

Assessment of Value

CFP Sanford DeLand Funds

CFP SDL Free Spirit Fund

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CFP SDL UK Buffettology Fund

30 June 2023

(Relating to the 12-month period ended 28 February 2023)

Contents

Glossary of Terms	3
Attestation and Executive Summary	4
Attestation.....	4
Executive Summary	4
Objective, Methodology and Approach.....	5
Value Assessment Headings.....	5
1. Quality of Service.....	6
2. Performance	6
3. Costs in General	9
4. Economies of Scale.....	9
5. Comparable Market Rates.....	10
6. Comparable Services	10
7. Classes of Units.....	10
Appendix	11
Summary of the Main Characteristics of the Sub-funds.....	11
Important Information	11

Glossary of Terms

Specific term used	Intended meaning
ACD	Authorised Corporate Director
AFM	Authorised Fund Manager, meaning the ACD of a scheme
AUM	Assets under management
AoV	Attestation of Value
BPI¹	Business Perspective Investing. A process which identifies companies that exhibit criteria considered by SDL as essential to the long-term success of those businesses and which are expected to possess strong operating franchises and to be managed by experienced management teams. The process being at the core of the SDL approach. Investments are made at a valuation deemed to provide shareholder value over an intended long-term period of investment and will likely not to be sold for short term profits.
CFP	ConBrio Fund Partners Limited, being the ACD/AFM
CFP Sanford DeLand Funds	The umbrella OEIC established to house the 'SDL' branded sub-funds
FCA	Financial Conduct Authority
Free Spirit	The CFP SDL Free Spirit, being one of the SDL sub-funds
Host ACD Model	An operating model based on the investment adviser to and/or promoter of a sub-fund being commercially separate from the ACD of the sub-fund
IA	The Investment Association, trade body providing Fund sector categorisations.
IA Sector Peer Group	The IA UK All Companies sector
Investment Adviser	SDL
NED	Non-Executive Director
NT	The Northern Trust Company, London branch, acting as Administrator, and Custodian to the CFP Sanford DeLand Funds
NWTDS	NatWest Trustee & Depositary Services, acting as the appointed Depositary to the CFP Sanford DeLand Funds
OEIC	An open-ended investment company
OCF	Ongoing Charges Figure representing an aggregated cost to investors calculated as a percentage of the assets & Liabilities within the Fund. A Fund price is inclusive of these charges including (not exclusively) the fees of; Investment Adviser, ACD, Registrar, Auditor, Depositary & Custodian
SDL	Sanford DeLand Asset Management Limited, the delegated Investment Adviser which acts as day-to-day investment manager of SDL-branded sub-funds.
Sub-funds	Collective investment schemes of CFP Sanford DeLand Funds ICVC, bearing the 'SDL' brand
SS&C	SS&C Financial Services Europe Limited. Appointed as registrar and transfer agent to the SDL sub-funds.
Shareholders / Shares	Investors in the shares of the investment company with variable capital (ICVC), also known as an OEIC
UK Buffettology	The CFP SDL UK Buffettology Fund, being one of the SDL sub-funds

1. <https://www.sanford-deland.com/70/who-we-are/business-perspective-investing>

Attestation and Executive Summary

Attestation

The assessment has involved a review of each of the seven minimum relevant criteria, as specified by the FCA. The Board recognises that the sub-funds are not clearly demonstrating value consistently across all of the seven individual components.

Where an area which has been identified as not clearly demonstrating value has resulted in an action being taken, we have included the measures that we have taken or are taking to improve this area.

Executive Summary

1. SDL has a clear investment approach, based on a proprietary research process, known as BPI, which is applied to each of the SDL sub-funds; and
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2. The SDL sub-funds demonstrate good relative and absolute performance , when viewed in the context of their individual investment objectives and relative to the IA Sector Peer Group of which both is a member, albeit much less compelling performance over shorter time periods – both cumulatively and for discrete 12 month periods.
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Objective, Methodology and Approach

FCA rules require us, as the ACD to the SDL sub-funds, to carry out an annual assessment as to whether they provide value for their investors. We are publishing this assessment in accordance with these rules.

