April 2014

		Fund			S&P500 Index	
		Performance	*Inception to Date*		*Performance*	*Inception to Date*
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%**
	MTD	*YTD*		*MTD*	*YTD*	
Jan 2014	**-4.39%**	**-4.39%**	**+122.26%**	**-3.56%**	**-3.56%**	**+49.63%**
Feb 2014	**+1.05%**	**-3.39%**	**+124.60%**	**+4.31%**	**+0.60%**	**+56.08%**
Mar 2014	**+2.10%**	**-1.36%**	**+129.31%**	**+0.69%**	**+1.30%**	**+57.16%**

In March, the Fund rose by 2.10%, while the S&P500 rose by 0.69%. We rose rapidly at the beginning of March, having lagged in February, and then sat quietly as a sell-off developed in the fast growth stocks, which frequently inhabit the NASDAQ. Any pressure anywhere usually manifests in small stocks falling too, and this duly happened with the Russell 2000 and the NASDAQ being the only two indices down on the month. While we beat all other indices, there is no call for celebration as we remain behind the game at the end of the first quarter, still being down on the year, along with just the Dow Jones and NASDAQ indices.

There was some relief that we did better in an adverse environment for fast growth stocks because it shows our value biased portfolio acting as it should. However, our largest holding, MWI Vets, is a rapid growth stock. It is not fuelled by the beta of a biotech or 3D printer or indeed a battery in a TESLA motor, but it has still managed to get crushed this year, falling from $187 to $156. It is a distributor, growing at about 13%, and we have much higher targets long term. Our average cost is $34 five years ago, and so this move is not critical to management temperament, yet as a 7.5% position it has been big enough to hurt the year's performance. The higher multiple growth stocks which had raced away have now fallen about 25% from recent highs and that's just the high profile ones I know about. Recent celebrated new issues such as Twitter and LinkedIn have fallen further. The consequence showed up this month in a dip in arbitrage stocks, which is surprising as this only happens when there is considerable pressure to raise money, otherwise known as a panic.

Our position is far from complacent, yet I do hope that value stocks, some of which have been going sideways for a while, may get more attention as the year progresses. They require the best of times to work, but that is possible and the rush to eschew growth may work in their favour.

Separately, in March, we won the three year performance award for US Equities from Lipper. The gong was duly bagged by Stephen, our COO, at the Saddlers' Hall and we are all very pleased about it. A big thank you to all investors for your stable and continued support which I am sure gives us an advantage by not having to trade very often.