

# Sanford DeLand

ASSET MANAGEMENT

Business Perspective Investors

CFP SDL UK Buffettology Fund

CFP SDL Free Spirit Fund

## Annual Report & Accounts

Sub-funds of Castlefield Funds OEIC

For the Year Ended 28 February 2020

A UK Authorised Investment Company with Variable Capital



THE THOUGHTFUL INVESTOR

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# Management & Administration

## Registered office and directors

The Authorised Corporate Director (“ACD”) and registered office of the Castlefield Funds (“the Company”):

### Castlefield Fund Partners Limited:

111 Piccadilly,  
Manchester, M1 2HY

Castlefield Fund Partners Limited is authorised and regulated by the Financial Conduct Authority (“FCA”) and is a member of the Investment Association (“IA”).

### Directors of the ACD:

<b>John Eckersley</b>	(Managing Director)
<b>Summayya Mosam</b>	(Head of Service Delivery - Resigned 28 February 2020)
<b>Susan Cohen</b>	(Head of Finance - Resigned 28 February 2020)
<b>Kathryn Holland</b>	(Head of Finance - appointed 1 March 2020)
<b>Andrew Knox</b>	(Non-Executive Director - appointed 30 September 2020)
<b>Timothy Saunt</b>	(Non-Executive Director - appointed 30 September 2020)

### Investment Adviser:

Castlefield Investment Partners LLP

111 Piccadilly,  
Manchester, M1 2HY

### Depositary:

Société Générale S.A. (London Branch),

One Bank Street, Canary Wharf,  
London, E14 4SG

### Auditor:

Beever and Struthers

St George’s House  
215-219 Chester Road,  
Manchester, M15 4JE

### Administrator:

Société Générale Securities Services,

One Bank Street, Canary Wharf,  
London, E14 4SG

### Registrar:

Maitland Institutional Services Limited

Hamilton Centre, Rodney Way,  
Chelmsford, Essex, CM1 3BY

## Company information

Castlefield Funds is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000234 and authorised by the Financial Conduct Authority with effect from 14 May 2003. Shareholders are not liable for the debts of the Company. At the period end the Company contained seven sub-funds.

The Company is a UCITS scheme which complies with the Financial Conduct Authority’s Collective Investment Schemes Sourcebook and is structured as an umbrella Company so that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary.

## Important notes

As of 1 July 2019 the below class of shares within the respective sub-fund was closed to investment. Shareholders whose investments were held in this class subsequently received the equitable value of shares within adjacent class of shares where it was to an investor’s benefit to do so.

At the same point the Company made name changes to the remaining classes of shares where it was appropriate to do so.

Below is a summary of the changes effective 1 July 2019:

### Closing classes of shares 1 July 2019:

**CFP SDL UK Buffettology Fund – General Class**

### Remaining classes of shares renamed to ‘General’

**CFP SDL UK Buffettology Fund – Institutional Income Class**

**CFP SDL UK Buffettology Fund – Institutional  
Accumulation Class**

# Management & Administration

## Changes of investment objective & policy:

On 1 July 2019 the Investment Objective & Policy of the CFP SDL UK Buffettology was amended to reflect more accurately the stated investment objective of the sub-fund. The current Investment Objective & Policy is reflected on page 14 within this document.

On 1 December 2019 the Investment Objective & Policy of the CFP SDL Free Spirit Fund was amended to reflect more accurately the stated investment objective of the sub-fund. The current Investment Objective & Policy is reflected on page 32 within this document.

## Report of the ACD to the shareholders of the company

The ACD, as sole director, presents its report and the audited Financial Statements of the Company for the year from 1 March 2019 to 28 February 2020.

The Investment Objectives and Policies of each sub-fund of the Company are covered in the section for each sub-fund. The names and addresses of the ACD, the Depositary, the Registrar, the Investment Adviser and the Auditor are detailed (see left).

In the future there may be other sub-funds of the Company.

Where a sub-fund invests in other Collective Investment Schemes, the maximum annual management fee that may be charged to that Collective Investment Scheme is 5% of the net asset value of such a scheme. However, it is expected that the actual annual management fee will not exceed 2%.

## Remuneration disclosure

The provisions of the Undertakings in Collective Investment Schemes Directive ("UCITS V") took effect on 18 March 2016. The legislation made requirement for the Authorised Corporate Director ("ACD") to establish and maintain remuneration policies for its staff, the purpose of which is consistent with and to promote sound and effective risk management.

The ACD is part of a larger group of companies and subject to the formal Remuneration Policy of that Company. Any and all remuneration policies are subjected to annual review.

The Company avoids basing rewards on excessive variable remuneration but pays what is believed to be fair fixed remuneration. As an employee owned company, equity ownership amongst all colleagues is encouraged which creates a bias for reward based upon long term shareholder value creation.

The total remuneration of those individuals who are fully or partly involved in the activities of the UCITS scheme for the financial year ending 31 August is stated below and includes all members of staff that are considered to be senior management or others whose actions may have a material impact on the risk profile of the Fund.

Within the Group, all staff are employed by the parent company with none employed directly by the UCITS scheme. The costs included within the below, part of which is attributable to Directors of the management company, is allocated between the entities within the group.

Fixed Remuneration: £80,394

Number of Full Time Employees: 6

Management has reviewed the general principles of the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy. The policy pertaining to the UCITS Management Company is disclosed within the Group website.

## Statement of Authorised Corporate Director's responsibilities

The Open-Ended Investment Companies (Investment Companies with Variable Capital) Regulations 2001 (SI 2001/1228) ("the OEIC's Regulations") and the rules of the FCA contained in the COLL Sourcebook require the ACD to prepare Financial Statements for each accounting period which give a true and fair view of the financial position of the Company and of its net revenue and the net gains on the property of the Company for the period. The ACD is responsible for ensuring that, to the best of its knowledge and belief, there is no relevant audit information of which the Auditor is unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise themselves with any relevant audit information and to establish that the Auditor is aware of that information.

### In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice – Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014;
- follow generally accepted accounting practice and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the Financial Statements as prepared comply with the above requirements;
- take such steps as are reasonably open to it to prevent and detect fraud and other irregularities;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

## Statement of disclosure to the auditors

So far as the ACD is aware, there is no relevant audit information of which the Funds' Auditors are unaware. Additionally, the ACD has taken all the necessary steps that they ought to have taken as ACD in order to make themselves aware of all relevant audit information to establish that the Funds' Auditors are aware of the information.

## Fund cross-holdings

No sub-fund held shares in any other sub-fund within the Investment Company with Variable Capital during the period.

## Directors' statement

In accordance with the Regulations, we hereby certify the report on behalf of the directors of Castlefield Fund Partners Limited.

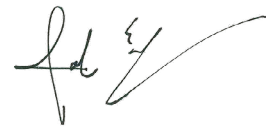
### Kathryn Holland

Director (of the ACD)



### John Eckersley

Director (of the ACD)



30 June 2020

## Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Castlefield Funds ("the Company") for the year 1 March 2019 to 28 February 2020.

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations"), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

### Société Générale S.A. (London Branch)

30 June 2020

# Management & Administration

## Independent auditor's report

### Report of the Independent Auditor to the Shareholders of Castlefield Funds

Year Ended 28 February 2020

#### Opinion

We have audited the financial statements of the Castlefield Funds ("the Company") for the year from 1 March 2019 to 28 February 2020 which comprise the statements of total return and statements of changes in net assets attributable to shareholders together with the balance sheet for each of the Company's sub-funds, the accounting policies of the Company set out on pages 9 to 10 and the related notes and the distribution tables for each of the Company's sub-funds. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice issued by the Investment Management Association (IMA) in May 2014 "Financial Statements of UK Authorised Firms".

#### In our opinion the Financial Statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 28 February 2020 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of the company comprising each of its sub-funds for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Instrument of Incorporation, the Statement of Recommended Practice issued by the IMA relating to UK Authorised Funds and the Collective Investment Scheme's Sourcebook rules.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK (ISAs (UK))) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- or**
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of the Authorised Corporate Director for the Financial Statements

As explained more fully in the Authorised Corporate Directors' responsibilities statement on page 5, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view, and for such internal control and the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's ability to

continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

#### In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation; and
- the information given in the Authorised Corporate Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- proper accounting records have not been kept or that the financial statements are not in accordance with those records.


### Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Scheme's Sourcebook issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



#### Caroline Monk BA FCA

For and on behalf of Beaver and Struthers, Chartered Accountant and Statutory Auditor

St George's House  
215 – 219 Chester Road  
Manchester  
M15 4JE

30 June 2020

# Management & Administration

## About the investment adviser

Castlefield Investment Partners LLP (CIP) act as the appointed Investment Adviser to the sub-funds as referred to within this document. Sanford DeLand Asset Management (SDL) act as an Appointed Representative of CIP. In respect of two of the sub-funds, the Directors of SDL, noted within this document, act as Approved Persons of CIP for the purposes of acting as the lead day-to-day managers to the respective sub-funds.

CIP is part of the Castlefield family of investment, advisory and operational support businesses. CIP is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange

## Investment review of Castlefield Funds

Investment returns for the year were most obviously influenced by events right at the end of the reporting period, when Covid-19 began to take hold in the UK and other Western economies. The full impact from the outbreak was felt after the period-end in March, however the growing realisation towards the end of February that the disease was not a localised problem confined to China, but a much greater threat, saw markets fall sharply. In the context of presenting a financial report we are obliged to comment on the economic impact of such a disaster, however it would be remiss of us if we failed to note the great human cost that this pandemic has wrought around the world.

In stark contrast to the developments at the end of the period, the year began with a degree of optimism as US-China trade talks appeared to be making some progress. The use by both side of tit-for-tat trade tariffs along the way created sufficient uncertainty that the US Federal Reserve started to signal the prospect of US rate cuts later in 2019. The apparent stalling of negotiations around the UK's exit from the EU finally resulted in the announcement from Theresa May that she would resign as Prime Minister in early June. Boris Johnson and Jeremy Hunt quickly emerged as the two candidates most likely to succeed her as Prime Minister. The BoE held interest rates at 0.75% despite warning that economic growth could grind to a halt amid mounting risks to the economy from a no-deal Brexit.

By July, Boris Johnson had won a comprehensive victory in the Conservative party leadership contest and officially took over as Prime Minister. The subsequent increase in speculation of a no-deal Brexit and a hard-line negotiating stance led to weakness in Sterling. This came at a similar time as Trump added a 10% tariff on a further \$300bn of Chinese goods in a surprise move, all of which caused markets to relinquish some of their gains from earlier in the year. With economic data deteriorating, the US Fed cut rates twice in quick succession, the first cuts in eleven years. They were joined by the ECB who also effectively committed to continue with their Quantitative Easing programme until inflation was within its target range, implying a huge increase in the ECB balance sheet.

