

September 2010

	Fund			S&P500		
	<i>MTD</i>	<i>YTD</i>	<i>Inception to date</i>	<i>MTD</i>	<i>YTD</i>	<i>Inception to date</i>
Aug 2010	-6.83%	-2.01%	+0.89%	-4.74%	-5.90%	-11.92%
Sep 2010	+12.02%	+9.77%	+13.02%	+8.76%	+2.34%	-4.21%

In September the Fund was up 12.02% and the S&P500 was up 8.76%. This was the best September for stocks since 1939, when Hitler's invasion of Poland on September 1st allowed Americans to anticipate lucrative sales to Europe. If we exclude 1939 as misguided, particularly as that rally quickly failed, we have to go back to September 1928, when euphoria was building before the Great Crash.

We did quite well, in parts, as we had some winners and some rather ignored backwaters. This two tiered structure is also in the overall market with the term 'Nifty Fifty' in use again. This is a market type seen in 1968 and also to an extent, in 1999. It is the consequence of great uncertainty and so investors will pay more and more for the few stocks where they retain the most confidence. It seems easy to buy Apple, Amazon, and Salesforce.com but we don't own any of them and their ratings are very high. The punishment for a hiccup in a Nifty Fifty name is severe, and indeed the only stock we have that would be in the Fifty list, Green Mountain, recently blew up. Nevertheless, we are having our own quiet riot with our small cap stocks and some are showing the same straight up tendencies. The Fund's largest holding, Trimas, makes widgets (OE: abstract unit of production) and we bought it as a demographic play given that a division makes towbars for RVs. They have gone from \$7 to \$15 and along with MVI Vets, our veterinary suppliers from Idaho, and Jos A Bank Clothiers, outfitters of men's suits since 1905, they are driving performance.

The X factor driving this disparate crew is that they are growing earnings but the desperation for rapid growth at any expense means there are anomalies developing with our ignored slow growers looking cheaper. One indication there is a bid underneath for them is that our slow growing Dynamex, a same day delivery service, received a bid this week from private equity at a 37% premium to the last trade and we will escape at roughly where we got in, near the top of the market four years ago.

The Fund, the PFS WHI America Fund, is priced daily with the price changing around 5pm. At that time, the price updates to reflect the previous day's close on Wall Street. Any dealing up until noon will receive the updated price of that afternoon. Later dealings will receive the following day's updated price. The price is carried by ten different providers such as Bloomberg, Reuters and Lipper but www.fundlistings.com is probably the quickest to find.

Risk Warnings and other important information

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