

July 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%
Feb 2021	+10.42%	+15.07%	+380.40%	+2.61%	+1.47%	+219.91%
Mar 2021	+7.70%	+23.93%	+417.38%	+4.24%	+5.77%	+233.48%
Apr 2021	+2.57%	+27.12%	+430.70%	+5.24%	+11.32%	+250.97%
May 2021	+4.38%	+32.68%	+453.94%	+0.55%	+11.93%	+252.89%
June 2021	-1.18%	+31.11%	+447.38%	+2.22%	+14.41%	+260.73%
July 2021	-1.43%	+29.24%	+439.24%	+2.27%	+17.02%	+268.94%

In July, the Fund fell by 1.43%, and the S&P500 rose by 2.27% as small stocks fell. The market was driven by Covid fears which we can tell by sharp falls in airlines and even more so in Las Vegas stocks and cruise lines, down 15% or so and back below June 2020 levels. By the 19th, the principal focus was on UK cases and it was like last summer all over again, with bonds up, stay at home big tech up, and doubts about the economy. There were some differences as industrials held up on inflation concerns. The Consumer Price Index (CPI) is now +5.4% year on year and the ten year bond is yielding 1.23%. That 4.2% difference is the widest since the 1970s. Counterintuitively, the gap suits the Fed who can disappear loads of real debt if they can just keep charming the market with words like ‘transitory’ for a

few years. It was not all what we did last summer. Chinese stocks fell in another reminder that returns correlate with corporate governance rather than economic growth and biotech fell 9%, showing more vulnerability for the more fragile types of ultra growth.

However, we knew the message had to favour our outdoors stocks. We were impressed that Winnebago bought Barletta, a pontoon boat maker; meaning that once again caravans buy boats but not vice versa. We added to the outdoors with a bias to water over land. These stocks are having such tremendous earnings, we don't need WFH to progress to WFB (Work From Boat). We only expect behavioural change due to the pandemic to become anchored.

Rising outdoor stocks saved us from falling much as the Russell Micro-cap Index was down 5.8% and the Community Bank Index was down 3.7%. Our community banks have had excellent second quarter earnings and are looking very cheap again, having now endured nearly five months of a flattening yield curve.

Waiting for the infrastructure plan, the re-opening to resume and bonds to stop going up, we are happy to be holding ground. We are 32% in community banks from Hawaii to Kitty Hawk, and 22% in the outdoors in stocks from Escalade (archery) to Yeti. The rest has good weighting in the industry of the American heartlands. The trading 12 months P/E of the fund is 11.57, less than half the S&P500 (Source: Morningstar). We feel, once again, the fund is ready to bounce again on good news.

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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