July 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%**
Jun 2022	**-11.82%**	**-18.27%**	**+361.24%**	**-8.39%**	**-20.58%**	**+217.74%**
Jul 2022	**+7.74%**	**-11.94%**	**+396.96%**	**+9.11%**	**-13.34%**	**+246.70%**

In July the S&P500 rose 9.11% and the Fund rose 7.74%. In sterling terms, the Fund rose 6.09% as the pound rallied from $1.206 to $1.224. The markets had a widespread rally on relief that economic slowdown is upon us and peak interest rates can now be imagined. Bond markets rallied and we underperformed, maintaining our correlation. We were left behind early in the month as our commodity related stocks continued to fall even though the market stabilised. After that we were coming along behind, rising with the market but not gaining on it. By the end of the month everything rallied but some energy only caught up and went positive on the last day.

We have a 17% weighting in energy, which had a severe correction from June 8th until July 14th, with some smaller stocks falling 50% and most falling at least 35% as West Texas Intermediate fell from $122 to $94. In line with other commodities and bonds, the month was characterised by presumption that worldwide recession would kill demand and reassert deflationary forces. Consequently, the relative strength in the market was in the previously weak, with crypto and the most expensive tech and bio-tech companies in the forefront. This was an evening up process, with the strongest commodity, energy, being weakest and the most crashed long duration stocks doing best. Even after this reversal, these deflation beneficiaries are down more than half year to date. Energy stocks are up but as they are better value than in past cycles, we failed to anticipate the extent of their fall.

This month ran counter to our philosophy that inflation is dominant. It has been judged that 1/3 of inflation this time round is demand driven, through wages, and 2/3 is supply caused, through lack of investment, bottle-necks and de-globalisation (source: Shapiro, San Francisco Fed). This is high on the supply side, making interest rate rises relatively unfocused this time. The sledgehammer to crack a nut problem. However, this ignores the idea of worldwide interest rate rises killing demand worldwide and easing the bottle-necks, which drove the market in July. Prior pessimism conjoined with rising bonds and good earnings created the rally.

Nevertheless, we expect the structural problems to re-assert themselves and are not changing weightings. While there are big differences with the 1970s, principally demographic, the stop-go nature of things does seem comparable and we expect a return to supply considerations as inflationary forces prove not to be dead but resting.