As Autumn progressed, President Trump was able to announce his "win" of a Phase 1 trade deal with China, however the cost of getting this prize was felt across the US economy where tariffs and trade disruption resulted in PMI data slumping to levels not seen since the 2009 Financial crisis, prompting the US Federal Reserve to cut interest rates for a third time to 1.5%. In the UK, the failure of Boris Johnson to push through a Brexit agreement by the end of October despite much promising ultimately resulted in a General Election being called for mid-December. The Conservatives won a resounding majority with constituencies that had been Labour for generations switching their allegiance as the key factor of an apparent desire to finally conclude three years of talks over Brexit swung the vote. The UK equity market responded positively to the result with the prospect of an end to a period of political gridlock. The EU Withdrawal Agreement was passed before Christmas and the UK left the European Union on 31st January. Meanwhile, the Bank of England continued to hold its policy rate at 0.75%, as Andrew Bailey was announced as the successor to Mark Carney as Governor of the Bank of England, assuming the role in March 2020.

With the UK and other key markets posting gains for the 2019 calendar year, the beginning of 2020 saw the first emerging signs of Covid-19 appear in China. The initial view that it would be a short-term and localised outbreak similar in impact to SARS would prove to be wide of the mark as the true scale of the outbreak later became known. The first cases of the disease reported in the West seemed to be readily traced to individuals who had made trips to China or with other known links to groups who had become infected. This possibly influenced the very different responses from governments in how they dealt with the movements of their citizens. It was not until the final week of February that equity markets began to fall in earnest as the possibility that the disease may not be able to be contained started to be reflected in markets. By the end of the period, the disease had not fully spread across the UK and the whole population was still able to move freely. As we are now dealing with the consequences, both economic and in a human sense, the end of February appears a very long time ago. Post the period end, steep falls in markets have so far been followed with a surprising degree of resilience as governments globally have acted to release trillions of dollars in financial support. The remainder of 2020 very much depends on the real world solutions to the spread of the pandemic matching the financial measures aimed at alleviating the worst of the potential harm.



## Aggregated notes to the financial statements

### 1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

### 2. Summary of Significant Accounting Policies

#### Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The principal accounting policies which have been applied consistently are set out below.

#### Functional and Presentation Currency

The functional and presentation currency of each sub-fund is Sterling.

#### Revenue Recognition

Revenue from collective investment schemes, quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge. Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Bank interest, interest on debt securities, underwriting commission and other revenue are recognised on an accruals basis. In the case of debt securities, the total revenue arising includes the amortisation of any premium or discount at the time of purchase spread over the life of the security, using the effective interest rate method. The gains and losses arising on investments in structured plans are allocated between revenue and capital according to the nature of the structured plan. This is depending on the extent to which the return is capital or revenue based.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of Investments) are charged against revenue for the year on an accruals basis with the exception of the B.E.S.T Sustainable Income Fund where all fees are charged against capital.

#### Distributions

Amounts distributable are calculated after excluding expenses borne by capital as agreed by the ACD and Depositary. The ACD and Depositary have agreed that 100% of the sub-fund's expenses are borne by revenue with the exception of the B.E.S.T Sustainable Income Fund where all fees are charged against capital. Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Fund.

# Management & Administration

## Valuations

All investments are valued at their fair value at noon on 28 February 2020 being the last business day of the financial year. The fair value of equity and non-equity shares is bid price, excluding any accrued interest. The fair value of dual priced collective investment schemes managed by the ACD is their cancellation price and the fair value of dual priced collective investment schemes which are managed by other management groups is their bid price. The fair value of all single priced collective investment schemes is their single price, taking account of any agreed redemption charges. Delisted and unquoted investments are shown at the ACD's valuation.

Structured plans are valued at the latest price from the product provider.

## Foreign Currencies

Assets and liabilities in currencies other than Sterling are translated into Sterling at the exchange rates prevailing at noon on the last working day of the accounting year. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date.

## Taxation

Corporation tax has been provided for at the prevailing tax rate. Deferred tax is provided in respect of timing differences that have originated but not been reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that they are more likely than not to be recoverable. Withholding tax on overseas dividends is accounted for when the security is quoted ex-dividend.

## Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the Financial Conduct Authority Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-funds and included in the Statement of Change in Net Assets Attributable to Shareholders. The levy is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

## 3. Risk Management Frameworks

The ACD has a documented risk management framework which details the processes and procedures used to identify, measure, manage and monitor appropriately all risks to which the funds are or may be exposed. The risks covered by the framework include market risk, liquidity risk, credit/counterparty risk, operational risk and any other risks that might be material to the funds. The first three risks are primarily focused on the investment itself while operational risk refers to the risk of loss arising from inadequate or failed processes, people or systems including attempted fraud. The risk framework details:

- the techniques, tools and arrangements including systems and processes used;
- the content and frequency of reports; and
- the allocation of responsibilities between key staff and departments.

The main risk management system used by the ACD is fully integrated with the position keeping system for the funds and is used to measure and monitor market risk, credit / counterparty risk and liquidity risk. A separate system is maintained to track instances of operational risk and monitor amendments to controls made seeking to ensure that operational risk errors do not re-occur. The Board of the ACD formally reviews the risk profile, including market, credit, operational and liquidity risks, of each sub-fund and the compliance with its published objectives on a regular basis. As part of its governance processes, the ACD reviews the performance of the risk management framework and its associated arrangements, processes, systems and techniques on an annual basis, and the compliance of each sub-fund with the risk management framework. The risk management framework is updated by the ACD following any significant change in the business or in risk exposures and at least annually. It is also reviewed by the Depositary.

### Market Risk

Market risk is the risk of loss arising from fluctuations in the market value of investments held by a sub-fund attributable to changes in market variables, such as equity prices, foreign exchange rates, interest rates or the credit worthiness of an issuer. The risk management framework monitors the levels of market risk to which the sub-funds are exposed in relation to each sub-fund's investment objective and policy. A series of hard (strictly enforced) and soft (warning) limits are employed to ensure the fund stays within its published mandate. Market risk is also measured using gross leverage and global exposure (the "commitment approach"). The commitment approach is suitable for funds investing in traditional asset classes such as equities, fixed income, money market securities and collective investment schemes. It can also be used for sub-funds using derivatives in a simple manner and investing in instruments with embedded derivatives where no additional leverage is created. The commitment approach measures the incremental exposure of each derivative calculated by converting it into the market value of an equivalent position in the underlying asset of that derivative or forward transaction. The ACD may in some instances, and always following the guidelines set by the regulator, take account of legally enforceable netting and hedging arrangements when calculating global exposure where these arrangements do not disregard any obvious or material risks.

### Liquidity Risk

Liquidity risk is the possibility that the sub-fund will not be able to sell its assets without incurring losses within the timeframe required to meet investor redemptions. The asset liquidity profile of each sub-fund is monitored on a regular basis and compared to both historical investor redemption patterns and potential redemption scenarios, with the aim of ensuring that the sub-fund will be able to meet any actual redemptions in a timely manner. The liquidity risk management process includes an assessment of the market turnover, percentage of an issue held by the sub-fund, credit rating of the issuer and/or the buy/sell spread of the market in the securities held where the information is available and is applicable. Liquidity profile stress tests under both normal and exceptional conditions are conducted on a regular basis. If market liquidity is perceived to be decreasing, the ACD might seek to take any of the following actions to improve the liquidity profile of a sub-fund: maintain higher cash balances; maintain a greater proportion of assets in securities which are traditionally more liquid; diversify the range of issue types and sizes held; hold shorter dated securities; or hold issues with a more diversified investor base.

### Credit Risk

Credit risk comprises both credit issuer risk and counterparty risk. Credit issuer risk is the potential for loss arising from the issuer of a security failing to pay interest and principal in a timely manner. Counterparty risk is the potential for loss arising from the failure of a trading counterparty to honour an obligation to the sub-fund. The sub-funds manage credit issuer risk as a component of market risk. Counterparty risk arises primarily with the financial brokers through whom the sub-fund buys and sells securities. The sub-funds may only transact with brokers from an approved broker list maintained by the ACD. All brokers on the ACD approved list are subject to regular credit and general business checks. The sub-funds may also be exposed to counterparty risks arising from the use of forward currency instruments, usually transacted to decrease exposure to foreign currency. These risks are monitored daily and are subject to limits, in practice they are for small amounts typically less than 0.1% of a sub-fund's assets.

## 4. Post Balance Sheet Events

The Board of the ACD recognises the impact that the Covid-19 pandemic has had upon economies and societies globally, which has resulted in initial falls in financial markets after the Company's year end and increased volatility since. Consideration has therefore been given to the impact, if any, upon the portfolio of investments held by the Company at the year end. At the time of writing, the Company has closed its office and all staff are working from home. These contingency plans had been tested and are proving to be robust. Although it remains too early to make definitive judgements as to the long term implications of the pandemic, the Board remains confident in its opinion that the portfolio of investments held remains an appropriate means of meeting its objective over the defined investment time horizon. It will continue to monitor the developing situation closely.

# CFP SDL UK Buffettology Fund

## Fund information

The Comparative Table on pages 12 to 13 give the performance of each active share class in the sub-fund.

The 'return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the Manager's report which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Since 1 January 2018, the Castlefield Funds have not borne any research costs and any broker commission fees incurred are done so explicitly for the execution of transactions on behalf of the sub-fund.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as collective investment schemes, bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative table

For the financial year ended 28 February 2020:

General Income Share - Income (formerly Institutional Income Class)	28/02/2020 (pence per share)	28/02/2019 (pence per share)	28/02/2018 (pence per share)
<b>Change in net asset value per share</b>			
Opening net asset per share	288.81	280.02	232.48
Total return before operating charges*	31.19	15.34	53.54
Operating charges*	(3.90)	(3.75)	(2.81)
Total return after operating charges*	27.29	11.59	50.73
Distributions on income shares	(3.13)	(2.80)	(3.19)
Closing net asset per share	312.97	288.81	280.02
After transaction costs** (see page 28) of:	0.78	0.71	0.72
<b>Performance</b>			
Total return after operating charges*	9.45%	4.14%	21.82%
<b>Other information</b>			
Closing net assets value (£'000)	701,536	446,581	228,100
Closing number of shares	224,153,558	154,629,109	81,457,082
Operating charges*	1.19%	1.27%	1.33%
Direct transaction costs**	0.22%	0.23%	0.26%
<b>Prices</b>			
Highest share price	363.25	316.75	288.15
Lowest share price	288.87	276.23	235.55

General Accumulation Share - Accumulative (formerly Institutional Accumulation Class)	28/02/2020 (pence per share)	28/02/2019 (pence per share)	28/02/2018 (pence per share)
<b>Change in net asset value per share</b>			
Opening net asset per share	113.89	110.03	100.00
Total return before operating charges*	13.05	5.33	11.46
Operating charges*	(1.56)	(1.47)	(1.43)
Total return after operating charges*	11.49	3.86	10.03
Distributions on accumulation shares	(1.25)	(1.11)	(0.69)
Retained distribution on accumulation shares	-	1.11	0.69
Closing net asset per share	125.38	113.89	110.03
After transaction costs** (see page 28) of:	0.28	0.28	0.19
<b>Performance</b>			
Total return after operating charges*	10.09%	3.51%	10.03%
<b>Other information</b>			
Closing net assets value (£'000)	616,895	137,447	19,399
Closing number of shares	492,008,326	120,684,043	17,630,652
Operating charges	1.19%	1.26%	1.33%
Direct transaction costs**	0.22%	0.23%	0.26%
<b>Prices</b>			
Highest share price	144.75	124.91	112.51
Lowest share price	114.59	108.54	100.00

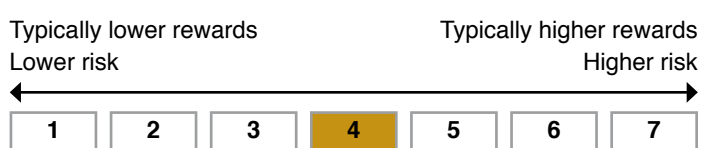
\* Operating charges, otherwise known as the Ongoing Charge Figure or "OCF" is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures.

