

February 2018

		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>
2017	-2.99%	+13.43%	+254.00%	+0.98%	+19.42%	+124.42%
Jan 2018	+0.09%	+0.09%	+254.32%	+5.62%	+5.62%	+137.03%
Feb 2018	-3.81%	-3.72%	+240.81%	-3.89%	+1.50%	+127.80%

In February, the S&P fell by 3.89% and the Fund fell by 3.81%. The result was in line with all major indices except the NASDAQ 100 which again outperformed; for instance, the NYSE Composite, a weighted average of all 2000 NYSE stocks, fell 5.35%. Thus it was bad, but not a total disaster, although there is no doubt we are not currently in the beautiful game.

The month started with a general correction as the ten-year bond yield rose towards 3% but the large tech stocks then rallied back and nearly recouped their losses while everything else had a weaker recovery, falling back again towards month-end. We would rationally have expected tech to be worst affected by a bond-induced sell-off because growth stocks should price off interest rates. This disconnect last happened for eight months from the middle of 1999. This time, retail flows into ETFs are driving the large techs ever higher as they are increasingly perceived as a one way bet.

We are not here to argue the merits of the tech case as we are not involved. In the small stock arena everything is under pressure although growth did about 1% less badly than value, with some of the irrational positive effect on tech rubbing off on them. Small cap value is marooned with no interest and we are seeing very light volumes in our stocks. Although this seems like the bleak midwinter, such polarisation portends change.

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The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITSIII).

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