

Sep 2022		Fund			S&P500 Index	
		<i>Performan ce</i>	<i>Inception to Date</i>		<i>Performan ce</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%
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%
Aug 2022	+0.29%	-11.69%	+398.41%	-4.24%	-17.02%	+231.98%
Sep 2022	-10.50%	-20.96%	+346.07%	-9.34%	-24.77%	+200.98%

In September the Fund fell 10.50% and the S&P500 fell 9.34%. Sterling holders fell 7.62% as sterling declined from \$1.156 to \$1.120. We have introduced a new hedged Sterling share class for Sterling investors who would prefer to insure against Dollar reversion.

The selling after the rally to mid-August picked up and September closed at a new low for this bear market, the third worst first nine months since 1931. The realisation that a recession has become an objective to calm inflation meant that small stocks and value

stocks were each weaker than the market by about an extra 1%. Additionally, bond yields rose to 4% putting pressure on all parts of the market. For instance, the anomaly that investors had been hiding in low growth utilities and consumer staples, even though they were at a premium to the market, was exposed and these groups fell 12% and 9% even though they are low beta and recession resistant. The NASDAQ was down 10.7% on bonds falling and the small cap value ETF was down 11% on recession fears, yet it remains the one to beat year to date.

For ourselves, everything fell and we were also caught in the same way as the utilities and staples whereby our outperforming stocks came down as investors raised cash where they could. This phenomenon also extended to the market leader, Apple, the only FANG type stock ahead of the market since the top. The selling of everything is a capitulation and it came with continued very high pessimism.

Our fall was in line with our sectors, slightly mitigated by a 7% liquidity cushion held throughout the month and reduced to 6% in the last few days. Our 20% weighting in community banks also helped by being low beta, as ever. We didn't change weightings, with longer term structural arguments inclining us to primary producers, while the strong dollar and recession fears are hurting them in the short run. As in June, we made a few successful energy sales. As in June, I bought them back too soon. We are well positioned for a turn and looking to continue reducing liquidity.

The extremes reached do bring cause for hope but writing this report, with double figure losses everywhere, does feel like a monthly in 2008, albeit with early 2009 sentiment. The bear case is that this rolls on into a deep 1974 type recession but then there was exogenous structural cause and today it is more in the hands of the Fed. They should not wish to have too many months like September because it is disproportionate to the inflation problem, a part of which is anyway beyond their control. The Saudi proposal to meet to cut production came at peak dollar as oil fell through \$80, the very level the US seeks to buy to replenish their empty Strategic Petroleum Reserve. Pushing the dollar through hawkish rate increases has geopolitical consequences Fed models don't predict. Let's hope they understand that.

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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