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

# CFP SDL UK Buffettology Fund

## Risk and reward indicator (RRI)

The Risk and Reward Indicator table demonstrates where the sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-fund. The coloured area in the table below shows the sub-fund's ranking on the Risk and Reward Indicator.



The sub-fund is ranked as a 4 because it has experienced relatively high rises and falls in value over the past five years.

Please note that even the lowest ranking does not mean a risk-free investment.

The sub-fund holds equities concentrated by number and by location in the UK. Equities, as an asset class, tend to experience higher volatility than many other assets such as bonds or money market instruments. Sub-funds concentrated by number of assets and/or geographic location are more vulnerable to market sentiment impacting on one or more of those assets or location and can carry a higher risk than sub-funds holding more diversified assets.

A more detailed description of the risks identified as being applicable to the sub-fund are set out in the 'Risk Factors' section of the Prospectus.

### Terms Explained:

**Income Shares:** any income made by the sub-fund will be paid out to you.

**Sub-funds:** a general term used to describe collective investment schemes, such as unit trusts, open-ended investment companies and closed-ended investment companies.

You can buy, sell and switch shares in the sub-fund on any UK business day. We will need to receive your instruction before 12 noon to buy shares at that day's price.

## Investment objective and policy

The investment objective of the Fund is to seek to achieve an annual compounding rate of return over the long term, defined as 5 – 10 years, which is superior to the median performance of all of the funds forming the official peer group of which the Fund is part. 'Peer group' is defined as being the Investment Association sector to which the Fund has been allocated (currently being the UK All Companies Sector) or to which it may be allocated in future, as determined by that body. Investments will be made principally in UK equities, applying the methodology of Business Perspective Investing.

Business Perspective Investing identifies companies that exhibit criteria considered essential to the long term success of that business, and are expected to possess strong operating franchises and experienced management teams. Investments are to be made at a valuation deemed to provide shareholder value over the intended long term period of investment, not to be sold for short term profits.

Further information regarding the investment criteria adopted in Business Perspective Investing can be obtained directly from the Investment Adviser or at <https://www.sanford-deland.com/15/about-sdl/the-principles/business-perspective-investing>.

## Performance

The sub-fund's Income (I) Class share price rose by 8.4% from 291.49p at the close on 28 February 2019 to 316.07p on 28 February 2020. This compared to a 9.6% rise in the UK stock market. The Fund beat its benchmark index in six discrete months of the year with most notable outperformance in April and November. The Accumulation (J) Class share price gained 9.6% from 114.95p to 125.95p over the same period compared to a total return gain of 1.0% for the Fund's peer group, the IA UK All Companies sector. The share price recorded a high of 363.25p on 22 January 2020 and a low of 288.87p on 25 March 2019.

At the end of the twelve-month period, FE Trustnet ranked the Fund 31st out of 253 funds in the IA UK All Companies sector over one year, 5th out of 244 over three years, 3rd out of 228 over five years and 1st out of 206 since launch on 28 March 2011. Lipper, Morningstar and FE Trustnet continue to accord the sub-fund a 5 out of 5 rating. In July, Money Observer rated the Sub-fund the Best UK Larger Growth Fund 2019 for the second year running, having won the Smaller category for the three years 2015-2017. For the sixth year running, UK Buffettology was included in the Investors Chronicle Top 100 funds. RSM also includes the sub-fund in its list of Rated Funds. In 2019, UK Buffettology was added to Interactive Investor's Super60 group of recommended funds.

## Portfolio review

The sub-fund benefited from net inflows in every month of the review period totalling £676.7m. This and the investment performance saw its size grow to £1,330m. Most portfolio activity centred upon increasing existing holdings. There were five new company purchases: PayPoint, London Stock Exchange, RM, Softcat and HomeServe. We progressively sold down the holdings of our three micro-caps, each one under £100m market cap, namely Air Partner, Driver Group and Revolution Bars. Driver was fully exited in December and the other two sales were completed after the sub-fund's year-end. These decisions are no reflection on the businesses or their managements. It is simply a recognition that the size of the sub-fund makes investment in very small companies no longer viable. Our portfolio turnover ratio was 1.2% (based on the 12-month moving average) giving an implied average holding period of over 80 years.

Turning to the new investments, PayPoint is a business that I have followed for nearly 20 years. Its business model used to centre on utility bill prepayments, mobile top-ups and ATM machines conducted over the counter in retail outlets. The group then went through a transition phase as these income streams withered on the vine. It has reinvented itself as a parcels collection and returns business and installer of sophisticated payment and stock control systems for the smaller retailer; an enabler. Its business in Romania is more like the original UK model. I have had it on the 'watch list' since the sub-fund was launched but have only recently had the conviction to invest. RM is similar in the sense that I have followed it for many years and watched it gradually adapt its business model to changed conditions in the market for education resources and examinations. London Stock Exchange, too, has been on the 'watch list' since 2011 and the catalyst for investment, like Experian before it, was a pricing opportunity when Mr Market had a funk.

Softcat is a provider of IT infrastructure to both public and private sector clients and is the No.2 player in the fragmented UK market for this service. It came onto my radar through a screening exercise, having first IPO'd in 2014. Lastly, we used to own HomeServe in the early days. However, the holding was sold after just 7½ months when it was reprimanded by its regulator, the then FSA, for using aggressive sales and marketing activity. Subsequently, retraining and a return to acquiring new affinity partners, in particular in the US, have restored the growth trajectory of the business since the nadir in 2014. HomeServe is a home repairs and improvements business operating in the UK, US, France and Spain. It charges customers an annual premium in return for access to tradespeople and technology to make emergency home repairs and improvements. It is expressly not an insurance business; the insurance risk is laid off via reinsurers. PayPoint and RM looked to offer sizeable margins of safety; LSE, Softcat and HomeServe perhaps less so than the other two.

During the financial year, the share price movements that most benefited the Fund were Games Workshop (share price up by 103.9%), Liontrust Asset Management (+78.1%), NCC Group (+66.5%), Dart Group (+48.9%) and London Stock Exchange (+42.9%). There were five other double-digit and seven single-digit risers. The main detractors from performance were Scapa Group (share price down by 43.8%), Provident Financial (-32.1%), Trifast (-32.0%), A.G. Barr (-29.9%) and Craneware (-27.6%). There were six other double-digit and seven single-digit fallers. For the record, the five companies entering the portfolio during the year had their average purchase price used as the base price in this calculation. Using this starting point, two showed gains and three losses to 28 February 2020.

At the year-end, the portfolio consisted of eight companies in the FTSE 100 Index, ten in the FTSE Mid Cap 250, seven smaller fully listed companies, eight quoted on AIM and two in the S&P 500. The weighted average market capitalisation of portfolio companies was £17,172m and the median £1,483m. At this time, the Fund held 11.5% of its assets in unrestricted cash and a further 0.5% set aside for dividend accrual.

## Outlook

In December, the market enjoyed a Santa rally thanks to the conclusive General Election result that left Boris Johnson's Conservatives with a thumping majority to see through a full five-year parliament. Combined with the decisive mandate to leave the EU conferred by the result, this removed the uncertainty of Brexit being revoked and the market rallied again, reaching a peak on 17 January. Having now left the EU, the only remaining issue is what the trading arrangement will look like after 31 December 2020. The EU, foolishly in my view, still thinks it can play hardball. It can't, not least because of what happened next; the Covid-19 pandemic, snap bear market and the severe economic pressure now piled onto the eurozone.

The world changed in mid-March, just like it did on 9/11. The decision to lockdown and abandon the economy to a deep recession to slow the spread of the Covid-19 came as a hammer blow. Unless you had a crystal ball, I defy anyone to say they could have imagined the extent of the draconian measures imposed on a liberal democracy. Nor, I might add, that they would have met with such widespread acceptance, albeit that this appears to be wearing thin as I write. Notwithstanding, this Black Swan event struck with devastating force and every tree in the forest got felled.

Surveying the scene currently, I am struck by the remarkable recovery that stock markets have made since that nadir on 23 March. I find this difficult to square with the economic pain that still lies ahead. I suppose it supports that old adage, "Don't fight the Fed". I am concerned for the future of swathes of our economy and the debt burden that the tsunami of government measures will entail for future generations to pay off. I sincerely hope that it doesn't result in a crisis of capitalism. The alternative is far worse.

Given that the 2020 earnings season will be a write-off across much of the economy, we must attempt to look through the turmoil to the inevitable eventual recovery. Business Perspective Investors are favourably wired for that purpose. It is clear to me that the world will look different on the other side. I am genuinely fearful for businesses operating in the retail, travel and leisure spaces. Consequently, we have reduced our exposure and now only hold Dart Group in these sectors. That is unless you count the unique Games Workshop, which I don't. The other side of the coin is that online will become more important, including virtual conferencing at the expense of travel and hitherto conventional physical meetings. The outlook for software and internet security companies must surely be brighter. I count our exposure via businesses like Softcat, RM and NCC as likely to be beneficial in the brave new world. Our healthcare exposure via GSK, Bioventix and Craneware is also a comfort. So, in conclusion, we have had a wake-up call. But the tried and tested investment methodology that we apply, and will continue to apply, stands us in good stead.

