

April 2020

		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%
2019		+27.60%	+259.39%		+28.88%	+171.19%
Jan 2020	-4.77%	-4.77%	+242.23%	-0.16%	-0.16%	+170.75%
Feb 2020	-8.52%	-12.89%	+213.08%	-8.41%	-8.56%	+147.98%
Mar 2020	-24.39%	-34.13%	+136.73%	-12.51%	-20.00%	+116.95%
Apr 2020	+16.30%	-23.39%	+175.32%	+12.68%	-9.85%	+144.47%

In April the Fund rose by 16.30% while the S&P500 rose by 12.68%. We bounced more than other small indices which were up between 12 and 15% and we have regained the low of Christmas 2018. However, we remain overweight in community banks at 39% and this has been a perfectly bad place to be. In early April they remained stuck near their lows and were the last big group to bounce, impervious to reports of their strength this time around and with most of our portfolio below tangible book value. First quarter earnings came through but only loss provisioning matters. Although they have now bounced, they remain underperforming and discounting actual losses going forward. Our banks outperform their indices, somewhat helped by being off the beaten track and frequently where American Realtors are now predicting incoming migration.

The present, as Bill Gates said, has accelerated the process of digitisation. Unfortunately, although we bought Amazon in March and also hold Microsoft and a little Alphabet, they only total 11% of the portfolio between them. The largest five stocks in the market include these and are the digitisation set. They comprise 21% of the weight of the S&P500 compared with just 18% at the 2000 top. This is unprecedented polarisation.

In the future, we would expect the exuberance of release but if every type of event is curtailed, from funerals to festivals, that celebration may be directed at the individual pursuit of the Great Outdoors. As such, our holdings of campers, canoes and caravans look reasonable and the Marine Products CEO mentioned a pick up in motor boat orders in April.

We went into this shock in the worst place, which made it difficult to reposition. If a small bank quickly halves, it neither helps to buy more as we may be compounding the problem but neither can we easily switch. We have gently repositioned where we can for a new world order and these moves are helping at the margin.

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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