

July 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%
Mar 2013	+5.55%	+15.08%	+87.12%	+3.60%	+10.03%	+31.72%
Apr 2013	-2.18%	+12.57%	+83.04%	+1.81%	+12.02%	+34.10%
May 2013	+3.13%	+16.09%	+88.76%	+2.08%	+14.34%	+36.88%
Jun 2013	+1.47%	+17.80%	+91.55%	-1.50%	+12.63%	+34.83%
Jul 2013	+7.35%	+26.46%	+105.63%	+4.95%	+18.20%	+41.50%

In July, the Fund rose by 7.35%, while the S&P500 rose by 4.95%. We closed at a new high on an absolute and relative basis, and beat all the eight indices we follow. Initial investors have now doubled their dollars for the first time. It was pleasing to be leading from the front which hasn't happened since March, going up more on up days and having many stocks break through to new highs.

Last month I got told off for being downbeat about just recording a compound return of 8.5% a year over our eight years, but we do have higher hopes. I have a 17 year track record of beating the S&P500 by an average of 5% a year. The 110 year figures show the S&P500 gaining 8% a year so 13% a year is our target. It's all about timing and we can muck about with the numbers. If we measured from the low of March 9th 2009, we have risen at a rate of more than 35% a year while the S&P500 has risen at just 23% a year but no one invested around then. Incorporating our strong July, our annual return since inception has now risen to 9.33% against 4.22% for the S&P500 Index.

Our strength continues to be from holding conservative consumer and industrial stocks and being light everywhere else. If there is one trick that is getting things fixed this year, it is the counterintuitive fact that low beta is an outperforming asset class in the long term.

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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