May 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%**
May 2022	**+1.33%**	**-7.32%**	**+423.10%**	**+0.01%**	**-13.30%**	**+246.85%**

In May the Fund rose by 1.33% while the S&P 500 was flat at +0.01%. After a roller-coaster month which saw sentiment plunge to its lowest level in 30 years, the market rallied at the end of the month to pretend nothing had happened. When we look beneath the surface, we see the familiar trends of 2022 continued: bonds and growth stocks were down, smaller stocks were a bit weaker and value stocks did a bit better. We outperformed, being overweight energy, the best sector, and by being in low P/E stocks.

All this is consistent: growth stocks falling with bonds and small stocks a bit worse than larger stocks going towards recession. The trends of the year now show that the NASDAQ 100, dominated by the high growth FANGs, is now down 23.5% year to date, while the small stocks are worse than the large stocks with the Russell 2000 down 17.0% and the Russell Microcap down 17.6%, but this sector is better than the growth stocks. However, excitement builds!

There are few times when our corner of the market flies. In the last year, we have stayed in a tight range, being safe enough but always with new macro factors holding us back. The perfect combination, however, was the period 1975-1983 when small cap value made all of its outperformance of the last 100 years against the S&P 500. That period was characterised by high nominal interest rates, which were nevertheless negative in real terms, and the economy getting past the mid-1970s recession. These conditions allowed

small caps the flexibility on pricing to flourish. It looks as though a similar period is on the way.

In the month Build-A-Bear had record earnings and returned towards its high. Our second biggest holding has been a nerve-wracking stock as many in retail have fallen away but it is still less than 6.2x trailing earnings and with prospective earnings growth in double figures. We have never sold any and would now tend to buy more. Energy ran on and banks bounced off their April lows. The market became more convinced of trouble ahead. It continues to punish stocks where cost increases cannot be easily absorbed. There are margin squeezes at supermarkets yet expensive stuffed bears and lunches at the marina are doing fine. All stocks are very sensitive to interest rates, the dollar, inflation, and confidence.

Our companies are doing well as we are seeing which types are getting through and which are discovering problems. The general philosophy of hiding as near as possible to the start of the food chain is working well as is keeping in touch with Middle Americans who continue to have low debt and high equity.