**September 2017**

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| --- | --- | --- | --- | --- | --- | --- |
|   |   | **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%**  |
| **2014**  |   | **+3.92%**  | **+141.59%**  |   | **+11.39%**  | **+72.82%**  |
| **2015**  |   | **-2.10%**  | **+136.51%**  |   | **-0.73%**  | **+71.56%**  |
| **2016**   |   | **+31.95%**   | **+212.07%**   |    | **+9.54%**   | **+87.93%**   |
|   | *MTD*   | *YTD*   | *ITD*   | *MTD*   | *YTD*   | *ITD*   |
| **Jan 2017**   | **-1.42%**   | **-1.42%**   | **+207.46%**   | **+1.79%**   | **+1.79%**   | **+91.29%**   |
| **Feb 2017**   | **+1.63%**   | **+0.13%**   | **+212.48%**   | **+3.72%**   | **+5.57%**   | **+98.40%**   |
| **Mar 2017**   | **-0.67%**   | **-0.54%**   | **+210.38%**   | **-0.04%**   | **+5.53%**   | **+98.33%**   |
| **Apr 2017**   | **+2.09%**   | **+1.53%**   | **+216.85%**   | **+0.91%**   | **+6.49%**   | **+100.13%**  |
| **May 2017**   | **-1.16%**   | **+0.35%**   | **+213.16%**   | **+1.16%**   | **+7.73%**   | **+102.45%**  |
| **Jun 2017**  | **+4.81%**  | **+5.18%**  | **+228.24%**  | **+0.48%**  | **+8.24%**  | **+103.42%**  |
| **July 2017**  | **-0.62%**  | **+4.53%**  | **+226.20%**  | **+1.93%**  | **+10.34%**  | **+107.36%**  |
| **Aug 2017**  | **+1.17%**  | **+5.75%**  | **+230.02%**  | **+0.05%**  | **+10.40%**  | **+107.47%**  |
| **Sep 2017**  | **+7.30%**  | **+13.47%**  | **+254.09%**  | **+1.93%**  | **+12.53%**  | **+111.47%**  |

In September, the S&P rose by 1.93% and the Fund rose by 7.30%, moving ahead of the S&P500 for the first time this year. This was timely as a surge in sterling mitigated gains for sterling holders to 3.73%. Nevertheless, both sterling and dollar prices finished at new highs. As a small cap fund, it is pleasing to report we are again well ahead of all small cap indices year to date.

September is the seasonally weakest month of the year, and the second half is the worst two weeks of the year. There was characteristic nervousness this month, with steady and strong redemptions in US equity funds, yet this was manifested by a sell-off in tech, with the Nasdaq100 Index down 0.5% on the month. The rotation into our types of stocks was then accelerated by tax-cutting proposals in a return to the Trump trade. The oscillating banks duly bounced from the bottom of their range to the top, but of more interest was the first strong rally of the year in our cyclicals. The value component of the S&P600, our nearest comparable index and the only one not making a high this year, finally surged past its December 9th 2016 high in the last few days.

Value is the cheapest relative to growth since the 2000 top. This has been true a while but it is now receiving publicity. While this rotation is dependent on the political winds, there is also growing awareness of the risk in extended growth stocks. September was not a replay of last November and we are looking for new relative strength in our sectors to lean into, which, on first sighting, is in consumer durables.

**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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