April 2022

		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%**
2019		**+27.60%**	**+259.39%**		**+28.88%**	**+171.19%**
2020		**+16.17%**	**+317.49%**		**+16.26%**	**+215.28%**
2021		**+35.18%**	**+464.37%**		**+26.89%**	**+300.07%**
Jan 2022	**-4.55%**	**-4.55%**	**+438.69%**	**-5.26%**	**-5.26%**	**+279.03%**
Feb 2022	**+1.94%**	**-2.70%**	**+449.13%**	**-3.14%**	**-8.23%**	**+267.15%**
Mar 2022	**-0.47%**	**-3.16%**	**+446.56%**	**+3.58%**	**-4.95%**	**+280.28%**
Apr 2022	**-5.54%**	**-8.53%**	**+416.23%**	**-8.80%**	**-13.31%**	**+246.83%**

In April the Fund fell by 5.54% and the S&P 500 fell by 8.80% in a remarkable across the board sell off , giving the S&P 500 its worst opening four months of the year since1939. Sterling holders fell 1.28% as the dollar rose to £1.257 from £1.314. We were doing fine until April 20th when we were up a couple of percent, and the market was down a bit. At that point came a catalyst of lockdown extending to Beijing. It brought all sectors down on the prospect of worldwide recession, as the dollar accelerated upwards bringing in a bull market correction in our commodity stocks: short and sharp. The consequence by month end was that we had fallen too, although our lead over the S&P 500 persisted. We beat everything we might be compared to by some way, the Russells 2000 and Micro-Cap, for instance, both being down 10%. We had better look why?

Firstly, the air continued to come out of high multiple growth as interest rates continued to rise. The biotech index fell 18%, exceeding its 17% fall in January and the NASDAQ 100 fell 14%, exceeding its 9% fall in January. It is noteworthy that surreptitiously there are only the FAANMGs left on the beach, Apple and Microsoft as the others have now crashed or faded into bear market territory: 25%+ below their highs. A reminder of the acronym before it passes into history: Facebook, Apple, Amazon, Netflix, NVIDIA, Microsoft, Google. We are not involved.

Secondly, there has been some confusion how to hide from the twin horsemen of rising yields and recession. Is it low beta (financials), recession proofing (consumer staples) or low P/E (us)? The debate remains unsettled, although financials are losing with the community banks ETF (QABA) down 9% on the month and larger bank indices worse. Staples are

outperforming but hold no interest for us with the P/Es on Procter and Gamble and Coca-Cola at a premium to the market of 28x earnings, even though their long-term earnings growth is slower.

Thirdly, our bar-bell strategy focusing on overweight consumer durables and commodities worked even as commodities fell sharply. This was because durables held steady and both groups outperformed over the month. At the end of the month, with no place to hide, these consumer durables held ground even though they appeared to be in the worst place ahead of recession. As the feeling grew that no one would ever buy a boat again, our MarineMax beat earnings and raised estimates, putting it on 4x this year's earnings and inhibiting how far this negative sentiment could hit. Overall, we see that the value component of indices did better than growth, showing that low P/Es are more resistant with rising interest rates.

Finally, our downgrading of financials to market weight last month meant they hurt us less and we went through the month with high cash levels, for us, of 6%. Had that cash remained in banks, we would have been about 0.5% worse. This cash is now being invested.

Overall, April ended the hope that something always works as everything finally fell amidst three weeks of the bleakest investor sentiment since 1992 (source: American Association of Individual Investors, AAII). The FAANNMGs lost $1.4 trillion in market cap and the strongest fundamentals saw the hardest falls, when everything fell at the end of the month. Mosaic fell 10% on the 21st even with corn at a high. These negative extremes are hard to maintain, and we are investing our cash as any little good news will perk stocks up. We are mainly going where fundamentals are strong in commodities. We are mindful that recession is mooted but think it is priced into our consumer durables and are selectively buying here too.