**Keith Ashworth-Lord**

**Sanford DeLand Asset Management Limited**

**29th April 2020**

## CFP SDL UK Buffettology Fund

The Top Ten Purchases and Total Sales During The Year Were As Follows:

<b>Purchases</b>	<b>Costs £'000</b>	<b>Sales</b>	<b>Proceeds £'000</b>
PAYPOINT PLC	32,950	DRIVER GROUP	6,022
HOMESERVE	32,508	AIR PARTNER	5,294
SOFTCAT PLC	32,457	DART GROUP	912
LONDON STOCK EXCHANGE GROUP	32,342	REVOLUTION BARS GROUP	707
RM PLC	31,628	PAYPOINT PLC	428
LIONTRUST ASSET MANAGEMENT	20,669	SCAPA GROUP	9
SCAPA GROUP	18,609		
VICTREX	17,570		
ROLLINS INC	17,436		
DART GROUP	17,351		
<b>Total purchases during the period were</b>	<b>618,707</b>	<b>Total sales during the year were</b>	<b>13,371</b>



## Portfolio of investments

as at 28 February 2020

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>BASIC MATERIALS 6.11% (7.60%)</b>			
<b>Chemicals 6.11% (7.60%)</b>			
695,000	Croda International PLC	31,567	2.39
11,275,000 *	Scapa Group	18,536	1.41
1,470,000	Victrix	30,488	2.31
		<b>80,591</b>	<b>6.11</b>
		<b>80,591</b>	<b>6.11</b>
<b>CONSUMER GOODS 15.95% (16.25%)</b>			
<b>Beverages 4.23% (5.81%)</b>			
4,600,000	AG Barr	24,518	1.86
1,140,000	Diageo	31,225	2.37
		<b>55,743</b>	<b>4.23</b>
<b>Leisure Goods 9.02% (7.55%)</b>			
6,445,000 *	Focusrite	33,514	2.54
1,350,000	Games Workshop Group	85,252	6.48
		<b>118,766</b>	<b>9.02</b>
<b>Household Goods &amp; Home Construction 2.70% (2.89%)</b>			
4,127,500	MJ Gleeson	35,662	2.70
		<b>35,662</b>	<b>2.70</b>
		<b>210,171</b>	<b>15.95</b>
<b>CONSUMER SERVICES 11.54% (12.74%)</b>			
<b>General Retailers 2.83% (2.68%)</b>			
610,000	Next	37,332	2.83
		<b>37,332</b>	<b>2.83</b>
<b>Media 2.69% (2.66%)</b>			
1,885,000	RELX PLC	35,485	2.69
		<b>35,485</b>	<b>2.69</b>
<b>Travel &amp; Leisure &amp; Catering 6.02% (7.40%)</b>			
4,120,000	Air Partner	2,876	0.22

# CFP SDL UK Buffettology Fund

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
4,075,000 *	Dart Group	49,185	3.73
20,080,000	Restaurant Group	21,204	1.61
10,000,000	Revolution Bars Group	6,100	0.46
		<b>79,365</b>	<b>6.02</b>
		<b>152,182</b>	<b>11.54</b>
<b>FINANCIALS 14.35% (10.41%)</b>			
<b>Financial Services 11.89% (8.06%)</b>			
1,790,000	Hargreaves Lansdown	26,913	2.04
5,525,000	Liontrust Asset Management	59,117	4.49
595,000	London Stock Exchange Group	45,946	3.48
6,000,000	Provident Financial	24,840	1.88
		<b>156,816</b>	<b>11.89</b>
<b>Nonlife Insurance 2.46% (2.35%)</b>			
134	Berkshire Hathaway Inc	32,499	2.46
		<b>32,499</b>	<b>2.46</b>
		<b>189,315</b>	<b>14.35</b>
<b>HEALTH CARE 8.14% (9.96%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 8.14% (9.96%)</b>			
1,025,000 *	Bioventix	38,950	2.95
1,375,000	Dechra Pharmaceuticals	35,558	2.70
2,100,000	GlaxoSmithKline	32,831	2.49
		<b>107,339</b>	<b>8.14</b>
		<b>107,339</b>	<b>8.14</b>
<b>INDUSTRIALS 22.53% (22.20%)</b>			
<b>Construction &amp; Materials 2.56% (2.76%)</b>			
6,870,000 *	James Halstead	33,732	2.56
		<b>33,732</b>	<b>2.56</b>
<b>Industrial Engineering 7.06% (9.88%)</b>			
2,725,000	AB Dynamics	40,875	3.10
11,345,000	Rotork	31,766	2.41
16,150,000	Trifast	20,430	1.55
		<b>93,071</b>	<b>7.06</b>
<b>Support Services 12.91% (9.56%)</b>			
1,550,000	Experian	39,928	3.03
2,460,000	HomeServe	28,856	2.19
3,500,000	PayPoint PLC	29,785	2.26

<b>Holding</b>	<b>Investment</b>	<b>Market Value £'000</b>	<b>Total Value of Sub-Fund %</b>
1,160,000	Rollins Inc	33,904	2.57
7,000,000 *	RWS Holdings	37,660	2.86
		<b>170,133</b>	<b>12.91</b>
		<b>296,936</b>	<b>22.53</b>
<b>TECHNOLOGY 9.68% (5.26%)</b>			
<b>Software &amp; Computer Services 9.68% (5.26%)</b>			
1,487,000 *	Craneware	27,807	2.11
17,550,000	NCC Group	35,451	2.69
11,805,000	RM PLC	30,339	2.30
3,235,000	Softcat PLC	34,032	2.58
		<b>127,629</b>	<b>9.68</b>
		<b>127,629</b>	<b>9.68</b>
	<b>Total Value of Investments</b>	<b>1,164,163</b>	<b>88.30</b>
	Net Other Assets	154,270	11.70
	<b>Total Net Assets</b>	<b>1,318,433</b>	<b>100.00</b>

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

\* AIM Listed Securities.

# CFP SDL UK Buffettology Fund

## Statement of total return

For the year ended 28 February 2020

	Note	28/02/2020		28/02/2019	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains	2		28,362		268
Revenue	3	24,255		9,835	
<b>Expenses</b>					
Finance Costs : Interest	5	(13,405)		(5,732)	
Net revenue before taxation		10,850		4,097	
Taxation	6	(49)		(7)	
Net revenue after taxation			10,801		4,090
<b>Total return before distributions</b>			<b>39,163</b>		<b>4,358</b>
Distributions	7		(10,801)		(4,090)
<b>Change in net assets attributable to shareholders</b>			<b>28,362</b>		<b>268</b>

## Statement of change in net assets attributable to shareholders

For the year ended 28 February 2020

	28/02/2020		28/02/2019	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>626,396</b>		<b>283,296</b>
Amounts received on creation of shares	1,147,154		456,808	
Less: Amounts paid on cancellation of shares	(489,260)		(115,044)	
		657,894		341,764
Dilution Levy		388		-
Change in net assets attributable to shareholders' from investment activities		28,362		268
Retained distribution on accumulation shares		5,393		1,068
<b>Closing net assets attributable to shareholders</b>		<b>1,318,433</b>		<b>626,396</b>

## Balance sheet

As at 28 February 2020

	Note	28/02/2020 £'000	28/02/2019 £'000
<b>Assets</b>			
Investment assets		1,164,163	529,815
Debtors	8	17,062	14,301
Cash and bank balances	9	159,316	89,189
<b>Total Assets</b>		<b>1,340,541</b>	<b>633,305</b>
<b>Liabilities</b>			
Creditors	10	(18,351)	(4,135)
Distribution payable on income shares		(3,757)	(2,774)
<b>Total liabilities</b>		<b>(22,108)</b>	<b>(6,909)</b>
<b>Net assets attributable to Shareholders</b>		<b>1,318,433</b>	<b>626,396</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the year ended 28 February 2020

	28/02/2020 £'000
Total Purchases in period	623,497
Total Sales in period	13,371

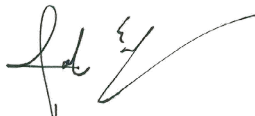
The notes on pages 22 to 28 are an integral part of these Financial Statements.

On behalf of Castlefield Fund Partners Limited

**Kathryn Holland**  
Director (of the ACD)



**John Eckersley**  
Director (of the ACD)



30 June 2020

# CFP SDL UK Buffettology Fund

## Notes to the financial statements

### 1. Accounting Policies

The accounting, distribution and risk management policies are provided in the Aggregated Notes to the Financial Statements section on pages 9 to 11.

### 2. Net Capital Gains

	28/02/2020	28/02/2019
	£'000	£'000
<b>The net capital gains during the period comprise:</b>		
Non-derivative securities	28,468	382
Currency losses	(99)	(108)
Transaction costs & handling charges	(7)	(6)
<b>Net gains on investments</b>	<b>28,362</b>	<b>268</b>

### 3. Revenue

	28/02/2020	28/02/2019
	£'000	£'000
UK Dividends	23,466	9,578
Overseas Dividends	344	106
Bank interest	445	151
<b>Total Revenue</b>	<b>24,255</b>	<b>9,835</b>

### 4. Expenses

	28/02/2020	28/02/2019
	£'000	£'000
<b>Payable to the manager, associates of the manager and agents of either of them</b>		
ACD fees	1,373	740
Investment Manager fees	11,311	4,569
	<b>12,684</b>	<b>5,309</b>
<b>Payable to the depositary or associates of the depositary and agents of either of them</b>		
Depositary fees	218	135
Safe Custody fees	75	32
	<b>293</b>	<b>167</b>
<b>Other expenses</b>		
Audit fees	6	5
Printing fees	-	2
Registration fees	422	249
	<b>428</b>	<b>256</b>
<b>Total expenses</b>	<b>13,405</b>	<b>5,732</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. Finance Costs

	28/02/2020 £'000	28/02/2019 £'000
Interest on bank overdraft	-	6
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>6</b>

## 6. Taxation

### (a) Analysis of the tax charge in the year

	28/02/2020 £'000	28/02/2019 £'000
Corporation tax	-	-
Overseas tax	49	7
<b>Total current tax charge (Note 6 (b))</b>	<b>49</b>	<b>7</b>
Deferred tax on Corporation tax (Note 6 (c))	-	-
<b>Total taxation for the year</b>	<b>49</b>	<b>7</b>

### (b) Factors affecting current tax charge for the year

	28/02/2020 £'000	28/02/2019 £'000
Net revenue before taxation	10,850	4,097
Net revenue for the year multiplied by the standard rate of corporation tax (20%)	2,170	819
<b>Effects of:</b>		
Movement in excess management expenses	2,592	1,117
Overseas tax	49	7
Revenue not subject to corporation tax	(4,762)	(1,936)
<b>Total tax charge (Note 6 (a))</b>	<b>49</b>	<b>7</b>

### (c) Deferred tax

	28/02/2020 £'000	28/02/2019 £'000
Deferred tax charge	-	-
Provision at start of year	-	-
<b>Total Deferred tax</b>	<b>-</b>	<b>-</b>

Authorised OEIC's are exempt from tax on capital gains made within the sub-fund.

The sub-fund has not recognised a deferred tax asset of £2,598,000 (2019 £2,080,000) arising as a result of having unutilised management expenses. It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

# CFP SDL UK Buffettology Fund

## 7. Distributions

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	28/02/2020 £'000	28/02/2019 £'000
<b>Interim Income</b>		
Interim distribution	3,175	1,206
Final distribution	3,757	2,774
<b>Interim Accumulation</b>		
Interim accumulation	2,099	258
Final accumulation	3,294	810
<b>Total Distribution</b>	<b>12,325</b>	<b>5,048</b>
Add: Income deducted on cancellation of shares	1,222	267
Deduct: Income received on creation of shares	(2,746)	(1,225)
<b>Net distribution for the period</b>	<b>10,801</b>	<b>4,090</b>
<b>Reconciliation of Net Income and Distributions</b>		
Net Income after Taxation	10,801	4,090
<b>Net distribution for the period</b>	<b>10,801</b>	<b>4,090</b>

## 8. Debtors

	28/02/2020 £'000	28/02/2019 £'000
Accrued revenue	2,608	808
Amounts Receivable for creation of shares	14,378	13,493
Stock Sales awaiting settlement	76	-
<b>Debtors</b>	<b>17,062</b>	<b>14,301</b>

## 9. Cash And Bank Balances

	28/02/2020 £'000	28/02/2019 £'000
Sterling	159,300	89,183
US Dollar	16	6
<b>Cash and bank balances</b>	<b>159,316</b>	<b>89,189</b>

## 10. Creditors

	28/02/2020 £'000	28/02/2019 £'000
Accrued expenses	279	97
Amounts payable for cancellation of shares	17,071	2,194
Stock purchases awaiting settlement	1,001	1,844
<b>Creditors</b>	<b>18,351</b>	<b>4,135</b>



## 11. Related Parties

### Authorised Corporate Director (“ACD”)

The annual management charge (“AMC”) is a tiered fee based on assets under management, subject to a minimum of £25,000 per annum and is payable monthly. Amounts due at the year end are disclosed within accrued expenses on the balance sheet where applicable.

