

May 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% |

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|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| 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% |

In May, the S&P500 rose by 1.16% and the Fund fell by 1.16%, as we continue to move sideways in 2017 and the S&P500 moves higher. Small cap indices fell too and both the S&P600 and the Russell2000 are also flat on the year. The value component of the S&P600, with which we are most closely aligned, is now down 2.7% year-to-date and looks to be in a steady down trend since its peak on December 9th. Meanwhile, the NASDAQ100 Index, dominated by the biggest caps in the world, continued its run for the roses.

The cause is a surge in bonds along with falling commodity prices and a fall in inflation expectations to record low ten-year outlooks around 1.86%. Why are we on the wrong side of the fence? Firstly, our positioning in small value is still the outperforming part of the market if we go back to the start of 2016, beating all other asset classes. Secondly, our stocks seem to have underlying support. This month, we didn't fall as much as the 2% losses in our peer indices, as our Span-America received a bid. Finally, and most importantly, I am hanging this all on risk reward. In the 80s and 90s I did pursue the P/E multiple expansion theme as bonds rallied, but today, near record low yields again, it seems parking in high growth on huge valuations, must surely be pushing one's luck?

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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