

September 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%
Aug 2013	-1.22%	+24.91%	+103.12%	-3.13%	+14.50%	+37.07%
Sep 2013	+4.86%	+30.98%	+112.99%	+2.97%	+17.91%	+41.15%

In September, the Fund rose by 4.86%, while the S&P500 rose by 2.97%. This was September 2013, seasonally the worst month of the year, in the worst year of the

Presidential cycle. No one seemed to notice. We had a good month and beat the S&P500 for the eighth time this year, and we hardly missed a beat last year either. Something good is happening with a remarkable consistency: we are in a small stocks market and that's what we've got.

While we are ahead of the various small stock indices, they are leading all other indices. We are 3.4% ahead of the S&P600 year-to-date, the best Index this year, but we did drop 1% against it this month as a small stock surge left many of our slow movers behind. We have many sleepy holdings, particularly in community banking, but we get our own back in down months, as happened in August.

You wait forever to catch a wave and it is important to be happy when it comes. For a dozen years, mid-caps have been the asset class of choice and at the start of this Fund I had to appeal to some very long-term data to convince myself not to go with them. This year they are some 7% behind small caps, as big a gap as we've seen in 30 years. Small stocks have arrived unheralded, with an edge to growth stocks which are also doing well in the entire market. We've mainly got value, but it doesn't seem to hurt and value was better this month.

Small stocks can run and run. 1975-1983 is their most famous period. They have not yet attracted much attention and I feel there is a chance they will play on: there is no other big theme out there, the economic cycle suits them here, and we can still find many we like.

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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