

January 2021

		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%
2020		+16.17%	+317.49%		+16.26%	+215.28%
Jan 2021	+4.21%	+4.21%	+335.07%	-1.11%	-1.11%	+211.77%

In January the Fund was up 4.21% and the S&P500 fell 1.11%. We got off to a flying start as we often do in January, based on re-opening prospects. This ended by the 12th and we went into a drift as the scare of Covid variants set in. Finally there was a sell off on concerns the latest Reddit excitement was disruptive overall.

Bank earnings have been coming in and are good. The stocks surged, then gave it all back, being one of the most Covid sensitive groups. Our largest holding, FS Bancorp, is now on 6 times trailing earnings and Oregon Bancorp, where we own 0.9% of the bank, is on 4 times.

Our thematic plays continue strong. Horizon (the tow bars) is up 6 fold and Kirklands (home décor) is up 10 fold since we bought them last summer. Of last month's additions, Sally Beauty was up 16% and Build-A-Bear was up 31%. This is slightly worrying as the market is catching up although I've not yet seen Wall Street use 'nostalgia' as an idea. Additionally there was a nasty story that the bears (BBW) are only up because the Reddit traders failed to input Bed, Bath (BBBY) correctly. If true, I feel it just shows their fine judgement because we think the bears are going higher and if we rise to the bait it will be to buy more and help them on their way. Last week, these traders puffed our B&G Foods, the Jolly Green Giant, by 20% and we've sold out with a 40% profit but we do want them back.

It is reasonable to consider why we have such an outside bet on the dead weight of community banks when small thematic holdings are going up like rockets? The reason remains that they continue to hold promise and also we jog along with quite a few. I last complained about Oregon's cheapness in September at \$34. It is now a new high at \$48 but on bank metrics, it's still cheaper than when we paid \$14 three years ago.

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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