

Fact sheet - April 2024

Fund Information

| | |
|---|-------------------------------|
|  | Lead Manager: |
| | Eric Burns |
| | Sector: |
| | IA UK All Companies |
| | Launch Date: |
| | 03/01/2017 |
| Fund Size: | £66.9m |
| Number of Holdings: | 25 |
| ACD: | ConBrio Fund Partners Limited |
| Platform Availability | |
| Aberdeen, Advance by Embark, Aegon, AJ Bell, Aviva, EQi, Fidelity, Hargreaves Lansdown, Interactive Investor, James Hay, M&G Wealth, Novia, Nucleus, Pershing, Quilter, Transact and 7IM. | |
| Ratings | |
|  | |

Fund Managers

Eric Burns

Chief Analyst & Lead Manager

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.



Keith Ashworth-Lord

Chief Investment Officer & Co-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.

Chloe Smith

Investment Analyst & Co-Manager

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 an LLB in Law and a MSc in International Financial Analysis from Newcastle University.

David Beggs

Investment Analyst & Co-Manager

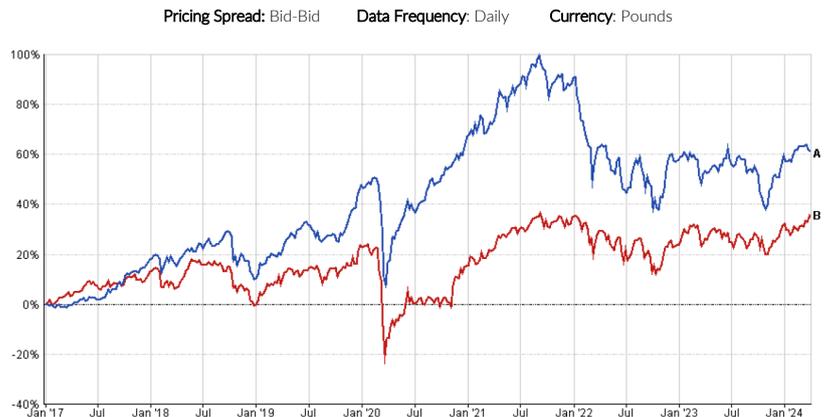
David joined Sanford DeLand in October 2020 as an Investment Analyst. He has a First Class Degree in Economics from Newcastle University and is a CFA Charterholder.

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% | 1.15% | 30 th Apr 31 st Oct | Yes | GB00BYYQC495 | NPFA | CFXYA |
| General Accumulation | £500 | £50 | 0.00% | 0.90% | 1.15% | 30 th Apr 31 st 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 [60.70%]

B – IA UK All Companies TR in GB [36.03%]

03/01/2017–28/03/2024 Data from FE fundinfo 2024

Cumulative Performance (%)

| | 1 Mth | 3 Mths | 1 Yr | 3 Yrs | 5 Yrs | Since Launch |
|----------|---------|---------|---------|---------|--------|--------------|
| Fund | -1.42 | 0.71 | 4.75 | -7.47 | 33.04 | 60.70 |
| Sector | 3.88 | 2.87 | 7.63 | 11.29 | 24.13 | 36.03 |
| Rank | 235/235 | 209/235 | 187/233 | 204/225 | 39/215 | 16/205 |
| Quartile | 4 | 4 | 4 | 4 | 1 | 1 |

Discrete Performance (%)

| | 2024 YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------|----------|---------|---------|---------|-------|--------|
| Fund | 0.71 | 1.35 | -17.60 | 14.36 | 13.65 | 31.30 |
| Sector | 2.89 | 7.38 | -9.06 | 17.25 | -6.01 | 22.24 |
| Rank | 210/235 | 219/237 | 194/254 | 191/247 | 4/244 | 32/240 |
| Quartile | 4 | 4 | 4 | 4 | 1 | 1 |

Discrete Year to Quarter End Performance (%)

| | Q1 2023 | Q1 2022 | Q1 2021 | Q1 2020 | Q1 2019 |
|------|---------|---------|---------|---------|---------|
| | Q1 2024 | Q1 2023 | Q1 2022 | Q1 2021 | Q1 2020 |
| Fund | 4.75 | -5.94 | -6.10 | 46.85 | -2.09 |

Source of performance data: FE fundinfo as at 28/03/2024.

Past performance is not a guide to future performance.