As a values-based firm, we believe in continuously assessing

- the effectiveness and efficiency in the way in which we discharge our duties as ACD; and
- more generally, in the way in which the group of which the ACD is a member is run.

We welcome this opportunity to provide our assessment of how the SDL sub-funds are providing value for investors. We have taken as the framework for our assessment the seven headings provided by the FCA and in line with its guidance, each component has been assessed individually, namely:

1. Quality of Service

(by which the FCA means the range and quality of services provided to unitholders)

2. Performance

(by which the FCA means the performance of the scheme, after deduction of all payments out of the scheme property as set out in the prospectus and over an appropriate timescale having regard to the scheme's investment objectives, policy and strategy)

3. Costs

(by which FCA means in relation to each charge, the cost of providing the service to which the charge relates and when money is paid directly to associates or external parties, the cost is the amount paid to that person)

4. Economies of Scale

(by which the FCA means whether the ACD is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units)

5. Comparable Market Rates

(by which the FCA means in relation to each service, the market rate for any comparable service provided by the ACD or to the ACD or on its behalf, including by any person to which any aspect of the scheme's management has been delegated)

6. Comparable Services

(by which the FCA means, in relation to each separate charge, the ACD's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies)

7. Classes of Units

(by which the FCA means, whether it is appropriate for unitholders to hold units in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights)

We continue to monitor FCA reactions to the assessments generated by ACDs pursuant to these rules and refine and adapt our approach, where necessary, to reflect emerging FCA guidance, alongside industry best practice.

1. Quality of Service

The SDL sub-funds offer investors a clear investment approach, based on a proprietary research process, known as BPI. This has been applied successfully to each of the SDL sub-funds and consequently has produced strong performance over the long term (meaning a minimum of five years).

The investment approach adopted is clearly articulated to investors on SDL's website. The principles of BPI are explained with reference to the characteristics required for the selection of suitable investments. BPI is derived from the study of academic literature and some core principles of investment.

Frequent communication with investors is provided through monthly commentary within the SDL sub-funds' factsheets, whilst regular presentations are provided to focused groups of professional investors and through online interviews.

The ACD's operations are also working effectively, based on consistent monitoring of its performance and where these functions are delegated, the performance of third-party delegates in line with agreed service level agreements.

To assess the quality of this service provision the ACD considers;

- Ensuring that trading activity is within the sub-funds' guidelines
- Timely and accurate pricing of the sub-funds and income payments to investors
- Clarity of investor communications and the sub-funds' documentation
- Complaint handling processes and the timely responses to any complaints received from investors

In respect of this criterion, our assessment finds that the sub-funds are demonstrating value. We will continue to review the quality of service on an ongoing basis to ensure that value continues to be delivered over time.

2. Performance

Our analysis of the SDL sub-funds' individual performance and risk, on an absolute basis and relative to the appropriate IA Sector Peer Group, indicates that the SDL sub-funds tend towards suggesting value to investors by:

1. Meeting their long-term performance objectives in terms of achieving growth in capital and/or income over the long term (meaning over periods between five and ten years);
2. In respect of Free Spirit, outperforming the average returns of the IA Sector Peer Group over five years and over periods in excess of five years since its launch¹; and
3. In respect of UK Buffettology, outperforming the average returns of the IA Sector Peer Group over periods in excess of five years since its launch.²

In respect of this criterion, we recognise room for improvement over shorter time periods – particularly over each of the last two years. We will continue to review the performance of the sub-funds on an ongoing basis to ensure that they continue to perform in line with the stated objective, policy and strategy.

We note that the Investment Adviser has not changed its investment style, nor materially changed the composition of the portfolio within this year's assessment period. It has remained committed to the stated investment principles of BPI, despite short-term relative underperformance. Short-term underperformance can be viewed as a consequence of the long-term investment approach taken but, as previously stated, requires ongoing monitoring by us.

