

October 2019

		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%
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%

	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>
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%
Mar 2019	-2.70%	+11.30%	+213.46%	+1.79%	+13.07%	+137.92%
Apr 2019	+5.25%	+17.14%	+229.92%	+3.93%	+17.51%	+147.27%
May 2019	-6.06%	+10.04%	+209.94%	-6.58%	+9.78%	+131.01%
Jun 2019	+7.04%	+17.79%	+231.76%	+6.79%	+17.35%	+146.93%
July 2019	-0.64%	+17.04%	+229.65%	+1.31%	+18.89%	+150.17%
Aug 2019	-5.06%	+11.12%	+212.97%	-1.81%	+16.74%	+145.65%
Sep 2019	+3.83%	+15.38%	+224.96%	+1.72%	+18.74%	+149.87%
Oct 2019	+2.35%	+18.09%	+232.61%	+2.04%	+21.17%	+154.97%

In October the S&P500 rose by 2.04% and the Fund rose by 2.35% in an earnings month without significant differences between sectors or market cap sizes. Sterling holders were down 2.85% as the 5.38% rise in sterling outweighed the increase in the dollar value of

units. With nothing predominating and the bonds roughly flat, spotting trends receding or developing was nuanced.

For ourselves, we focused on the third quarter earnings which came in fine and were even strong for the banks. Our largest holding remains F.S. Bancorp who reported continuing yearly gains of 12% in earnings and 15% in tangible book value. They raised the dividend, as they do each year, and continue to buy stock back. They celebrated this event by rising from \$54 to \$56 where they are just below 10 times trailing earnings.

The story of this stock is the story of the quarter and the story of the year. Our value stocks are grinding higher but are still working their way through the damage of last October. F.S. Bancorp remains below its high of \$65 last summer and is at a similar level of two years ago. Today, it is as cheap as at any time since we bought it at \$20 four years ago. It feels as though the whole portfolio in this respect continues to slowly grow in potential.

The Fund closed the month at a new month-end high for 2019, still, however, within the range of last October. All comparable indices were slightly higher in early May, so, as ever, we gained ground against our peers but find it difficult to significantly gain ground on the larger stocks. However, our relative performance against them continues to bottom out and we hope our potential will soon be recognised.

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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