

July 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%
Mar 2018	+1.82%	-1.97%	+247.02%	-2.69%	-1.22%	+121.67%
Apr 2018	+1.21%	-0.79%	+251.21%	+0.27%	-0.96%	+122.28%
May 2018	+3.28%	+2.47%	+262.74%	+2.16%	+1.18%	+127.08%
Jun 2018	+1.38%	+3.89%	+267.76%	+0.48%	+1.67%	+128.18%
July 2018	+0.32%	+4.22%	+268.95%	+3.60%	+5.34%	+136.40%

In July, the Fund rose by 0.32% and the S&P500 rose by 3.60% in a move that looked quite like January, when the market rose, and our stocks did very little. While technology was again strong, we were negatively affected by a new perception of a housing slowdown. Our view is that this is unlikely to happen yet as prices have not got convincingly past the 2007 peak. We are impacted through certain types of bank and consumer durables, such as mobile homes.

The housing issue is well illustrated by Marine Products on 25th July, the day the housing stats were released. With good earnings, this boat builder rose from \$20 to \$23 in the morning and then fell to close at \$17.5. It has now reverted to \$19, still up from \$14 at year-end 2017.

Contrast this with the celebrated fall of Facebook which lost 19% on the 26th July, with a gap down on a disappointment but still left the stock unchanged this year. This is one of six stocks which comprise 17% of the S&P500, which is the highest concentrated top-end weighting I can find.

The continued strength in technology leaves us behind even as questions arise about their sustained move. We had a poor month relatively, contrasting with a good month in June. However, we're through earnings season without negative surprises, and I don't think a sea change is afoot.

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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