfolio of UK equities listed on the LSE or quoted on AIM/ ISDX, with an emphasis on small and mid-capitalised companies. It may also invest in other transferable securities, money market instruments, units and/ or shares in other collective investment schemes, deposits, warrants, cash and near cash. The manager will follow the methodology of Business Perspective Investing and it is expected that the portfolio will contain between 25 and 40 holdings when fully invested.



A—CFP—SDL Free Spirit Acc GBP in GB [50.36%]

B—IA UK All Companies TR in GB [20.84%]

03/01/2017—31/08/2022 Data from FE fundinfo 2022

### Cumulative Performance (%)

	1 Mth	3 Mths	1 Yr	3 Yrs	5 Yrs	Since Launch
<b>Fund</b>	-5.12	-5.57	-24.21	18.13	41.76	50.36
<b>Sector</b>	-3.27	-5.15	-10.49	8.12	11.52	20.84
<b>Rank</b>	210/ 257	166/ 257	223/ 255	25/ 243	8/ 234	10/ 231
<b>Quartile</b>	4	3	4	1	1	1

### Discrete Performance (%)

	2022 YTD	2021	2020	2019	2018	2017*
<b>Fund</b>	-21.31	14.36	13.65	31.30	-5.44	18.42
<b>Sector</b>	-10.75	17.25	-6.01	22.24	-11.19	13.17
<b>Rank</b>	216/ 256	191/ 247	4/ 244	32/ 240	16/ 234	37/ 230
<b>Quartile</b>	4	4	1	1	1	1

### Discrete Year to Quarter End Performance (%)

	Q2 2021	Q2 2020	Q2 2019	Q2 2018	Q2 2017
	Q2 2022	Q2 2021	Q2 2020	Q2 2019	Q2 2018
<b>Fund</b>	-23.48	37.42	4.59	6.14	20.79

Source of performance data: FE fundinfo as at 31/08/2022.

Past performance is not a guide to future performance.

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

\* Performance is measured from Fund launch date of 03/01/2017.

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

\*\*\* The Ongoing Charge Figure has been calculated as of 28/02/2022.

## Top 10 Holdings (%)

Bloomsbury Publishing	6.35%
Calnex Solutions	5.40%
Tatton Asset Management	5.37%
Kainos	5.30%
QinetiQ	4.80%
Auto Trader	4.58%
Diploma	4.55%
Mortgage Advice Bureau	4.34%
Relx	4.24%
YouGov	4.14%

## Sector Allocation (%)

Software & Computer Services	19.54%
Financial Services	15.27%
Media	14.73%
Support Services	11.19%
Healthcare Equipment & Services	5.50%
Telecommunications Equipment	5.40%
Electronic & Electrical	4.88%
Aerospace & Defence	4.80%
Personal Goods	3.99%
Food & Beverages	3.81%
Construction & Materials	2.89%
Leisure Goods	2.71%
Chemicals	2.58%
Cash	2.69%

## Important Information

This document, which is approved and issued by Sanford DeLand Asset Management Limited (SDL), provides information about the CFP SDL Free Spirit 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.

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](http://www.conbriofunds.com) or direct from ConBrio Fund Partners Limited.

All data as at 31/08/2022 unless otherwise stated.

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## Fund Commentary

During August, the Fund's Income Class and Accumulation Class share prices fell by 5.6%; the former from 156.37p to 147.66p and the latter from 159.23p to 150.36p. This compared to a fall of 2.4% for the UK stock market and a fall of 3.2% for the IA UK All Companies sector, the Fund's benchmark.

There were eight gainers and 19 fallers during the period. Of the gainers, Aveva (+19.6%) led the way, following the announcement that Schneider Electric, which currently owns 59% of the business, is considering buying out the minorities to acquire 100% ownership. If the deal progresses, this would be yet another British technology business to depart the Fund, having lost video game developer Codemasters to a takeover in 2021.

EKF Diagnostics (+11.4%) was the second-best performer following a reassuring trading update at the beginning of the month showing strong growth in the core business. Post update, the investment team visited the Cardiff HQ to meet with Marc Davies, CFO and Gavin Jones, Head of Product Management. In addition to us passing the haemoglobin and glucose testing with flying colours, we came away impressed by the financial controls put in place by Marc in the relatively short period of time that he has been with the company. The discussion included plans for new product development, US fermentation capacity expansion and the transition away from Covid-related revenues within its contract manufacturing division.

The largest detractors in the month by a long chalk were XP Power and Treatt, both down 34.9% following interim results and an unscheduled trading update, respectively. Continued lockdowns in China and extended component lead times have exacerbated XP's previously flagged supply chain issues. This has impacted sales (due to delays in shipping orders) and gross margin (due to measures to mitigate the disruptions such as paying premiums to ensure security of supply and the additional cost of air freight). Investment into working capital, combined with the recent acquisition of FuG and Guth completed earlier in the year, as well as costs associated with an ongoing legal case, saw a rise in net debt, further compounding pressure on the share price.

In the case of Treatt, current year profit expectations were downgraded by around a third due to a combination of lower sales of higher margin tea products, 20% raw material price inflation and extreme GBP/USD weakness since the start of the year. On a positive note, the order book remains strong being up around 25% year-on-year.

Other news flow of note included QinetiQ (+9.1%) announcing the proposed acquisition of US-based Avantus Federal, a specialist in cyber, data analytics and software development solutions. The price tag of \$590m is to be funded through a combination of existing cash and new debt facilities. Given management's strategic ambition to double its US business over the next five years, a US acquisition didn't come as much surprise. However, at a 14.6x latest twelve months EV/EBITDA multiple, plans to deliver on its US ambition may have come at a rather lofty price.

We are pleased to be able to report a new holding in the portfolio, that of premium drinks business, Fever-Tree. This is a company that has been on our watch list for several years and although it passed our quantitative and qualitative assessment, valuation was always the challenge. The opportunity to build a position came following a trading update in July which highlighted ongoing cost pressures, restricted glass availability and labour shortages within the US. We regard all these factors as *known unknowns*. What has been overlooked in our opinion is just how well the brand is doing in the all-important US market, up 9% year-on-year in constant currency terms, despite all these challenges. Fever-Tree ticks a lot of boxes for us, not least because it is a product asked for by name where the consumer will happily pay a premium price. We know through our holding in Diageo within the Buffettology Fund that the trend for premiumisation in the drinks market continues. Founders Charles Rolls and Tim Warrillow, who set up the UK-based business in 2004, launching the brand in 2005, remain well invested in the business with Warrillow remaining at the head as CEO, another appealing attribute.

Sources: Sanford DeLand Asset Management and FE fundinfo 31/08/22.

**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

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