1. Free Spirit launch date 3 January 2017

2. UK Buff launch date 28 March 2011

Assessment of Value – CFP Sanford DeLand Funds

Investment objectives:

CFP SDL UK Buffettology Fund:

The investment objective of the Fund is to seek to achieve an annual compounding rate of return over the long term, defined as 5 – 10 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 future, as determined by that body. Investments will be made principally in UK equities, applying the methodology of BPI.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds



A - CFP - SDL UK Buffettology General Inc TR in GB [222.48%]

B - IA UK All Companies TR in GB [107.51%]

28/03/2011 - 28/02/2023 Data from FE fundinfo 2023

Cumulative Performance (%)

	1 Mth	3 Mth	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Launch ¹
Fund	-0.12	-0.13	-7.06	-2.38	11.11	151.82	222.48
Sector	1.63	4.96	3.19	20.43	19.97	78.78	107.51
Rank	235/256	248/256	230/256	231/243	185/234	6/190	4/192
Quartile	4	4	4	4	4	1	1

Past performance should not be seen as an indication of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment.

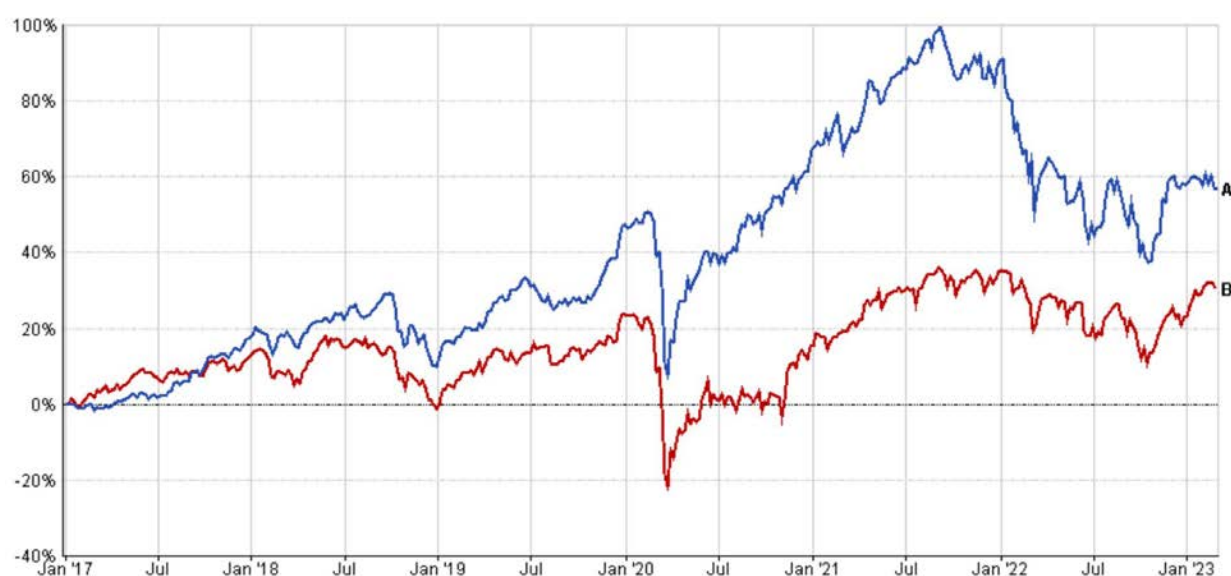
1. 28 March 2011

Assessment of Value – CFP Sanford DeLand Funds

CFP SDL Free Spirit Fund:

The investment objective of the Fund is to seek to maximise total returns over the long term, defined as 5 – 10 years. At least 80% of the Fund will be invested within UK equities, with an emphasis on smaller and mid capitalised companies. The Fund will have a concentrated portfolio of between 25 and 40 holdings when fully invested. The Investment Adviser will apply the methodology of Business Perspective Investing. Performance may be measured relative to the performance of all 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 sector¹) or which it may be allocated in future, as determined by that body.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds



