

August 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% |

In August, the Fund rose by 3.28%, while the S&P500 rose by 3.77%, to a new high of 2003.37. The forces driving this move were lower energy and grain prices and, reasonably, consumer discretionary, consumer staples and industrials were the strong groups.

Unfortunately the Fund continues to disappoint, with most stocks remaining in trading ranges. For instance, there is a conundrum that major financials made significant new highs though the yield curve continued its move against them. We don't face this problem as our community banks have decoupled and remain stuck in trading ranges for the last year.

There is a long-term fear that growth is forever stymied. Ageing demographics, technology and globalisation inhibiting real wages, and ongoing forced high debt levels mean living standards improve more from technological change than wealth increases. This month I noticed the financials on lawn maker Toro are the most attractive they've been for a few years, just because earnings have improved as usual while the stock has been going sideways for nine months. This derived housing play should be a beneficiary of wealth effects from, say, lower energy prices. I then remembered Generation Z is too busy on the phone to play golf and this whole leisure area has become dangerous, so we passed on master green maker Toro. Behavioural change like this is ripping up many of the old certainties but falling prices for consumers should always light your traditional fires and it is disappointing that only a few of our holdings sparked into life this month.

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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