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

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

** The Ongoing Charge Figure has been calculated as of 31/08/2023.

Top 10 Holdings (%)

| | |
|---------------------------|-------|
| Bloomsbury Publishing | 9.48% |
| Tatton Asset Management | 7.83% |
| Auto Trader | 5.99% |
| Bytes Technology | 5.74% |
| Keystone Law Group | 5.38% |
| Diploma | 5.01% |
| Morgan Advanced Materials | 4.59% |
| Fevertree Drinks | 4.44% |
| Wilmington | 4.41% |
| AJ Bell | 4.39% |

Sector Allocation (%)

| | |
|-----------------------------------|--------|
| Software & Computer Services | 20.39% |
| Media | 17.60% |
| Support Services | 15.51% |
| Financial Services | 13.57% |
| Electrical & Electronic Equipment | 6.70% |
| Food & Beverages | 4.44% |
| Construction & Materials | 4.12% |
| Cash | 4.02% |
| Personal Goods | 3.55% |
| Telecommunications Equipment | 2.93% |
| Healthcare Equipment & Services | 2.65% |
| Leisure Goods | 2.38% |
| Chemicals | 2.14% |

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 or direct from ConBrio Fund Partners Limited.

All data as at 28/03/2024 unless otherwise stated.

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Fund Commentary

In the context of the previous four months - which witnessed a considerable period of outperformance - March was on the disappointing side with a negative return of 1.4% in both the Accumulation and Income share prices. This compared with a 3.9% gain in the IA UK All Companies sector, the Fund's benchmark, and a 4.2% gain in the wider UK stock market. It is difficult to pin this down to any particular reason. Winners outnumbered losers by 14 to 11 and all ten of the updates or results we had from our investee companies were either in line with, or above, expectations. Indeed, in the year to date, there has only been one holding, XP Power (+2.0%) that has disappointed operationally.

The two standout performers in March were Fintel (+13.3%) and Michelmersh Brick (+12.2%), both of which issued full-year results.

Fintel continues to make steady organic progress with like-for-like revenue growth of around 6% when stripping out activities directly related to surveying and the volatile mortgage market. Both naturally had much tougher years following several years of super-normal activity. This is in line with the stated strategy of growing this metric by 5-7% per annum. Within core revenue, the SaaS and subscription component is key and arguably growing this is the route to securing a higher stock market rating. This now accounts for two-thirds of overall revenue.

In the case of Michelmersh, profit before tax was around 10% ahead of expectation as it maintained full production capacity throughout the year. Although cash conversion was impacted by more working capital being tied up in inventory, it leaves the company particularly well positioned for a wider recovery in activity in the construction market. A key takeaway is that Michelmersh believes that around one quarter of UK brick capacity has either been permanently closed or mothballed during the current downturn, reinforcing the benefit of having a strong balance sheet in a cyclical market. Michelmersh ended the year with net cash of £11m excluding lease liabilities.

Full-year results from Fevertree Drinks (+3.4%) were significant in that they confirm the all-important pivot to the US market, which has now overtaken the UK to become the largest region by revenue. Indeed, at current growth rates, it may not be too long before European sales push the UK into third place. With more than two thirds of revenue derived ex UK, this is an excellent example of a portfolio company providing investors with truly global exposure despite being tagged a UK business by its London listing. Many of the supply chain challenges of the past two years, including transportation costs and availability of glass, have been overcome and as a result margins are set to recover.

Although there was no newsflow from Calnex Solutions (-25.0%), the Fund's largest monthly decliner, we can only put this down to what the broking community refers to as *read-across* from the takeover of Spirent Communications, which is held in the Buffettology Fund. The simplistic bear case would go something like this: *Spirent is Calnex's largest sales channel partner therefore any change of ownership will be detrimental, or at least disruptive, to Calnex's relationship.* This is naturally something we considered during our investment process and was an area of focus during our due diligence prior to purchasing the position. Spirent and Calnex have worked together successfully for over ten years. The hardware supplied via Spirent is all badged under the Calnex name, which is important as in the event of any change to the supply chain it is clear for the end customer where the kit originates. Crucially, Calnex's products are differentiated with capabilities that competitors cannot easily replicate. Therefore, we expect customers will quickly adapt to any potential change in distribution partner, as has been Calnex's experience in the past.

Anyone who enjoyed our parable last month on Bytes Technology (-7.1%) may be interested to learn that it was revealed during March that the initial disclosures into unauthorised share trading by the former CEO emanated from a voluntary request for information from the FCA as part of its monitoring activities. Bytes' own steward's enquiry - which will hopefully draw a line under the whole sorry affair - is expected to be concluded prior to the release of 2024 preliminary results, expected in late May or early June. A full-year trading update released alongside the FCA revelations confirmed adjusted operating profit growth of at least 12% and cash conversion in line with the company's 100% target. As a result net cash stands at around £89m. This would mark a very respectable outcome for the year but, realistically, the shares may mark time until the results are published.

Sources: Sanford DeLand Asset Management and FE fundinfo 28/03/2024.

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.

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