Jan 2023		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%**
2022		**-10.54%**	**+404.87%**		**-19.44%**	**+222.29%**
Jan 2023	**+8.22%**	**+8.22%**	**+446.39%**	**+6.18%**	**+6.18%**	**+242.19%**

In January the Fund rose by 8.22% while the S&P500 rose by 6.18%. Sterling-holders rose 4.75% as the pound rose from $1.19 to $1.23. The year started on a pivot to optimism as a survey showed fewer indicators of a recession. The recession hedge sectors (staples and utilities), declined and the recovery sectors (consumer durables, small, value), sprang to life. Additionally, depressed growth stocks had a very powerful rally: the December tax loss selling season had been particularly severe as there were steep losses to harvest. The traditional bounce for small stocks at the start of January was also evident. We therefore had previously strong sectors underperforming and the most depressed sectors bouncing the best. The reduced probability of recession also brought relative strength to small and value as expected.

For the Fund, we benefitted via our consumer durables, having no staples and catching some New Year small stock rallies. We nearly kept up with the Russell smaller indices and the S&P600 (small cap) which were all up about 9.6%. We were held back by a weak gas price, by having no tech to bounce and the relative underperformance of industrials and community banks. We kept up but were behind some value components of smaller indices.

Another characteristic of the month was strong banks and a weak dollar as inflation continued falling. Until the fourth quarter of last year, strong bonds meant we underperformed as we are underweight growth. However, this link seems broken and we outperformed the S&P500 for the third month in the last four even though the bond low was in October. This month it was not because growth failed to perform but specifically in our corner of the market our stocks do well when there is light at the end of the tunnel.

Housing has caught investors out by showing great strength even as house prices fell. We have a 4.2% weighting through M/I Homes, Builders First Source, BlueLinx and UFP Industries and they have all been exceptionally strong. Durables made their lows in the first half of 2022 and the clue has been their subsequent relative strength, even as recession fears grew. We have a big list of names and remain overweight the group.

Today we consider if we are in the rush that happens when we round the bend. Certainly we were in January and yet we still seem far from a classical turn. We are positioned for the turn although it will be a more hesitant affair than a surge off a depressed base. We have investor inflows and liquidity is only down to 7.8%, which is disappointing in a strong month. However, where we have been buying, stocks have done particularly well. Trends are clear and we are investing well. This is a good sign: investable themes make for good markets as investors can understand them.