

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

**AT A GLANCE**

<b>Investment Objective</b>	
<p>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 stocklending and underwriting transactions in accordance with COLL.</p>	

<b>Inception Date</b>	28/03/2011
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000M7JJ">http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000M7JJ</a>

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

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	7.97%
Large	6.12%
Medium	16.09%
Small	41.94%
Micro	27.88%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	31	
<b>Assets in Top 10 Holdings</b>	36.49%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Games Workshop Group PLC	Consumer Cyclical	6.16%
Bioventix PLC	Healthcare	4.94%
Scapa Group PLC	Basic Materials	4.05%
RWS Holdings PLC	Industrials	3.88%
Liontrust Asset Management PLC	Financial Services	3.12%
AB Dynamics	Technology	3.09%
Trifast PLC	Industrials	3.06%
Air Partner PLC	Industrials	2.76%
Victrex PLC	Basic Materials	2.73%
Dart Group PLC	Industrials	2.70%

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Volatility Measurements	
3-Yr Std Dev (volatility)	9.86%
3-Yr Mean Return (average)	22.25%

## FUND PERFORMANCE

Performance from 1 January 2012 to 31 October 2017:

	2012	2013	2014	2015	2016	2017
Castlefield CFP SDL UK Buffettology Fund Fund	34.25%	36.00%	1.48%	27.26%	12.09%	20.09%
Lyxor FTSE All Share	11.67%	20.16%	0.93%	1.08%	15.44%	9.94%

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

	1 year	3 years	5 years	Since launch
Castlefield CFP SDL UK Buffettology Fund Fund	30.69%	80.24%	146.21%	177.30%
Lyxor FTSE All Share	13.09%	30.33%	60.16%	65.64%

*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.*

## UPDATE....

This is an interesting UK Fund and may appeal to some investors. The Fund is run by Keith Ashworth-Lord and he has had a loyal following since establishing the fund in 2011. This a pure stock picking fund and its USP is the proprietary data he has built up over more than 15 years. The fund is all cap but tends to focus on smaller cap (i.e. smaller companies rather than FTSE 100 companies).

The performance speaks for itself and it has achieved this with relatively low volatility. Keith explained that much of this might be due to his approach of fencing off as much risk as possible. He avoids sectors like mining, oil, banks and blue-sky pharma, because he doesn't understand the metrics of the firms.

The fund is based around the philosophy of Buffett and Munger. The idea is to invest in a business that you would like to own. In doing this, it enables Keith to ignore the noise and just focus on the company. He is looking for growth potential, but it needs to be slow and steady. Return on capital is important and he is looking for high teens or greater.

One business he likes is Dignity Funerals. The demand for their services will grow because people die. However, the shares re-rated because not enough people are dying, and it created a profit warning. The business remains good and there is predictability, so it just offers an opportunity to buy.

Allocation of capital is important; do they re-invest into the business to fuel organic growth? Where they can't invest any more in the business what do they do with the capital?

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RWS holdings is an example of people skills being an economic moat. This company offers a translation service to big businesses and they haven't lost a single client in 13 years. They employ linguists who are specialists in pharma etc and this is where their skill lies. The assets are the people, so it is very profitable.

We discussed other companies such as Games Workshop, Revolution Bars, Rotork, Bioventix PLC and AB Dynamics, all of which are examples of good businesses. He has no sector bias; it is about looking at the accounts over a ten-year period, consider what management have promised and see if they have delivered on those promises.

Keith explained that he does get it wrong; he held Tesco for 3 months and Macfarlane Group. In all cases it is about recognising this and doing something to change it, i.e. selling! This is not an active fund; his view is that if you find a good company, you wouldn't sell it. Normally over a year you might see 2 in and 2 out. This year has been busy. He has added Provident Financial following the collapse in share price and return of the original team. He has added Next and sold WIG. In total he has sold 4 holdings and purchased 5.

There is very little to be critical about with this fund but there are perhaps two things to note. Firstly, this fund is managed by Keith and if anything happened to him questions remain on what would happen. Keith explained that they have brought Rosemary Banyard from Schroders on board and she would take over the fund, but the idea is to bring in younger people. They would be trained and gradually the fund can be passed onto the next generation. The second concern as such is fund size; the fund does have a ceiling and it is currently around £200 million in size, the maximum size is around £500 million although this is not set in stone.

In conclusion, this is a well-managed fund with strong performance. This is different to other funds in the market, but the main concern would be the focus on one manager and what happens when he leaves or if he died. It is worth adding that all his wealth is tied in to the fund, so there is an incentive for him to be around for some time yet!

*The source of information in this note has been provided by Sanford DeLand and is correct as at November 2017. 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 make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*