

August 2015

		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%
	<i>MTD</i>	<i>YTD</i>		<i>MTD</i>	<i>YTD</i>	
Jan 2015	-2.59%	-2.59%	+135.32%	-3.10%	-3.10%	+67.46%
Feb 2015	+3.53%	+0.84%	+143.63%	+5.49%	+2.21%	+76.65%
Mar 2015	+0.99%	+1.84%	+146.03%	-1.74%	+0.44%	+73.58%
Apr 2015	-1.96%	-0.15%	+141.22%	+0.85%	+1.29%	+75.06%
May 2015	-1.89%	-2.04%	+136.66%	+1.05%	+2.36%	+76.89%
Jun 2015	+1.98%	-0.10%	+141.35%	-2.10%	+0.20%	+73.18%
Jul 2015	-2.03%	-2.13%	+136.21%	+1.97%	+2.18%	+76.60%
Aug 2015	-4.09%	-6.13%	+126.78%	-6.26%	-4.21%	+65.54%

In August the Fund fell by 4.09%, while the S&P500 fell by 6.26%. The market cracked down hard on Monday 24th August, and, by the close of the 25th, was down 11% on the month and 10% on the year. At this point, we had only declined 6% on the month, and were back on level terms with the market year-to-date. Nevertheless, as the market bounced into month-

end, we were once again left behind, with the same low beta we have had these last two years.

The Monday crack hit aggressive growth stocks hard and many opened at the same level they started 2015, giving up the whole year's gains at a stroke. We missed this hit as we don't have this type of stock. The action was a typical warning crack and so the top is now in sight for this group, as confidence has been broken. This view was learned from Bob Farrell, whose analysis was made decades ago when these breaks were more common.

I looked again at these new cheaper growth stocks, but cannot be persuaded we need to play the end game. For instance, Facebook gives away more than half its free cash flow as employee options, failing a Peter Lynch test, and Netflix is valued on subscribers but has no real protective moat, and none of the earning companies yet trade at a P/E commensurate with their growth prospects and history.

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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