Details of shares cancelled and created by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders.

### Investment Adviser

Sanford DeLand Asset Management (SDL) act as an Appointed Representative of Castlefield Investment Partners (CIP). The Directors of SDL, noted within this document, act as Approved Persons of CIP for the purposes of acting as the lead day-to-day managers to the respective sub-funds. CIP is part of the group of companies to which the ACD belongs, Castlefield Partners Limited.

## 12. Contingent Liabilities And Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

## 13. Financial Instruments

In pursuing the sub-fund’s investment objective, the main risks arising from the sub-fund’s financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 10 to 11.

At 28 February 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £58,208,150 (28 February 2019: £26,490,750).

### Currency Exposure

There was no material direct foreign currency exposure within the sub-fund at the balance sheet date.

As at 28 February 2020	Portfolio of Investments	Forward currency contracts	Net other assets	Total	Total Exposure
Currency	£'000	£'000	£'000	£'000	%
<b>Assets</b>					
US Dollar	66,403	-	104	66,507	5.04
	<b>66,403</b>	-	<b>104</b>	<b>66,507</b>	<b>5.04</b>
Sterling	1,097,760	-	154,166	1,251,926	94.96
<b>Total Net Assets</b>	<b>1,164,163</b>	-	<b>154,270</b>	<b>1,318,433</b>	<b>100.00</b>
<b>As at 28 February 2019</b>					
Currency	£'000	£'000	£'000	£'000	%
<b>Assets</b>					
US Dollar	31,058	-	6	31,064	4.96
	<b>31,058</b>	-	<b>6</b>	<b>31,064</b>	<b>4.96</b>
Sterling	498,757	-	96,575	595,332	95.04
<b>Total Net Assets</b>	<b>529,815</b>	-	<b>96,581</b>	<b>626,396</b>	<b>100.00</b>

At 28 February 2020, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £665,070 (28 February 2019: £310,640).

# CFP SDL UK Buffettology Fund

## Interest Rate Risk

The only interest-bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to Sterling bank deposit rates or the international equivalent.

## Liquidity Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 10 to 11.

## Counterparty Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 10 to 11.

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the balance sheet where applicable.

## Valuation Technique

<b>as at 28/02/2020</b>	<b>Assets £'000</b>	<b>Liabilities £'000</b>	<b>as at 28/02/2019</b>	<b>Assets £'000</b>	<b>Liabilities £'000</b>
Level 1	1,164,163	-	Level 1	529,815	-
Level 2	-	-	Level 2	-	-
Level 3	-	-	Level 3	-	-
<b>Total</b>	<b>1,164,163</b>	<b>-</b>	<b>Total</b>	<b>529,815</b>	<b>-</b>

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable for the asset or liability).

## Derivatives and Forward Transactions

As part of its monitoring of the usage of derivatives by each sub-fund, the ACD is required to calculate the global exposure for each sub-fund daily and to ensure that it meets the cover for investment in derivatives rules. The ACD has determined that each sub-fund should be classified as non-sophisticated and that the most appropriate methodology for calculating global exposure is the 'commitment approach'. The sub-fund's Depositary has reviewed this decision and is in agreement. The commitment approach follows guidelines laid down originally by the Committee of European Securities Regulators 'CESR' and referenced by the Financial Conduct Authority Handbook in COLL 5.3.9. It measures the incremental exposure generated by the use of derivatives and forward transactions and then ensures that it does not exceed 100% of the net value of the Scheme Property. The incremental exposure of each derivative or forward is calculated by converting it into the market value of an equivalent position in the underlying asset of that derivative or forward transaction. The ACD may in some instances, and always following the CESR Guidelines, take account of legally enforceable netting and hedging arrangements when calculating global exposure where these arrangements do not disregard any obvious or material risks. The sub-fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-fund.

The sub-fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-fund.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risk.

#### 14. Share Classes

The sub-fund currently has two types of share and the Investment Adviser's fee on each share class is as follows:

**General Income Shares:** 1.00%

**General Accumulation Shares:** 1.00%

The following table shows the shares in issue during the year:

<b>GENERAL CLASS (FORMERLY INSTITUTIONAL INCOME)</b>	<b>Income</b>
Opening Shares	154,629,109
Shares Created	142,335,961
Shares Liquidated	(89,103,216)
Shares Converted	16,291,705
<b>Closing Shares</b>	<b>224,153,559</b>

<b>GENERAL CLASS (FORMERLY INSTITUTIONAL ACCUMULATION)</b>	<b>Accumulation</b>
Opening Shares	120,684,043
Shares Created	480,513,147
Shares Liquidated	(109,188,864)
Shares Converted	-
<b>Closing Shares</b>	<b>492,008,326</b>

<b>GENERAL CLASS</b>	<b>Income</b>
Opening Shares	14,709,348
Shares Created	3,802,105
Shares Liquidated	(2,135,823)
Shares Converted	(16,375,630)
<b>Closing Shares</b>	<b>-</b>

The net asset value, the net asset value per share and the number of shares in issue are given in the fund information on page 12. All share classes have the same rights on winding up. The taxation and income are apportioned equally based on the weighted proportion of each share class.

The distribution per share class is given in the distribution table on page 29.

# CFP SDL UK Buffettology Fund

## 15. Portfolio Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on pages 12 to 13.

<b>PORTFOLIO TRANSACTION COSTS</b>	<b>28/02/2020</b>	<b>28/02/2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of total purchase costs:</b>		
Purchase in year before transaction costs	616,117	296,339
	<b>616,117</b>	<b>296,339</b>
Commissions:		
Equities total value paid	398	191
Taxes:		
Equities total value paid	2,192	785
<b>Total Purchase costs</b>	<b>2,590</b>	<b>976</b>
<b>Gross Purchase total</b>	<b>618,707</b>	<b>297,315</b>
<b>Analysis of total sale costs:</b>		
Gross sales in year before transaction costs	13,381	18,970
	<b>13,381</b>	<b>18,970</b>
Commissions:		
Equities total value paid	(10)	(10)
Taxes:	-	-
<b>Total sale costs</b>	<b>(10)</b>	<b>(10)</b>
<b>Total sales net of transaction costs</b>	<b>13,371</b>	<b>18,960</b>
<b>PORTFOLIO TRANSACTION COSTS %</b>	<b>28/02/2020</b>	<b>28/02/2019</b>
	<b>%</b>	<b>%</b>
<b>Analysis of total purchase costs:</b>		
Commissions:		
Equities total value paid	0.06	0.06
Taxes:		
Equities total value paid	0.36	0.26
<b>Analysis of total sale costs:</b>		
Commissions:		
Equities total value paid	0.07	0.05
Taxes:	-	-
<b>Analysis of total costs:</b>		
Commissions:	0.03	0.05
Taxes:	0.19	0.18

As at the balance sheet date, the average portfolio dealing spread was 0.72% (2019: 1.025%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## Distribution tables

As outlined within the important notes on page 3 of this document, the Institutional Shares were renamed to General Shares within this sub-fund were closed on 1 July 2019.

### First Interim Dividend Distribution In Pence Per Share 30/08/2019

#### GENERAL SHARES - INCOME (FORMERLY INSTITUTIONAL INCOME)

	Net income	Equalisation	Distribution Paid	
			31/10/2019	31/10/2018
Group 1	1.4531	-	1.4531	1.1019
Group 2	0.9205	0.5326	1.4531	1.1019

#### GENERAL SHARES - ACCUMULATION (FORMERLY INSTITUTIONAL ACCUMULATION)

	Net income	Equalisation	Distribution Paid	
			31/10/2019	31/10/2018
Group 1	0.5802	-	0.5802	0.4382
Group 2	0.3293	0.2509	0.5802	0.4382

### Final Dividend Distribution In Pence Per Share 28/02/2020

#### GENERAL SHARES - INCOME (FORMERLY INSTITUTIONAL INCOME)

	Net income	Equalisation	Distribution Paid	
			30/04/2020	30/04/2019
Group 1	1.6759	-	1.6759	1.7022
Group 2	0.5757	1.1002	1.6759	1.7022

#### GENERAL SHARES - ACCUMULATION (FORMERLY INSTITUTIONAL ACCUMULATION)

	Net income	Equalisation	Distribution Paid	
			30/04/2020	30/04/2019
Group 1	0.6695	-	0.6695	0.6713
Group 2	0.2669	0.4026	0.6695	0.6713

# CFP SDL Free Spirit Fund

## Fund information

The Comparative Table on pages 30 to 31 give the performance of each active share class in the sub-fund.

The 'return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the Manager's report which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Since 1 January 2018, the Castlefield Funds have not borne any research costs and any broker commission fees incurred are done so explicitly for the execution of transactions on behalf of the sub-fund.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as collective investment schemes, bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Comparative table

For the financial year ended 28 February 2020:

General Shares - Income	28/02/2020 (pence per share)	28/02/2019 (pence per share)	28/02/2018 (pence per share)
<b>Change in net asset value per share</b>			
Opening net asset per share	118.85	117.95	98.60
Total return before operating charges*	20.37	3.58	22.18
Operating charges*	(2.26)	(1.81)	(2.83)
Total return after operating charges*	18.11	1.77	19.35
Distributions on income shares	(0.75)	(0.87)	-
Closing net asset per share	136.21	118.85	117.95
After transaction costs** (see page 47) of:	0.19	0.33	0.82
<b>Performance</b>			
Total return after operating charges*	15.23%	1.50%	19.62%
<b>Other information</b>			
Closing net assets value (£'000)	1,237	1,078	560
Closing number of shares	907,877	906,854	474,283
Operating charges*	1.72%	1.51%	2.60%
Direct transaction costs**	0.03%	0.27%	0.75%
<b>Prices</b>			
Highest share price	149.38	129.34	120.35
Lowest share price	117.97	109.64	98.59

<b>General Share - Accumulative</b>	<b>28/02/2020 (pence per share)</b>	<b>28/02/2019 (pence per share)</b>	<b>28/02/2018 (pence per share)</b>
<b>Change in net asset value per share</b>			
Opening net asset per share	118.52	117.97	98.60
Total return before operating charges *	21.68	2.38	22.01
Operating charges*	(2.18)	(1.83)	(2.64)
Total return after operating charges*	19.50	0.55	19.37
Distributions on accumulation shares	(0.75)	(0.87)	-
Retained distribution on accumulation shares	-	0.87	-
Closing net asset per share	138.02	118.52	117.97
After transaction costs** (see page 47) of:	0.16	0.35	0.85
<b>Performance</b>			
Total return after operating charges*	16.45%	0.47%	19.65%
<b>Other information</b>			
Closing net assets value (£'000)	6,574	12,981	9,249
Closing number of shares	4,762,965	10,952,806	7,840,720
Operating charges*	1.67%	1.52%	2.40%
Direct transaction costs**	0.03%	0.27%	0.75%
<b>Prices</b>			
Highest share price	151.36	129.63	120.36
Lowest share price	118.84	109.88	98.60

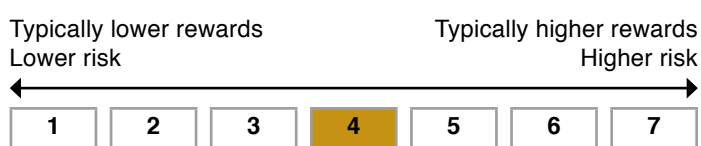
\* Operating charges, otherwise known as the Ongoing Charge Figure or "OCF" is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures.

