**February 2019**

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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*   |
| **2017** |  | **+13.43%** | **+254.00%** |  | **+19.42%** | **+124.42%** |
| **2018** |  | **-20.44%** | **+181.65%** |  | **-6.24%** | **+110.42%** |
| **Jan 2019** | **+9.12%** | **+9.12%** | **+207.34%** | **+7.87%** | **+7.87%** | **+126.98%** |
| **Feb 2019** | **+4.82%** | **+14.38%** | **+222.15%** | **+2.97%** | **+11.08%** | **+133.73%** |

In February the S&P500 rose by 2.97% and the Fund rose by 4.82% in a move which continued the V-shaped recovery. Our gain was in line with our type of portfolio, the only mild question being the reluctance of our smaller stocks to participate wholeheartedly in the rebound. My optimistic assessment is that some are sleeping and will later recover their vigour, just as they were slow to realise they’d run out of road and fell late off the cliff after others had already fallen.

It is never quite the same and there are a couple of nuanced differences as we go up the other side. Firstly, there has been the shocking blow-up of Kraft Heinz, now down 65% in two years, which shows the deterioration of brand value and continues to keep us away from consumer non-durables. Secondly, in a V-shaped recovery, we should not expect new highs as it is a rally of the previously fallen. The whole reversal occurred when the Fed decided to stop wrecking everything and as such we would expect a resumption in big tech, high multiple growth, leadership. However, this group is faltering because of political scrutiny while the few new highs are popping up in other high growth situations such as bio tech after a Roche takeover and fin tech where, remarkably, we are represented with small holdings in Paypal, Visa and World Pay.

Overall, these variations are part of the same problem: growth is scarce and the market will pay up for any secure hope of getting it. However, when high expectations falter, a big price is paid. We will not pay up and so are less inclined to blow up but our less than perfect growth stocks got crushed on recession fears last year and are now recovering their poise in the ongoing low interest, low inflation, low growth environment.

**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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