

September 2014

		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%
	<i>MTD</i>	<i>YTD</i>		<i>MTD</i>	<i>YTD</i>	
Jan 2014	-4.39%	-4.39%	+122.26%	-3.56%	-3.56%	+49.63%
Feb 2014	+1.05%	-3.39%	+124.60%	+4.31%	+0.60%	+56.08%
Mar 2014	+2.10%	-1.36%	+129.31%	+0.69%	+1.30%	+57.16%
Apr 2014	-2.73%	-4.05%	+123.05%	+0.62%	+1.93%	+58.14%
May 2014	-1.49%	-5.48%	+119.73%	+2.10%	+4.07%	+61.46%
June 2014	+3.07%	-2.58%	+126.47%	+1.91%	+6.05%	+64.54%
July 2014	-4.37%	-6.83%	+116.58%	-1.51%	+4.45%	+62.06%
Aug 2014	+3.28%	-3.77%	+123.68%	+3.77%	+8.39%	+68.16%
Sep 2014	-2.90%	-6.56%	+117.21%	-1.55%	+6.70%	+65.55%

In September, the Fund fell by 2.90%, while the S&P500 fell by 1.55%. This was the seasonally weakest month for small caps and it showed, with small cap indices falling

around 6% to their lowest monthly close since last October. At least seasonality and all political cycles are now optimal going forward but, on the other hand, this debilitating small cap bear market continues.

We retain tiny optimism because our small cap outperformance, first observed a couple of months back, is sustained. Our large high conviction holdings are weathering the storm and we have long been out of energy, which had a terrible month. In the last few years, I've presumed the period we most match is the 1950s, another time when we were recovering from a large loss of wealth from the system. In those days, industrials and consumer durables worked well, as things slowly got better but this is not the case today. If we leave these groups, however, we migrate to consumer staples and healthcare, which are rated too highly for our liking. I don't want to hedge by buying large companies just because they are performing better, as they are already highly rated. Many of the usual suspects have been going sideways for a decade yet have lifted this year for reasons that still elude me. Consequently, we have little change in strategy, even though this is a difficult year.

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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