

January 2018

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

	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>
<b>2017</b>	<b>-2.99%</b>	<b>+13.43%</b>	<b>+254.00%</b>	<b>+0.98%</b>	<b>+19.42%</b>	<b>+124.42%</b>
<b>Jan 2018</b>	<b>+0.09%</b>	<b>+0.09%</b>	<b>+254.32%</b>	<b>+5.62%</b>	<b>+5.62%</b>	<b>+137.03%</b>

In January, the S&P rose by 5.62% and the Fund rose by just 0.09%. We were again becalmed in the small value sector of the market. For example, the 300 stocks which constitute the value component of the S&P600, the index with which we are most closely aligned (ETF symbol: IJS), are also stuck. In January, they rose 1.3% and are only 11.1% above the high they made at the end of 2016, at the top of the Trump post-election rally.

Our whole style has been geared to this type of investing for years. It works in the long term. Today the successful style is for large cap momentum which has been driven by the excitement of rapid change and helped by the rise in index investing. The lead stock has been Amazon and yesterday its profits in its big winter quarter were a record \$2 billion, making \$3 billion for 2017. It remains hard to know what to do about this when its market cap is \$700 billion yet we have many holdings on trailing P/Es around 14 and growing around 10%.

More than 40% of our portfolio remains in little banks stocks which are as inert as the other value stocks, although their earnings have just come in with their usual reasonable growth.

In addition to being becalmed near our dollar high, sterling holders have been losing out as the pound has risen and the dollar is weak. In January, the dollar fell 4.7% against a strong pound and was generally weak. This is unusual given the US economy is strong, giving a combination which inclines us to industrial stocks. We are overweight, with 19% of the Fund in this sector, and are looking for opportunities to increase.

**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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