

# CFP SDL Free Spirit Fund

Factsheet - October 2019

## Fund Information

### Fund Managers:



Andrew Vaughan



Keith Ashworth-Lord

|   |                     |
|---|---------------------|
| <b>Number of Holdings:</b>  | <b>Launch Date:</b> |
| 25  | 3rd January 2017    |
| <b>Sector:</b>  | <b>Fund Size:</b>   |
| IA UK All Companies   | £7.27m              |
| <b>ACD:</b>   |                     |
| Castlefield Fund Partners Limited   |                     |
| <b>Platform Availability:</b>   |                     |
| Alliance Trust, AJ Bell, Ascetric, Aviva, CoFunds, Hargreaves Lansdown, Novia, Transact, Zurich |                     |

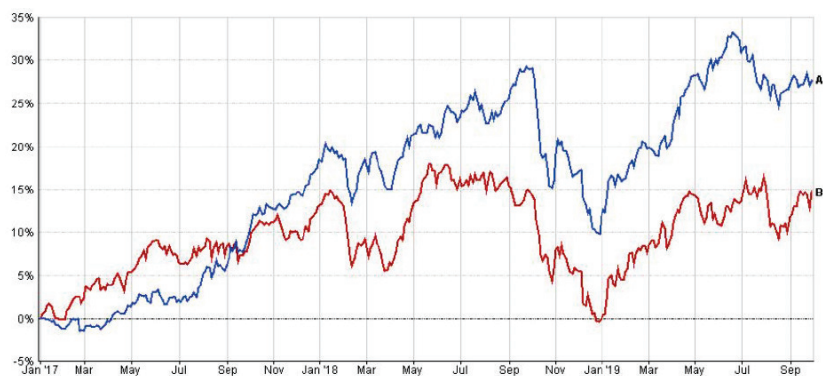
## Share Class Information

| Share Class                   | Income                   | Accumulation             |
|-------------------------------|--------------------------|--------------------------|
| <b>Min. Investment</b>        | £500                     | £500                     |
| <b>Initial Charge</b>         | 0.00%                    | 0.00%                    |
| <b>Investment Adviser Fee</b> | 0.90%                    | 0.90%                    |
| <b>Ongoing Charge</b>         | 1.46%                    | 1.46%                    |
| <b>Payment Dates</b>          | 30th April/ 31st October | 30th April/ 31st October |
| <b>ISA Eligible</b>           | YES                      | YES                      |
| <b>ISIN</b>                   | GB00BYYQC495             | GB00BYYQC271             |
| <b>CITI CODE</b>              | NPFA                     | NPFB                     |
| <b>MEXID</b>                  | CFXYA                    | CFXYB                    |

## Fund Objective and Strategy

The investment objective of the Fund is to seek to achieve real growth in capital and income over the long term. The Fund will invest mainly in a portfolio of UK equities listed on the LSE or quoted on AIM/ISDX 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.

Real growth means growth in excess of inflation, defined as the UK Consumer Price Index (CPI) +2% per annum on average and long term means over a minimum investment horizon of five years. It is likely that the portfolio will contain between 25 and 40 holdings when fully invested.



A - CFP SDL Free Spirit Acc GBP in GB (27.78%)  
B - IA UK All Companies TR in GB (14.79%)

03/01/2017 - 30/09/2019 Data from FE 2019

## Cumulative Performance (%)

|                         | 1 Mth   | 3 Mths  | 6 Mths | 1 Yr    | Since Launch |
|-------------------------|---------|---------|--------|---------|--------------|
| <b>Free Spirit Fund</b> | 0.39    | -2.44   | 5.79   | -0.90   | 27.78        |
| <b>Sector</b>           | 2.71    | 1.01    | 4.76   | -0.02   | 14.79        |
| <b>Rank</b>             | 247/261 | 249/261 | 97/260 | 162/268 | 21/248       |
| <b>Quartile</b>         | 4       | 4       | 2      | 3       | 1            |

## Discrete Performance (%)

|                         | 2019 YTD | 2018   | 2017 | 2016 | 2015 |
|-------------------------|----------|--------|------|------|------|
| <b>Free Spirit Fund</b> | 14.11    | -5.44  | -    | -    | -    |
| <b>Sector</b>           | 14.21    | -11.19 | -    | -    | -    |
| <b>Rank</b>             | 156/260  | 17/255 | -    | -    | -    |
| <b>Quartile</b>         | 3        | 1      | -    | -    | -    |

## Discrete Year to Quarter End Performance (%)

|                         | Q3 2018 | Q3 2017 | Q3 2016 | Q3 2015 | Q3 2014 |
|-------------------------|---------|---------|---------|---------|---------|
|                         | Q3 2019 | Q3 2018 | Q3 2017 | Q3 2016 | Q3 2015 |
| <b>Free Spirit Fund</b> | -0.90   | 17.13   | -       | -       | -       |

Source: Financial Express, as at 30/09/2019

**Past Performance is not a guide to future performance.**

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

## Fund Commentary

In September the price of the fund's accumulation units rose by 0.39% against a wider stock market which rose by 2.75%. Risers and fallers were evenly balanced, the largest of each being Craneware (+40.1%), EKF Diagnostics (+8.4%), Kainos (-12.0%) and SSP Group (-12.5%). We sold the fund's remaining position in AG Barr, reducing the number of holdings to 25 and increasing cash to 15.3%.

