

Investing Fund of the week

'Why the high charge? We pay to use Buffett's name'

Keith Ashworth-Lord tells *Sam Meadows* why he has based his investing style on the Sage of Omaha's

Most fund managers make a point of their individuality. They have a unique investment style, they say, one that no other investors could capture.

Keith Ashworth-Lord, who runs the £487m SDL UK Buffettology fund, does not fit this stereotype. He has no qualms about copying famed American investor Warren Buffett – the Sage of Omaha's name even adorns the sign above the door.

Mr Ashworth-Lord tells *Telegraph Money* why he would like to play Britain's Brexit negotiators at poker and how he failed to make a fortune on funerals.

Why Warren Buffett?

Buffett's whole style of concentrating exclusively on the business you are investing in and not being put off by the noise of stock markets, politicians or economists appeals to me philosophically.

We are business analysts here, not investment analysts. Buffett says being a businessman makes him a better investor and being an investor

makes him a better businessman. I'm no different. As well as running the fund I run Sanford DeLand Asset Management, so everything I do, I do with a businessman's eye. That appeals to me more than someone who has never run a business and is managing money.

What has been your best investment?

Over the past two years Games Workshop has been an outstanding investment for us – but it's not been the only one.

Bioventix has been an absolute cracker. When you go and see your GP these days, he always sends you off to have a blood test. These guys make the antibodies that get mixed with your blood as part of the test.

It's a lovely business model because it's effectively an annuity stream. They take a royalty every time a test is done. It ticks all the Buffettology boxes.

CV: Keith Ashworth-Lord

YEARS MANAGING FUND: 7
ANNUALISED RETURN: 17.2PC

Despite a brush with astrophysics as a student, Mr Ashworth-Lord has worked in stock markets for more than 30 years.

He founded

Sanford DeLand in 2010 and has also worked at a number of firms.



And your worst?

This one is a perfect combination of our two sell disciplines. One: things have got worse in the business and aren't about to get better. Two: I've messed up and got something wrong.

We invested in Dignity, the funeral firm, last year when I thought we had an ideal opportunity to get in. I thought I knew this industry very well from my 10 years of involvement.

The businesses tend to be quite asset light – you own the hearses and you don't tend to take your girlfriend out for a spin in them at the weekend, so they last a long time.

Five months later the company announced it was being hit by price competition and was cutting the price of its "no-frills" funerals. My mistake was not to see the introduction of price comparison websites coming. Our investment was about £6.5m. We sold it in January and recouped only about half of that.

What do you make of Brexit?

It's a wonderful opportunity for this country and it could be a rebirth in a global trading sense. It's a great chance for an outward-looking Britain to turn away from a protectionist bloc.

My only caveat is that the Government and civil service could not have done a worse job of negotiating this Brexit had they tried. They have been absolutely useless, showing all their cards and not getting anything back in return. I would love to play poker with those guys, I'd take them to the cleaners.

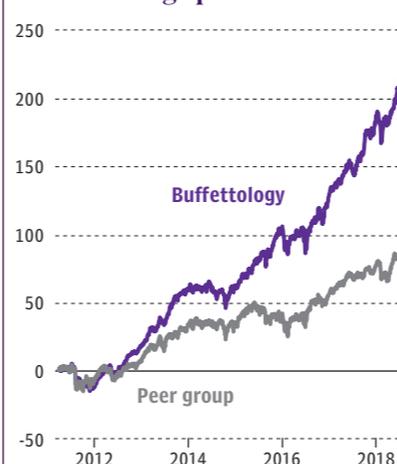
Is there a market crash coming?

I don't try to predict markets at all – they are their own being. I think it's a

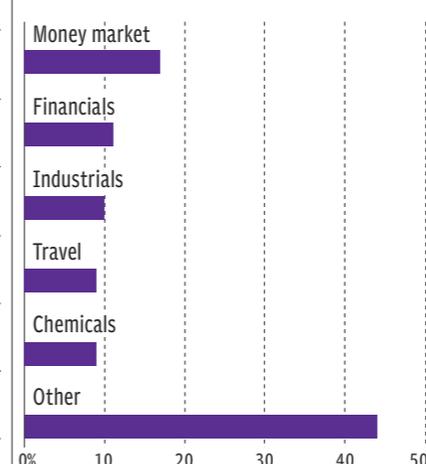
KEITH ASHWORTH-LORD SANFORD DELAND UK BUFFETTOLOGY



Versus average peer



What does the fund invest in?



Key facts

Launch date	March 2011
Return since manager start (2011)	203pc
Total return since launch (2011)	203pc
(198pc capital growth since 2011)	
Total return year to date	5.7pc
Annual charge	1.23pc

Top 10 holdings (as of 06/11/2018)

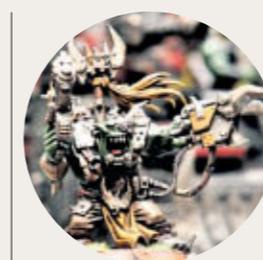
1. Games Workshop	6.5pc
2. Craneware	4.8pc
3. AB Dynamics	4.2pc
4. Bioventix	4.1pc
5. Dart Group	3.4pc
6. Victrex	3.3pc
7=. RWS Holdings	3.2pc
7=. Hargreaves Lansdown	3.2pc
9. Liontrust Asset Management	3.1pc
10. Scapa Group	2.9pc

IN FOCUS: GAMES WORKSHOP 'HIDE THE SHOPS IN A COAL MINE, GAMERS WILL STILL COME'

Games Workshop, which sells war game figurines that hobbyists assemble and paint themselves, has been our best-performing stock over the past two years.

We could see some of the success coming, but equally there have been some pleasant surprises along the way.

The firm was cutting its costs by moving shops from major shopping centres to places just off the beaten track. It has also moved from having multiple



managers at major stores to just one.

So keen are the people who play these games that if you put the shop 100ft under the ground in an old coal mine, they would still find them. And if there's a sign up saying "manager

gone for tea, back in five minutes" they will wait.

We always thought the strategy would work, and my word it has. On top of that we have had the devaluation of sterling, which has helped. Most of the company's costs remain in the UK and it sells abroad.

The firm introduced a couple of new games recently that went down really well with the hobbyists and it has started to actively engage with the fans on social media, boosting its following.

fool's errand trying to predict what they will do.

There is so much uncertainty around next year that your guess is as good as mine.

The fund's charge is rather high. Can you explain why?

The charge is 1.23pc, which covers the licence to use the Buffettology name, outsourced services to third parties and distribution – we receive less than half. Remember your Buffett: price is what you pay, value is what you get.

Do you invest in the fund?

The entirety of my pension and Isas, along with my family's, is invested in the fund – 100pc of my equity investing is through Buffettology.

What would you have been if not a fund manager?

I would have attempted to join the Nasa Astronaut Corps or worked on the American space programme.

As a kid I was a space nut and my first degree was in astrophysics – rocket science is not a million miles away.