June 2015

		Fund			S&P500 Index	
		Performance	*Inception to Date*		*Performance*	*Inception to Date*
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%**
	MTD	*YTD*		*MTD*	*YTD*	
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%**

In June, the Fund rose by 1.98%, while the S&P500 fell by 2.10%, and I am pleased to report we recouped the disastrous under-performance of May. I had anticipated our consumer discretionary stocks would bounce back, but they have, so far, only partially recovered. The main thrust lay with our community banks, which broke to new highs en-masse. Before we get thrilled, I emphasise they have been strictly sideways for the past 18 months and have actually been holding us up. At the end of the first half, both the Fund and the S&P500 are roughly flat, which is not very satisfactory, but at least the steady erosion we suffered in 2014 is behind us.

This month brings the Fund to its tenth anniversary. When we started on 1 July 2005, the S&P500 was 1191.33 and today it is 2063.11, a rise of 73%. We beat it in eight of the ten years and rose 141%, which is a compound annual return of 9.2%. Sterling holders made a similar return as the dollar is roughly unchanged. The return is not that exciting, but, disgracefully, would make us the top US fund run outside the US over the ten year period. We don't qualify because we changed our structure in August 2010, but at least we will get a five year record soon.

Looking forward, I think we are better positioned than we have been for a while. Our favoured option would be a rise in US interest rates, pushing on our banks and showing there is strength in consumer discretionary. Deflationary events, such as Greece, keep us waiting and expand the P/E ratios of stocks we don't want to own. This has us in debt-free cyclicals and leveraged consumers. We have no energy, no commodity plays and are getting penalised less for being out of biotech and tech. The good news is that when we can define themes like this, the market is solid. After an 18 month hiatus, it would be nice to catch a wave.