

**SHINING A LIGHT ON THE.....  
CFP SDL UK Buffettology Fund**

**AT A GLANCE**

<b>Investment Objective</b>	
The investment objective of the Fund is to seek to achieve an annual compounding rate of return over the long term which is superior to the performance of the UK stock market. The Fund will invest principally in a portfolio of UK equities, and 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 Investment Adviser will adopt a focused approach to investing in shares of those companies which it believes have strong operating franchises and experienced management teams and whose shares are undervalued and offer the potential for improved economic growth. The Fund may also invest in derivatives and forward transactions (for hedging purposes). The Fund may borrow and may enter into stock lending and underwriting transactions in accordance with COLL.	
<b>Inception Date</b>	28 March 2011
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000ZLKE">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000ZLKE</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Keith Ashworth-Lord	28 March 2011

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 31<sup>st</sup> January 2022:

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>CFP SDL UK Buffettology Fund</b>	12.65%	25.63%	0.37%	25.25%	3.85%	8.77%	-10.24%
<b>FTSE AllSh TR GBP</b>	16.75%	13.10%	-9.47%	19.17%	-9.82%	18.32%	-0.33%

Performance over 12 months, 3 years, 5 years and since launch:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Since launch</b>
<b>CFP SDL UK Buffettology Fund</b>	-0.88%	23.29%	57.39%	274.80%
<b>FTSE AllSh TR GBP</b>	18.90%	21.66%	30.20%	100.91%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

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Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
11.82	0.04	-	77.12	71.23	47.22	0.77	1.62	Mid Growth /

Volatility Measurements	
3-Yr Std Dev (volatility)	19.95%
3-Yr Mean Return (average)	7.23%

Investment Style Details	
Giant	6.34%
Large	9.64%
Medium	34.60%
Small	27.79%
Micro	13.76%

Top 5 Holdings – 31 Equity Holdings		
Games Workshop Group PLC	Consumer Cyclical	6.39%
Focusrite PLC	Consumer Cyclical	6.28%
Liontrust Asset Management PLC	Financial Services	5.44%
Dechra Pharmaceuticals PLC	Healthcare	4.02%
Croda International PLC	Basic Materials	3.94%

Top 5 Sectors	
Consumer Cyclical	26.15%
Technology	16.29%
Industrials	16.15%
Financial Services	14.54%
Healthcare	9.47%

### UPDATE....

The strategy is to own the very best companies for as long as possible. They have a concentrated portfolio of names, and they look to understand each of the companies they own. They have a watch list of around 45 to 60 names and will look to hold around 30 companies within the fund.

This is an all-cap fund although currently it is skewed towards small and mid-cap. They are style agnostic. When they find a good company then they will be happy to hold it as it comes up the market cap. Games Workshop is an example of this, which they purchased at £3.73 and added to up to £5.00, and is now sitting at around £70.

They consider each company and are looking for excellent businesses which they can buy at a fair price and for those that deliver an excellent investment opportunity. They don't like explosive growth but rather steady compounders. Other characteristics include low levels of debt, organic growth, strong cash flow and founder / family-owned businesses.

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Over the last 12 months they have added two new companies and sold three. Team 17 and Darktrace are the two new holdings. Darktrace is the first IPO for the fund, and they have followed this for five years. It has been a volatile stock as they purchased at £2.50 before it went to over £9.00, and is now bouncing around £3.50 and £4.50.

The fund has suffered criticism over the size of the strategy and the reducing small cap holding. The actual reduction is relatively small, and they explained that this is an all-cap strategy and therefore it will naturally move between small, mid, and large, wherever the opportunities lie. They have a sister strategy that is more focused on small and mid-cap.

The fund has recently seen its worst performance since the Brexit vote in 2016. The markets are worried about inflation and rates and they expect this uncertainty to be in the market until the end of quarter two at the earliest. Their style of investing keeps them away from certain sectors and companies, and it is these parts of the markets that have done well. In turn it has meant the fund has done “badly” by not holding these companies. In the main the companies they hold are posting positive trading updates and yet their share prices are going down.

This in turn has meant the fund has come under a great deal of scrutiny but they are focusing on what they are doing and not looking to change tact. Interestingly, one of their biggest investors has recently added to their investment.

In summary, the strategy has an excellent long term track record. We have in the past expressed concerns that the team is limited but this has been added to over the past couple of years. To some extent we would expect the fund to lag in these market conditions but perform well when there is a rotation back to fundamentals.

*The source of information in this note has been provided by SDL and is correct as of February 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to decide based on these notes we cannot take responsibility for this, and you should carry out your own research before deciding. We would also recommend that you receive advice before following up on any decision.*