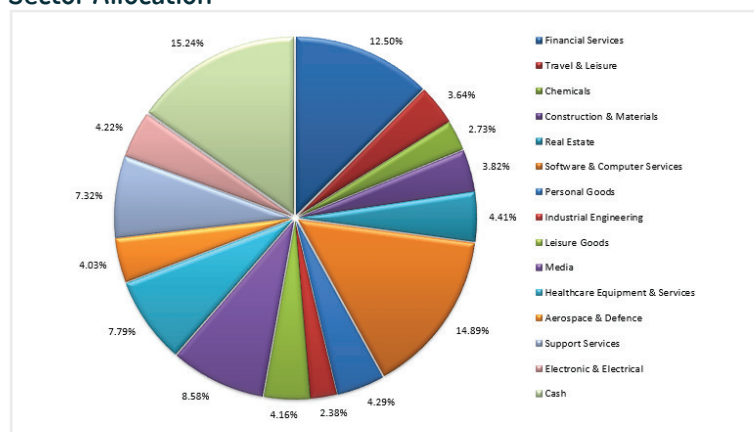
SSP operates retail food outlets at airports and railway stations. These bring the advantage of being high footfall and high yielding regulated environments, ring-fenced from high street competition. Disruption to air travel (protests in Hong Kong and failures of Thomas Cook and India's Jet Airways) has driven negative sentiment this month. These challenges are transient rather than structural and a trading update from SSP confirmed an improving trend in new units opened.

Belfast-headquartered Kainos is feeling the uncertainty surrounding UK public sector spending and the ability of its staff to work across Europe. It provides 'digital transformation' services for many government departments and agencies, helping to reduce costs and make public-facing services more accessible. In Europe it is the largest implementer of software for US-based Workday Inc. Even after recent weakness, Kainos has been one of the fund's best performing investments.

Craneware's software is helping hospitals in the US to increase their revenues and capture efficiencies. Results announced on 3 September reassured after a cautious trading statement at the end of June had knocked sentiment. The shares rose by 40.1% and remain volatile.

This month our one non-dividend payer - EKF Diagnostics - announced its intention to initiate dividends in 2020 following further cash generative growth in the business. EKF predominantly makes small hand-held devices for testing blood at the point of care, rather than in laboratories. They have a high reputation for ease of use and accuracy and are typically used many times a day. It is a classic 'razors and razor-blades' model, with an estimated 76 million tests in 2018 resulting in dependable recurring revenues for EKF. A new 'preferred partnership agreement' in digital diagnostics with the Mount Sinai healthcare group in the US is another exciting development for this business.

## Sector Allocation



## Top Ten Holdings

|                              |       |
|------------------------------|-------|
| 1. Diploma                   | 4.72% |
| 2. EKF Diagnostic Holdings   | 4.43% |
| 3. RELX                      | 4.43% |
| 4. CLS Holdings              | 4.41% |
| 5. Unilever                  | 4.29% |
| 6. Morgan Advanced Materials | 4.22% |
| 7. Games Workshop            | 4.16% |
| 8. Bloomsbury Publishing     | 4.15% |
| 9. Avon Rubber               | 4.03% |
| 10. MJ Gleeson               | 3.82% |

## Fund Manager

### Andrew Vaughan

The fund manager has over 20 years' investment research experience, with a long track record of selecting successful business perspective investments. Following a background in accountancy, Andrew held a variety of equity research and sales roles in London and the Far East, joining Keith Ashworth-Lord in 2005 as part of the team producing the "Analyst" research publication. He subsequently joined Sanford DeLand in 2017. A graduate with a BSc. (Econ) degree in Accounting & Financial Management from the University of Buckingham, Andrew also holds ICAEW PEI, the Investment Management Certificate (IMC) and CFA Level 1.

### Keith Ashworth-Lord

The fund manager has over 30 years of equity market experience and is a seasoned practitioner of 'Business Perspective Investing' as championed by Ben Graham and Warren Buffett. Prior to founding Sanford DeLand Asset Management, Keith worked with a variety of stockbroking, fund management and private investor clients. Keith is a graduate of Natural Sciences with a Masters in Management Studies and is a Chartered Fellow of the Chartered Institute of Securities & Investment. In 2017, Keith was conferred with Alpha Manager status by FE Trustnet.

## Important Information

This document provides information about the CFP SDL Free Spirit Fund (the Fund). Castlefield Fund Partners Limited (CFP) is the Authorised Corporate Director (ACD) of the Fund and Castlefield Investment Partners LLP (CIP) is the appointed Investment Adviser. Both CFP and CIP are authorised and regulated by the Financial Conduct Authority. Keith Ashworth-Lord, a director of Sanford DeLand Asset Management Limited (SDL), and Andrew Vaughan are an Approved Person of CIP for the purposes of acting as the lead day-to-day managers of the Fund. SDL is an appointed representative of CIP. This document does not constitute or form part of and should not be construed as, an initiation 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 their professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from [www.castlefield.com](http://www.castlefield.com) or direct from Castlefield.

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