A – CFP-SDL Free Spirit Acc GBP in GB [56.85%]

B – IA UK All Companies TR in GB [30.76%]

03/01/2017 – 28/02/2023 Data from FE fundinfo 2023

Cumulative Performance (%)

	1 Mth	3 Mth	1 Yr	3 Yrs	5 Yrs	Since Launch ²
Fund	-0.72	-1.78	-3.7	12.93	32.39	56.85
Sector	1.63	4.96	3.19	20.43	19.97	30.76
Rank	248/256	255/256	214/256	177/243	35/234	11/227
Quartile	4	4	4	3	1	1

Past performance should not be seen as an indication of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment.

Performance for both sub-funds is shown up until the 28 February 2023

1. <https://www.theia.org/industry-data/fund-sectors/definitions>

2. 3 January 2017

3. Costs in General

CFP has adopted an 'outsourced' business model as a means of providing its services as the ACD of the sub-funds. As such, it is responsible for the selection and ongoing management of third parties to conduct services on its behalf, specifically the required transfer agency and fund accounting activities. Investors have benefitted from the ability of CFP to negotiate arrangements to provide ongoing value to investors, both in terms of competitive market costs and additional functionality at the investor level.

In respect of the ACD fee in particular, we compare this fee to our own costs to ensure the charge to investors remains appropriate while at the same time allowing us to:-

- Cover the cost of third party service provision, in turn paid for out of the ACD fee
- Remain a well-capitalised business
- Continue to operate during stress scenarios with sufficient capital resources
- Continue to innovate and develop new products and services

We undertake a detailed assessment of our management costs, administration and 'other' costs paid for by investors in the sub-funds, which in turn form part of the Ongoing Charges Figure (OCF). As well as assessing each individual cost, we have tested the OCF of each SDL sub-fund by comparing each figure to the average for the IA Sector Peer Group of which each is a member.

The OCF mainly includes, but is not limited to, fees payable to the Investment Adviser, ACD, custodian, depositary and transfer agent. We have compared the OCF of each SDL sub-fund and the constituent elements of OCF to those typically incurred by comparable sub-funds of other ACDs.

Non-Investment Adviser fee reductions have materialised over time for each SDL sub-fund, but the SDL sub-funds are still at a cost premium to the IA Sector Peer Group average.

In other words, the OCF of each SDL sub-fund remains higher than the average of the IA Sector Peer Group, which is mainly attributable to a higher than average fee paid in its entirety to the Investment Adviser, SDL. As a result of last year's AoV process, a tiered fee structure was introduced but due to falls in the AUM of each sub-fund no cost-reduction benefit to investors has subsequently materialised to date.

Consequently, our assessment has found that the sub-funds' share classes remain more expensive than their peers. As a result, we conducted further analysis of pricing and concluded that in respect of this criterion, our assessment finds that the sub-funds are not currently clearly demonstrating value, when looking at this element of cost in isolation, which we are required to do.

Following constructive engagement with SDL it has been agreed that the OCF for each sub-fund will in future be 'capped' at a maximum amount of 1.00%, implying a reduction in fees paid by investors. It is anticipated that this cap will be implemented ahead of next year's AoV.

We will continue to review the costs paid by investors in each sub-fund on an ongoing basis to ensure that they deliver value to investors.

4. Economies of Scale

ACDs are required to assess to what extent they are "able to achieve" any savings as a result of economies of scale. In theory, all funds should be able to benefit from economies of scale but the extent of any cost reduction will, in part, depend on the overall fund size. We have been able to build into our costing a range of savings as AUM increases which, taken in the round, allow us to achieve economies of scale.

These include:

- A tiered structure for the ACD fee, in relation to the sub-funds' umbrella OEIC itself;
- Similar 'sliding scale' fees negotiated with third party service providers to the sub-funds, which in general are calculated by reference to the aggregate AUM of all of the sub-funds in respect of which those services are provided.
- Introduction of a tiered structure for the Investment Adviser fees for each sub-fund.

