Dec 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%**
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%**
Oct 2022	**+11.75%**	**-11.67%**	**+398.48%**	**+7.99%**	**-18.76%**	**+225.01%**
Nov 2022	**+4.53%**	**-7.67%**	**+421.08%**	**+5.38%**	**-14.39%**	**+242.48%**
Dec 2022	**-3.11%**	**-10.54%**	**+404.87%**	**-5.90%**	**-19.44%**	**+222.29%**

In December the Fund fell by 3.11% while the S&P500 fell by 5.90%. This was a relatively strong month for us: we outperformed other market indices and continued our pattern of losing less in down months. For 2022, we moved to our highest relative performance, being down 10.54% while the S&P500 fell 19.44%. Sterling holders were up 1.43% in 2022, by the grace of the pound being one of the worst major currencies, falling from $1.353 to $1.193. In August, by investors' request, we launched a hedged class and coincidentally that has also finished the year nearly flat. I'm pleased to note it has finished the year a couple of basis points better than our dollar class and so the hedging, which is adjusted almost daily, is tight.

Fear of recession continued to be pre-eminent and smaller stocks underperformed. The Russell 2000 was down 6.64% on the month and 21.56% on the year. In the first part of December there was another bond market rally which was snuffed out at mid-month, during which growth stocks tried and failed to reprise past glories. Typically, each extirpation of hope ends more savagely and this was no exception with the NASDAQ100 down 9.23% on the month and 33.07% for 2022, driven by heavyweights Apple down 12% on the month and 27% on the year and Amazon, down 13% and 50%. The change in character from the August rally is that we also outperformed while bonds were rising for the first time this year as the market evolved to punish growth for failings beyond just interest rate sensitivity.

We continued to have investor inflows and finished the month with 9.2% liquidity despite daily investments. We were less than fully vigorous in this investing, as the market was clearly awful, but what we did buy went up on a trading principle that came in when the interest rate cycle changed in 2020. For ten years, growth stock were steady winners: an extrapolative market. Today, all change, it's all about reversion so buying a leading group on a sell off does the trick. We also caught the pivot within energy to the drillers.

In 2022, we outperformed our comparable indices. Our anticipated biggest challenge, the value component of the S&P600 (IJS) was down 12.61% and the less frightening Russell Microcap was down 22.83%. We did this by being overweight energy (good), banks (good), industrials (good) and consumer discretionary (bad). We shouldn't have clung on to cheap cyclicals and could have switched to expensive staples, utilities and healthcare. However, consumer discretionary expenditure is a delicate matter and looking at the sector (XLY ETF), down 37%, doesn't help because it is weighed down by Amazon. The Fund's second largest holding, Build-A-Bear, was actually up on the year but to attribute this to the theme of infantilism (desire for nostalgia, comfort, fantasy in a troubled world) fails to explain why Disney was down 44% in its worst year since 1974.

We remain opposed to the three recession hedge groups that did well because our principal disagreement with the market today is the presumption inflation returns to a 2% equilibrium. This time the negative sloping yield curve is a less immediate predictor of recession. Coming off zero rates, bank lending is less impeded by the yield curve and their net interest margins are fine. Is anyone getting any interest from banks yet? The party goes on, rates keep rising and we stay positioned in the party beneficiaries, not expensive recession hedges. We continue to reduce liquidity as sentiment indicates an imminent rally.

Risk Warnings and Other Important Information
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