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

# CFP SDL Free Spirit Fund

## Risk and reward indicator (RRI)

The Risk and Reward Indicator table demonstrates where the sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-fund. The coloured area in the table below shows the sub-fund's ranking on the Risk and Reward Indicator



The sub-fund is ranked as a 4 because it has experienced relatively high rises and falls in value over the past five years.

Please note that even the lowest ranking does not mean a risk-free investment.

As there is less than five years of available data for this sub-fund, for illustrative purposes a similar type of investment has been used to calculate the risk/reward profile.

The sub-fund holds a concentrated portfolio of UK equities listed on the LSE or quoted on AIM/ISDX. Equities, as an asset class, tend to experience higher volatility than many other assets such as bonds or money market instruments. Sub-funds concentrated by number of assets and/or geographic location are more vulnerable to market sentiment impacting on one or more of those assets or location and can carry a higher risk than sub-funds holding more diversified assets.

A more detailed description of the risks identified as being applicable to the sub-fund are set out in the 'Risk Factors' section of the Prospectus.

## Investment objective and policy

The Investment objective of the sub-fund is to seek to maximise total returns over the long term, defined as 5-10 years. At least 80% of the Fund will be invested within UK equities, with an emphasis on smaller and mid capitalised companies. The Fund will have a concentrated portfolio of between 25 and 40 holdings when fully invested. The Investment Adviser will apply the methodology of Business Perspective Investing.

Business Perspective Investing identifies companies that exhibit criteria considered essential to the long term success of that business, and are expected to possess strong operating franchises and experienced management teams. Investments are to be made at a valuation deemed to provide shareholder value over the intended long term period of investment, not to be sold for short term profits.

Further information regarding the investment criteria adopted in Business Perspective Investing can be obtained directly from

the Investment Adviser or at <https://www.sanford-deland.com/15/about-sdl/the-principles/business-perspective-investing>.

## Performance

Free Spirit's accumulation class of shares price rose by 16.3% from 119.41p to 138.89p in the year to 29 February 2020. This compares favourably with the 1.4% fall in the wider UK market on a total return basis. The sub-fund outperformed the average 1.03% return of its peer group, the IA UK All Companies Sector, where it was placed 8th out of 252 funds. The sub-fund reached its third anniversary on 3 January 2020, achieving a 3-year return of 46.6%. This compares with a return of 23.2% for its peer group, where it was placed 14th out of 243 funds.

## Change in fund manager

Rosemary Banyard resigned as manager of the fund and was replaced by Andrew Vaughan with effect from 1st July 2019. Keith Ashworth-Lord is co-manager. Andrew has over twenty years' investment research experience, with a specialisation in Business Perspective Investing and having first worked with Keith on the 'Analyst' research publication in 2005. He joined Sanford DeLand in 2017, contributing research ideas for Free Spirit from soon after the fund's inception.

The fund experienced outflows as a consequence of Rosemary's departure, announced in mid-April 2019. Weak investor sentiment towards UK smaller companies may also have been a contributory factor. The fund's assets under management fell from £15.04m on 15 April 2019 to a low point of £6.08m on 11 December 2019. This was despite net asset value per share advancing from 125.77p to 137.79p. As at 29 February 2020, the fund held AUM of £7.98m, assisted by inflows, stronger markets and further outperformance.

## Change of investment policy

On 1 December 2019 the wording within the Investment Objective and Policy of the sub-fund was changed to more accurately reflect the investment process already employed in seeking to achieve its objective. The focus on mid and small-size companies is now expressly stated, while maintaining Free Spirit's unconstrained 'all cap' remit. The revised objective does not result in, or stem from, any change to the portfolio's composition, but it now describes it more clearly. The second change has been to remove the objective of achieving growth in excess of inflation, defined as UK Consumer Price Index (CPI) +2% per annum. This was felt either to imply a specific level of return on investment or a lack of ambition to do more than match inflation, which was never the case. It has been replaced with the simple objective of maximising total returns.

## Investment review

It was very much a year of two halves. For the six months to 31 August 2019, prices of small companies were generally in decline



and prices of mid-cap companies were flat. Although focusing on these two out-of-favour areas, Free Spirit benefited from its unconstrained ability to hold some large cap overseas earners such as Unilever (+30.8% to 31 August), Aveva (+23.4%) and Relx (+15.3%). These gains were driven in large part by currency weakness, with pound sterling losing 8.5% against the US dollar between February and August. This swung around in the autumn, with the pound strengthening on greater political clarity and Unilever and Relx giving up much of their first half gains. UK-focused small and mid-caps came roared back into favour after the general election in December. This drove Free Spirit's strong performance, spoiled only in the last few trading days of the sub-fund's year by the impact of the Covid-19 pandemic. Inflows into the fund in January and February coupled with our reluctance to pay high prices resulted in the fund holding a high cash balance of 19.7% of AUM, close to the maximum permitted 20%, when the market downturn hit in the closing days of February.

Looking at the year as a whole, the top five gainers were Avon Rubber (+105.3%), Games Workshop (+103.9%), London Stock Exchange (+70.5%), Kainos (+56.4%) and Tristel (+47.0%). The top five losers were Craneware (-27.6%), SSP Group (-22.2%), AG Barr (-21.5% to when sold), Trifast (-14.9% to when sold) and Revolution Bars (-12.8% to when sold).

Avon Rubber (+105.3%) struck a deal to acquire 3M's ballistic protection business, extending its product range into the adjacent area of armour protection and further entrenching its importance as a supplier to the US Department of Defence. The deal was funded without issuance of additional shares in Avon Rubber, ensuring that any longer-term benefits of the deal will flow to the shareholders of Avon rather than the vendor, 3M. A strong year for Avon was topped off with large new orders for its M69 aircrew masks and next generation body armour products for the US Army.

Games Workshop (+103.9%) achieved another strong year operationally. Sales grew across all three channels (trade, retail and online) and the increasing significance of royalty income underscored the broadening appeal of Games' intellectual property. It has deployed cash into expanding manufacturing and warehousing capacity to support the next phase of growth, while maintaining a debt-free balance sheet.

London Stock Exchange (+70.5%) was only added to the portfolio in February 2019. It quickly performed strongly, rising to become a top ten position for the fund by the end of July. This was initially on its proposed acquisition of Refinitiv and subsequently on merger interest from Hong Kong Exchanges and Clearing. LSE is a uniquely positioned asset, but the added debt and complexity of the Refinitiv transaction led us to scale back the holding at the summer's higher prices. It remains in the portfolio, but now amongst the five smallest holdings.

2019's drawn-out political drama surrounding Brexit affected the share price of Kainos (+56.4%) perhaps more than the sub-fund's other holdings. The business is headquartered in Northern

Ireland, moves its staff around Europe and depends on central government spending for a large part of its revenues. Fortunately, it has some enduring economic and financial strengths including a debt-free balance sheet. This gave us the resolve to keep holding while the Brexit impasse was at its peak and the share price fell by c.35% between June and September, then going on to rise by c.70% by the fund's February year end. A clear example of the importance of focusing on businesses rather than share price movements.

Price movements in Tristel (+47.0%) and SSP Group (-22.2%) were driven by the unfolding Covid-19 pandemic. Tristel, whose business is decontamination and infection control, was a perceived winner. We sold SSP, which operates food outlets at airports and rail stations, immediately after the sub-fund's year end when the likely extent of travel restrictions first began to take shape. At the time of writing, SSP's share price has dropped from above 500p, when the fund sold, to around 150p and Tristel has risen to become one of our larger holdings. Debt-free balance sheets have come into their own these days. Tristel has cash and no debt, whereas SSP has debt and operational gearing, of which we were always aware of the latent dangers in a downturn.

Looking at the other losers, we continued holding Craneware through some operational challenges surrounding the introduction of its Trisus cloud-based range of software products. Rosemary had spotted the resulting deterioration in working capital and reduced Craneware, which had become the sub-fund's largest holding at the start of the year and a little over-sized at 6.12% of the sub-fund's assets. The damage to the portfolio was therefore much reduced by the time Craneware appraised the market of these issues in June and the shares fell heavily. Two subsequent updates from the company have provided comfort, although valuation is perhaps still elevated. Craneware occupies a strong niche in a US healthcare system which is increasingly drawn to IT solutions that can help hospitals better understand their costs and maximise their revenues.

The portfolio started the year with 31 holdings and ended the year with 27. In the early summer we reviewed all holdings for their continuing conformity with our Business Perspective Investing methodology. Stemming from this, we felt the need to make only two changes. Dunelm (+9.9% for the year to when sold) had been a strong performer for the sub-fund, but we consider that ever-evolving consumer tastes, the impact of easy price discovery on margins and operational changes between store-based and online channels deprive retail businesses such as Dunelm of the predictability we require. However, the fund continues to hold Games Workshop, which is in part a retailer, because of the embedded nature of its customer base and the non-complex nature of its fulfilment channels. The other disposal was Chemring (+26.5% for the year to when sold) because it is a potential recovery situation, rather than a company that has already met our financial shape requirements.

In the summer, we took the decision to reduce overlapping holdings between Free Spirit and UK Buffettology so that investors can

## CFP SDL Free Spirit Fund

hold both sub-funds side-by-side without undue concentration at the individual company level. This has been a gradual process, involving only two outright disposals (AG Barr and Trifast). We have not sold a holding if we felt either that the price was too low or that prospects for the duplicated holding were better than for an actionable replacement. At the end of February 2020, 17.5% was in holdings also held by UK Buffettology, down from 29.5% at the end of June 2019.

We added one new company to the sub-fund in July 2019 and then made no further additions until late February 2020. The addition in July was Bloomsbury Publishing, which is using digital formats such as e-books and digital subscriptions to better commercialise its enduringly in-demand titles and reduce its reliance on retailers. Bloomsbury is debt-free, with a long track record of self-funded acquisitions and a steadily compounding dividend.

When markets began selling off in February, we took the opportunity to add three new businesses to the fund – Intertek, YouGov and Elecosoft. Intertek is a FTSE100 company which provides assurance, testing, inspection and certification of products, operations and supply chains to businesses in almost every sector around the world. YouGov is an AIM-quoted provider of public opinion and data services and Elecosoft is an AIM-quoted developer of specialist software for the construction industry. Our approach has been to accumulate these slowly and by our year end the three combined accounted for just 4.17% of the fund's assets, equivalent in size to just one of our larger holdings.