These above arrangements will automatically pass on savings to investors in the sub-funds as the AUM of these sub-funds grows.

In respect of this criterion, looked at in isolation, our assessment finds that the sub-funds are not currently clearly demonstrating value. That said, the introduction of a 'capped' OCF of 1.00% will realise cost benefits to investors and provide reasonable time for the features outlined above to achieve economies of scale in the future and deliver value to investors on an ongoing basis.

5. Comparable Market Rates

The market has been tested for comparable costs of services as part of an ongoing assessment of the value the services are providing to investors, including those in these SDL sub-funds.

Our assessment has found that the sub-funds' share classes are more expensive than the typical rate of their peers. In respect of this criterion, looked at in isolation, our assessment finds that the sub-funds are not currently clearly demonstrating value.

We are therefore in the process of reducing the charges through the introduction of a 'capped' OCF of 1.00%, in addition to a tiered fee structure in relation to the Investment Adviser's fee for each of the sub-funds, implemented in October 2022.

We will continue to compare market rates on an ongoing basis to ensure that we deliver value to investors.

6. Comparable Services

Investors are not able to access the BPI strategy employed by SDL other than by buying shares in one or both of the SDL sub-funds. There is also only a single-cost share class available for each SDL sub-fund. SDL does not seek to provide their investment expertise at a discount to any sub-set of existing or future investors.

Investors in either SDL sub-fund are not being treated unfairly relative to investors who might seek to become a direct client, as the latter is not an option offered.

In respect of this criterion, our assessment finds that the sub-funds are demonstrating value. We will continue to review comparable services for each sub-fund on an ongoing basis to enable us to deliver value to investors.

7. Classes of Units

The SDL sub-funds are structured in a straightforward and simple manner. Each has a single share class and thus a single charging structure per SDL sub-fund. All investors in any one SDL sub-fund thus pay the same percentage charge.

Where SDL sub-funds previously offered different share classes at differing costs to investors, following a change in FCA's rules, the ACD was able to switch

investors into adjacent (lower cost) share classes of the same SDL sub-fund. This exercise was implemented in July 2019, which was the first practical opportunity following the change in FCA rules, which allowed such proactive action on the part of the ACD. All share classes were then consolidated into the lowest charging share class, leaving one share class per SDL sub-fund.

In respect of this criterion, our assessment finds that the sub-funds are demonstrating value.

Appendix

Summary of the Main Characteristics of the Sub-funds

Name of the OEIC umbrella:	CFP Sanford DeLand Funds
Name of each sub-fund:	CFP SDL UK Buffettology Fund CFP SDL Free Spirit Fund
Authorised Corporate Director:	CFP
Investment Adviser:	SDL
Trustee & Depository:	NWTDS
Fund Administration:	NT
Registrar:	SS&C
Auditor:	Beever & Struthers

Important Information

This document is intended for use by Shareholders of the Fund or UK authorised persons or those who are permitted to receive such information. It is intended for information purposes only and does not constitute or form part of any offer or invitation to buy or sell any security including any shares in the Fund. Any decision to subscribe should be based on the Fund's current Prospectus and Key Investor Information Documents (KIIDs) and appropriate professional advice. Opinion expressed whether specifically, or in general, or both on the performance of individual securities and in a wider economic context represents the view of ConBrio Fund Partners Ltd (CFP) at the time of preparation. They are subject to change and should not be interpreted as investment advice.

Past performance should not be seen as an indication of future performance. Investment in the fund carries the risk of potential loss of capital. The value of investments and the income from them may go down as well as up and you may not get back your original investment. Equity investments should always be considered as long term.

Investors should not purchase the Funds referred to in this document except on the basis of information contained in the Fund's prospectus. We recommend that investors who are not professional investors should contact their professional adviser. The Funds Prospectus and Key Investor Information Document (KIID) are available from www.conbriofunds.com or direct from ConBrio Fund Partners. For further information about the Funds, please visit www.conbriofunds.com, call 0330 123 3716, or email ConBrioEnquiries@uk.dstsyste.ms.com.

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