

February 2013

		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%
	<i>MTD</i>	<i>YTD</i>		<i>MTD</i>	<i>YTD</i>	
Jan 2013	+5.52%	+5.52%	+71.58%	+5.04%	+5.04%	+25.75%
Feb 2013	+3.32%	+9.03%	+77.28%	+1.11%	+6.20%	+27.14%

In February the Fund rose by 3.32% while the S&P500 rose by 1.11%. The Fund had a good month, beating all eight American indices we follow. These were tightly bunched between down slightly for the New York Stock Exchange index and +1.40% for the Dow Jones, continuing a pattern from last year where neither style nor size makes much difference. In curiosities, it is rare for the Dow to be leading, but that won't last long, and again the NASDAQ100 is weak, sandbagged by Apple going back down. Our outperformance was grinding rather than explosive, with us beating the averages nearly every day of the month, which implies we are benefitting from good sector weightings. We are at a record high in absolute terms and relative performance and remain at the top of various performance gauges, though we won't show up on the three year at Morningstar until the end of the summer. Sterling continued to weaken against the dollar, so for holders who measure progress in pounds, the Fund was up 8.92% in February, giving it a surprising 18.30% gain year to date.

We continue to overweight light industrials and are pushing further into community banks to find obscure ways of playing the housing recovery. The biggest contributor to performance on the month was MWI Vets, our largest holding, which had a good quarter and rose from \$113 to \$126. We first bought this stock at \$34 in 2006, found we had that marvellous thing: a growth stock with an

improving growth rate, and added steadily until the mid-50s in 2010. Still only at \$1 billion market cap, I hope to be holding this for several more years.

We have also been receiving some new subscriptions for the first time in a while, so a big welcome to our new subscribers, and also a very big thank you to the many holders who have stuck with us for many years, including through 2008. New subscriptions and the market have now taken the Fund through \$20 million in size, but size will not be an impediment to performance because, with over 100 stocks, we could be ten times this level before liquidity issues impact transaction costs in our smaller holdings.

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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