At our February year end, 16.1% of the fund was invested in companies in the FTSE 100 Index, 23.5% in the FTSE 250, 40.8% in the FTSE Small Cap, Fledgling and AIM, and 19.7% was held in cash.

### Outlook

Mid-March 2020 is an ill-advised moment to be writing an outlook statement, but it would be remiss not to say something about our thoughts on the future. As ever, we are determined not to stray outside our circle of competence. That would preclude us from forming any view of how the human health issues of Covid-19 may play out. Without that knowledge, and particularly of the related timescales, it is impossible to form an evidence-based assessment of the economic environment in which our companies may find themselves. Suffice to say that significant change lies ahead and that many long and deeply held assumptions may be challenged.

This has naturally driven us to re-examine Free Spirit's holdings. We were always mindful of the operational and financial gearing in SSP Group – which served investors well when the business was growing – and acted swiftly considering the new reality facing the business, sparing the fund from losses which it would otherwise have sustained. Beyond that, at this early stage, the traits for which our companies were selected are providing the resilience which is now being demanded – recurring revenues

from embedded customers (for example from long-term software contracts and subscriptions models), zero or easily manageable debt and experienced management teams, many of whom are also significant shareholders in these businesses.

This resilience can cut both ways. For example, Auto Trader is providing its advertising service free of charge for one month and granting 30 days of deferred payment of advertising charges for the preceding month in a bid to help its customers. That is the bad news. The good news is that Auto Trader is uniquely well-placed to do so. Research from Stifel suggests that Auto Trader could extend this offer by a further two months before operating margins would dip much below 60% (an extraordinarily high profit margin) for this disrupted year as a whole and still deliver a free cashflow yield of 3-4%. This may prove optimistic and we will keep Auto Trader under careful review. The flipside of these strong attributes is that they have tended to be highly rated in the market, and therefore prone to a derating when markets are fearful. However, we would rather own companies that are vulnerable to a share price derating than ones that are at risk of going out of business.

Just as we selected companies with strong cash positions, we maintain a strong cash position within the sub-fund. In good times this enables us to add new holdings or top-up existing holdings when price opportunities arise. In bad times it enables us to meet redemptions from the fund without having to sell our precious holdings. Free Spirit went into the steep market falls of March 2020 with 19.7% of the portfolio in cash, close to the maximum permitted level of 20%. Three weeks later and with the market some 25% lower, this cash position has helped push the sub-fund towards the top of the performance tables relative to its peers in the IA UK All Companies Sector.

**Andrew Vaughan**

**Sanford DeLand Asset Management Limited**

**20th March 2020**

The Top Ten Purchases and Total Sales During The Year Were As Follows:

<b>Purchases</b>	<b>Costs £'000</b>	<b>Sales</b>	<b>Proceeds £'000</b>
BLOOMSBURY PUBLISHING	363	DUNELM GROUP	680
LONDON STOCK EXCHANGE GROUP	215	CRANEWARE	655
THE SIMPLYBIZ GROUP	214	AUTO TRADER GROUP	627
SIMPLYBIZ GROUP PLC	200	AVEVA GROUP	581
YOUGOV	153	AG BARR	521
INTERTEK GROUP	140	GAMES WORKSHOP GROUP	490
TATTON ASSET MANAGEMENT	130	CHEMRING GROUP	469
DOTDIGITAL GROUP PLC	106	HARGREAVES LANSDOWN	438
MORTGAGE ADVICE BUREAU HOLDING	90	TRIFAST	372
ELECOSOFT	79	RELX PLC	345
<b>Total purchases during the period were</b>	<b>2,239</b>	<b>Total sales during the period were</b>	<b>10,445</b>

# CFP SDL Free Spirit Fund

## Portfolio of investments

as at 28 February 2020

Holding	INVESTMENT	Market Value £'000	Total Value of Sub-Fund %
	<b>BASIC MATERIALS 1.82% (2.82%)</b>		
	<b>Chemicals 1.82% (2.82%)</b>		
6,825	Victrex	142	1.82
		<b>142</b>	<b>1.82</b>
		<b>142</b>	<b>1.82</b>
	<b>CONSUMER GOODS 10.96% (13.67%)</b>		
	<b>Beverages 0.00% (3.81%)</b>		
	<b>Household Goods &amp; Home Construction 3.15% (3.33%)</b>		
28,500	MJ Gleeson	246	3.15
		<b>246</b>	<b>3.15</b>
	<b>Leisure Goods 4.05% (3.29%)</b>		
5,000	Games Workshop Group	316	4.05
		<b>316</b>	<b>4.05</b>
	<b>Personal Goods 3.76% (3.24%)</b>		
7,000	Unilever	294	3.76
		<b>294</b>	<b>3.76</b>
		<b>856</b>	<b>10.96</b>
	<b>CONSUMER SERVICES 14.19% (4.34%)</b>		
	<b>General Retailers 0.00% (4.37%)</b>		
	<b>Media 11.81% (8.96%)</b>		
40,000	Auto Trader Group	202	2.59
120,000	Bloomsbury Publishing	290	3.71
15,750	RELX PLC	296	3.79
20,000	YouGov	134	1.72
		<b>922</b>	<b>11.81</b>
	<b>Travel, Leisure &amp; Catering 2.38% (5.00%)</b>		
36,000	SSP Group	186	2.38
		<b>186</b>	<b>2.38</b>
		<b>1,108</b>	<b>14.19</b>
	<b>FINANCIALS 18.47% (14.75%)</b>		
	<b>Financial Services 14.64% (12.05%)</b>		
2,075	London Stock Exchange Group	160	2.05

<b>Holding</b>	<b>INVESTMENT</b>	<b>Market Value £'000</b>	<b>Total Value of Sub-Fund %</b>
42,000	Mortgage Advice Bureau Holding	302	3.87
6,100	S&U	124	1.59
130,000	Simplybiz Group PLC	264	3.38
110,000	* Tatton Asset Management	293	3.75
		<b>1,143</b>	<b>14.64</b>
	<b>Real Estate Investment &amp; Services 3.83% (3.49%)</b>		
121,000	CLS Holdings	299	3.83
		<b>299</b>	<b>3.83</b>
		<b>1,442</b>	<b>18.47</b>
	<b>HEALTH CARE 7.21% (7.35%)</b>		
	<b>Health Care Equipment &amp; Services 7.21% (6.76%)</b>		
1,000,000	* EKF Diagnostics Holdings	309	3.96
60,500	* Tristel	254	3.25
		<b>563</b>	<b>7.21</b>
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.59%)</b>		
		<b>563</b>	<b>7.21</b>
	<b>INDUSTRIALS 16.33% (19.59%)</b>		
	<b>Aerospace &amp; Defence 3.98% (5.35%)</b>		
12,000	Avon Rubber	311	3.98
		<b>311</b>	<b>3.98</b>
	<b>Electronic &amp; Electrical Equipment 3.97% (3.37%)</b>		
110,000	Morgan Advanced Materials	310	3.97
		<b>310</b>	<b>3.97</b>
	<b>Industrial Engineering 0.00% (2.66%)</b>		
	<b>Support Services 8.38% (8.21%)</b>		
17,250	Diploma	322	4.12
2,400	Intertek Group	126	1.61
22,000	Vp	207	2.65
		<b>655</b>	<b>8.38</b>
		<b>1,276</b>	<b>16.33</b>
	<b>TECHNOLOGY 12.52% (15.52%)</b>		
	<b>Software &amp; Computer Services 12.52% (15.52%)</b>		
4,750	Aveva Group	205	2.62
12,000	* Craneware	224	2.87
210,000	Dotdigital Group PLC	181	2.32

## CFP SDL Free Spirit Fund

Holding	INVESTMENT	Market Value £'000	Total Value of Sub-Fund %
102,849	Elecosoft	73	0.93
39,600	Kainos Group	295	3.78
		<b>978</b>	<b>12.52</b>
		<b>978</b>	<b>12.52</b>
	<b>Total Value of Investments</b>	<b>6,365</b>	<b>81.50</b>
	Net Other Assets	1,445	18.50
	<b>Total Net Assets</b>	<b>7,810</b>	<b>100.00</b>

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

\* AIM Listed Securities.

## Statement of total return

For the year ended 28 February 2020

	Note	28/02/2020 £'000	£'000	28/02/2019 £'000	£'000
<b>Income</b>					
Net capital gains/(losses)	2		1,532		(209)
Revenue	3	232		302	
<b>Expenses</b>	4	<u>(158)</u>		<u>(200)</u>	
Net revenue before taxation		74		102	
Taxation	5	<u>-</u>		<u>(2)</u>	
Net revenue after taxation			<u>74</u>		<u>100</u>
<b>Total return before distributions</b>			<b>1,606</b>		<b>(109)</b>
Distributions	6		<u>(79)</u>		<u>(100)</u>
<b>Change in net assets attributable to shareholders</b>			<b>1,527</b>		<b>(209)</b>

## Statement of change in net assets attributable to shareholders

For the year ended 28 February 2020

	28/02/2020 £'000	£'000	28/02/2019 £'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>14,059</b>		<b>9,809</b>
Amounts received on creation of shares	4,073		6,582	
Less: Amounts paid on cancellation of shares	<u>(11,904)</u>		<u>(2,218)</u>	
		(7,831)		4,364
Dilution Levy		15		-
Change in net assets attributable to shareholders' from investment activities		1,527		(209)
Retained distribution on accumulation shares		<u>40</u>		<u>95</u>
<b>Closing net assets attributable to shareholders</b>		<b>7,810</b>		<b>14,059</b>

# CFP SDL Free Spirit Fund

## Balance sheet

As at 28 February 2020

	Note	28/02/2020 £'000	28/02/2019 £'000
<b>Assets</b>			
Investment assets		6,365	13,038
Debtors	7	198	98
Cash and bank balances	8	1,428	976
<b>Total Assets</b>		<b>7,991</b>	<b>14,112</b>
<b>Liabilities</b>			
Creditors	9	(181)	(48)
Distribution payable on income shares		-	(5)
<b>Total liabilities</b>		<b>(181)</b>	<b>(53)</b>
<b>Net assets attributable to Shareholders</b>		<b>7,810</b>	<b>14,059</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the year ended 28 February 2020

	28/02/2020 £'000
Total Purchases in period	2,239
Total Sales in period	10,445

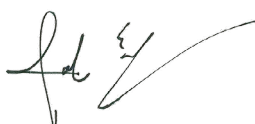
The notes on pages 41 to 47 are an integral part of these Financial Statements.

On behalf of Castlefield Fund Partners Limited

**Kathryn Holland**  
Director (of the ACD)



**John Eckersley**  
Director (of the ACD)



30 June 2020



## Notes to the financial statements

### 1. Accounting Policies

The accounting, distribution and risk management policies are provided in the Aggregated Notes to the Financial Statements section on pages 9 to 11.

