

July 2017

		Fund			S&P500 Index	
		<i>Performance</i>	<i>Inception to Date</i>		<i>Performance</i>	<i>Inception to Date</i>
2005		+14.01%	+14.01%		+4.78%	+4.78%
2006		+16.91%	+33.29%		+13.62%	+19.05%
2007		+4.06%	+38.70%		+3.53%	+23.25%
2008		-47.99%	-27.86%		-38.49%	-24.18%
2009		+42.74%	+2.97%		+23.45%	-6.40%
2010		+24.94%	+28.65%		+12.78%	+5.57%
2011		+1.79%	+30.96%		0.00%	+5.56%
2012		+24.17%	+62.61%		+13.41%	+19.71%
2013		+42.96%	+132.46%		+29.60%	+55.15%
2014		+3.92%	+141.59%		+11.39%	+72.82%
2015		-2.10%	+136.51%		-0.73%	+71.56%
2016		+31.95%	+212.07%		+9.54%	+87.93%

	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>
Jan 2017	-1.42%	-1.42%	+207.46%	+1.79%	+1.79%	+91.29%
Feb 2017	+1.63%	+0.13%	+212.48%	+3.72%	+5.57%	+98.40%
Mar 2017	-0.67%	-0.54%	+210.38%	-0.04%	+5.53%	+98.33%
Apr 2017	+2.09%	+1.53%	+216.85%	+0.91%	+6.49%	+100.13%
May 2017	-1.16%	+0.35%	+213.16%	+1.16%	+7.73%	+102.45%
Jun 2017	+4.81%	+5.18%	+228.24%	+0.48%	+8.24%	+103.42%
July 2017	-0.62%	+4.53%	+226.20%	+1.93%	+10.34%	+107.36%

In July, the S&P500 rose by 1.93% while the Fund fell by 0.62%, as previous trends re-asserted themselves. Big stocks outperformed small stocks and technology outperformed everything. We also underperformed as financials retreated to the bottom of their trading ranges. Nevertheless, the future is becoming less clear as another small warning crack in tech occurred on 27th July. Continued low interest rates have acclimatised growth stocks to higher multiples and lower volatility but there is mounting fragility.

In the short term, warning cracks can be explained as a bull market process of climbing a wall of worry but this contrasts with our portfolio which tends to hang on to small gains achieved. We are fidgeting on the sidelines and finding new names including Emcor (electrical construction), Virco (manufactures school desks), Illumina (products to explore the genome) and Verisk (big data), all in small size. The last two are actually from the modern era but any high growth we add will be just tokens as it requires commitment to participate in the market's narrow leadership.

Our community banks are like small growth stocks and a few, such as FS Bancorp, have had strong earnings which have passed unnoticed. All attention is on big tech and while their high is yet to come, times are getting more interesting.

Risk Warnings and Other Important Information

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The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITSIII).

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