### 2. Net Capital Gains/(Losses)

	28/02/2020	28/02/2019
	£'000	£'000
<b>The net capital gains/(losses) during the period comprise:</b>		
Non-derivative securities	1,533	(207)
Transaction costs & handling charges	(1)	(2)
<b>Net gains/(losses) on investments</b>	<b>1,532</b>	<b>(209)</b>

### 3. Revenue

	28/02/2020	28/02/2019
	£'000	£'000
UK Dividends	228	290
Overseas Dividends	-	7
Bank interest	4	5
<b>Total Revenue</b>	<b>232</b>	<b>302</b>

### 4. Expenses

	28/02/2020	28/02/2019
	£'000	£'000
<b>Payable to the manager, associates of the manager and agents of either of them</b>		
ACD fees	26	28
Investment Manager fees	85	120
	<b>111</b>	<b>148</b>
<b>Payable to the depositary or associates of the depositary and agents of either of them</b>		
Depositary fees	18	18
Safe Custody fees	1	2
	<b>19</b>	<b>20</b>
<b>Other expenses</b>		
Audit fees	6	5
Printing fees	-	2
Registration fees	22	25
	<b>28</b>	<b>32</b>
<b>Total expenses</b>	<b>158</b>	<b>200</b>

Irrecoverable VAT is included in the above expenses where relevant.

# CFP SDL Free Spirit Fund

## 5. Taxation

### (a) Analysis of the tax charge in the year

	28/02/2020 £'000	28/02/2019 £'000
Corporation tax	-	-
Overseas tax	-	2
<b>Total current tax charge (Note 5 (b))</b>	<b>-</b>	<b>2</b>
Deferred tax on Corporation tax (Note 5 (c))	-	-
<b>Total taxation for the year</b>	<b>-</b>	<b>2</b>

### (b) Factors affecting current tax charge for the year

	28/02/2020 £'000	28/02/2019 £'000
Net revenue before taxation	74	102
Net revenue for the year multiplied by the standard rate of corporation tax (20%)	15	20
<b>Effects of:</b>		
Expense not utilised in the year	31	39
Revenue not subject to corporation tax	(46)	(59)
Overseas tax paid	-	2
<b>Total tax charge (Note 5 (a))</b>	<b>-</b>	<b>2</b>

### (c) Deferred tax

	28/02/2020 £'000	28/02/2019 £'000
Deferred tax charge	-	-
Provision at start of year	-	-
<b>Total Deferred tax</b>	<b>-</b>	<b>-</b>

Authorised OEIC's are exempt from tax on capital gains made within the sub-fund.

The sub-fund has not recognised a deferred tax asset of £70,000 (2019: £64,000) arising as a result of having unutilised management expenses. It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

## 6. Distributions

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	28/02/2020 £'000	28/02/2019 £'000
<b>Interim Income</b>		
Interim distribution	4	2
Final distribution	-	5
<b>Interim Accumulation</b>		
Interim accumulation	40	29
Final accumulation	-	66
<b>Total Distribution</b>	<b>44</b>	<b>102</b>
Add: Income deducted on cancellation of shares	39	6
Deduct: Income received on creation of shares	(4)	(8)
<b>Net distribution for the period</b>	<b>79</b>	<b>100</b>
<b>Reconciliation of Net Income and Distributions</b>		
Net Income after Taxation	74	100
Deficit transferred to capital	5	-
<b>Net distribution for the period</b>	<b>79</b>	<b>100</b>

## 7. Debtors

	28/02/2020 £'000	28/02/2019 £'000
Amounts Receivable for creation of shares	189	27
Stock Sales awaiting settlement	-	48
Accrued revenue	9	23
<b>Debtors</b>	<b>198</b>	<b>98</b>

## 8. Cash And Bank Balances

	28/02/2020 £'000	28/02/2019 £'000
Sterling	1,428	976
<b>Cash and bank balances</b>	<b>1,428</b>	<b>976</b>

## 9. Creditors

	28/02/2020 £'000	28/02/2019 £'000
Accrued expenses	14	11
Amounts payable for cancellation of shares	148	37
Purchases awaiting settlements	19	-
<b>Creditors</b>	<b>181</b>	<b>48</b>

# CFP SDL Free Spirit Fund

## 10. Related Parties

### Authorised Corporate Director (“ACD”)

The annual management charge (“AMC”) is a tiered fee based on assets under management subject to a minimum of £25,000 per annum and is payable monthly. Amounts due at the year end are disclosed within accrued expenses on the balance sheet where applicable.

Details of shares cancelled and created by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders.

### Investment Adviser

Sanford DeLand Asset Management (SDL) act as an Appointed Representative of Castlefield Investment Partners (CIP). The Directors of SDL, noted within this document, act as Approved Persons of CIP for the purposes of acting as the lead day-to-day managers to the respective sub-funds. CIP is part of the group of companies to which the ACD belongs, Castlefield Partners Limited.

## 11. Contingent Liabilities And Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

## 12. Financial Instruments

In pursuing the sub-fund’s investment objective, the main risks arising from the sub-fund’s financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 10 to 11.

At 28 February 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £318,250 (28 February 2019: £651,900).

### Currency Exposure

There was no material direct foreign currency exposure within the sub-fund at the balance sheet date.

### Interest Rate Risk

The only interest-bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to Sterling bank deposit rates or the international equivalent.

### Liquidity Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 10 to 11.

### Counterparty Risk

Risk management policies surrounding this risk are discussed in note 3 on pages 10 to 11.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the balance sheet where applicable.

**Valuation Technique**

<b>as at 28/02/2020</b>	<b>Assets £'000</b>	<b>Liabilities £'000</b>	<b>as at 28/02/2019</b>	<b>Assets £'000</b>	<b>Liabilities £'000</b>
Level 1	6,365	-	Level 1	13,038	-
Level 2	-	-	Level 2	-	-
Level 3	-	-	Level 3	-	-
<b>Total</b>	<b>6,365</b>	<b>-</b>	<b>Total</b>	<b>13,038</b>	<b>-</b>

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable for the asset or liability).

**Derivatives and Forward Transactions**

As part of its monitoring of the usage of derivatives by each sub-fund, the ACD is required to calculate the global exposure for each sub-fund daily and to ensure that it meets the cover for investment in derivatives rules. The ACD has determined that each sub-fund should be classified as non-sophisticated and that the most appropriate methodology for calculating global exposure is the 'commitment approach'. The sub-fund's Depositary has reviewed this decision and is in agreement. The commitment approach follows guidelines laid down originally by the Committee of European Securities Regulators 'CESR' and referenced by the Financial Conduct Authority Handbook in COLL 5.3.9. It measures the incremental exposure generated by the use of derivatives and forward transactions and then ensures that it does not exceed 100% of the net value of the Scheme Property. The incremental exposure of each derivative or forward is calculated by converting it into the market value of an equivalent position in the underlying asset of that derivative or forward transaction. The ACD may in some instances, and always following the CESR Guidelines, take account of legally enforceable netting and hedging arrangements when calculating global exposure where these arrangements do not disregard any obvious or material risks. The sub-fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-fund.

The sub-fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-fund.

The Investment Adviser does not use derivative instruments to hedge the investment portfolio against risk.

# CFP SDL Free Spirit Fund

## 13. Share Classes

The sub-fund currently has two types of share and the Investment Adviser's fee on each share class is as follows:

**General Income Shares:** 0.90%

**General Accumulation Shares:** 0.90%

The following table shows the shares in issue during the year:

<b>GENERAL CLASS</b>	<b>Income</b>
Opening Shares	906,854
Shares Created	679,127
Shares Liquidated	(678,103)
Shares Converted	-
<b>Closing Shares</b>	<b>907,878</b>

<b>GENERAL CLASS</b>	<b>Accumulation</b>
Opening Shares	10,952,806
Shares Created	2,232,522
Shares Liquidated	(8,422,363)
Shares Converted	-
<b>Closing Shares</b>	<b>4,762,965</b>

The net asset value, the net asset value per share and the number of shares in issue are given in the fund information on page 30. All share classes have the same rights on winding up. The taxation and income are apportioned equally based on the weighted proportion of each share class.

The distribution per share class is given in the distribution table on page 48.

## 14. Portfolio Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on pages 30 to 31.

<b>PORTFOLIO TRANSACTION COSTS</b>	<b>28/02/2020</b>	<b>28/02/2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of total purchase costs:</b>		
Purchase in year before transaction costs	2,232	8,168
	<b>2,232</b>	<b>8,168</b>
Commissions:		
Equities total value paid	1	6
Taxes:		
Equities total value paid	6	28
<b>Total Purchase costs</b>	<b>7</b>	<b>34</b>
<b>Gross Purchase total</b>	<b>2,239</b>	<b>8,202</b>

<b>Analysis of total sale costs:</b>		
Gross sales in year before transaction costs	10,449	2,672
	<b>10,449</b>	<b>2,672</b>
Commissions:		
Equities total value paid	(4)	(1)
Taxes:	-	-
<b>Total sale costs</b>	<b>(4)</b>	<b>(1)</b>
<b>Total sales net of transaction costs</b>	<b>10,445</b>	<b>2,671</b>

<b>PORTFOLIO TRANSACTION COSTS %</b>	<b>28/02/2020</b>	<b>28/02/2019</b>
	<b>%</b>	<b>%</b>
<b>Analysis of total purchase costs:</b>		
Commissions:		
Equities total value paid	0.06	0.08
Taxes:		
Equities total value paid	0.26	0.34
<b>Analysis of total sale costs:</b>		
Commissions:		
Equities total value paid	(0.04%)	0.05
Taxes:	-	-
<b>Analysis of total costs:</b>		
Commissions:	(0.03)	0.06
Taxes:	0.06	0.21

As at the balance sheet date, the average portfolio dealing spread was 1.34% (2019: 0.76%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

# CFP SDL Free Spirit Fund

## Distribution tables

### First Interim Dividend Distribution In Pence Per Share 30/08/2019

#### GENERAL SHARES - INCOME

	Net income	Equalisation	Distribution Paid	
			31/10/2019	31/10/2018
Group 1	0.7450	-	0.745	0.2711
Group 2	0.2982	0.4468	0.745	0.2711

#### GENERAL SHARES - ACCUMULATION

	Net income	Equalisation	Distribution Paid	
			31/10/2019	31/10/2018
Group 1	0.7525	-	0.7525	0.2692
Group 2	0.4054	0.3471	0.7525	0.2692





# Sanford DeLand

ASSET MANAGEMENT

Business Perspective Investors

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Sanford DeLand Asset Management Ltd (SDL) is registered in England & Wales No. 07197573. Registered office: 8<sup>th</sup> Floor, 111 Piccadilly, Manchester, M1 2HY. SDL is an Appointed Representative of Castlefield Investment Partners LLP (CIP), which is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. CIP is registered in England & Wales No. OC302833.

If you need advice as to the suitability of the investments then you need to speak to a Financial Adviser. Past performance is not a guide to the future. The price of units and shares and the income from them may go down as well as up and you may get back less than you invested. For your protection when dealing, your call may be recorded and monitored. Reference to any particular stock does not constitute a recommendation to buy or sell the stock.



THE THOUGHTFUL INVESTOR