

<b>Mar 2023</b>		<b>Fund</b>			<b>S&amp;P500 Index</b>	
		<i>Performance</i>	<i>Inception to Date</i>		<i>Performance</i>	<i>Inception to Date</i>
<b>2005</b>		<b>+14.01%</b>	<b>+14.01%</b>		<b>+4.78%</b>	<b>+4.78%</b>
<b>2006</b>		<b>+16.91%</b>	<b>+33.29%</b>		<b>+13.62%</b>	<b>+19.05%</b>
<b>2007</b>		<b>+4.06%</b>	<b>+38.70%</b>		<b>+3.53%</b>	<b>+23.25%</b>
<b>2008</b>		<b>-47.99%</b>	<b>-27.86%</b>		<b>-38.49%</b>	<b>-24.18%</b>
<b>2009</b>		<b>+42.74%</b>	<b>+2.97%</b>		<b>+23.45%</b>	<b>-6.40%</b>
<b>2010</b>		<b>+24.94%</b>	<b>+28.65%</b>		<b>+12.78%</b>	<b>+5.57%</b>
<b>2011</b>		<b>+1.79%</b>	<b>+30.96%</b>		<b>0.00%</b>	<b>+5.56%</b>
<b>2012</b>		<b>+24.17%</b>	<b>+62.61%</b>		<b>+13.41%</b>	<b>+19.71%</b>
<b>2013</b>		<b>+42.96%</b>	<b>+132.46%</b>		<b>+29.60%</b>	<b>+55.15%</b>
<b>2014</b>		<b>+3.92%</b>	<b>+141.59%</b>		<b>+11.39%</b>	<b>+72.82%</b>
<b>2015</b>		<b>-2.10%</b>	<b>+136.51%</b>		<b>-0.73%</b>	<b>+71.56%</b>
<b>2016</b>		<b>+31.95%</b>	<b>+212.07%</b>		<b>+9.54%</b>	<b>+87.93%</b>

	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>
<b>2017</b>		<b>+13.43%</b>	<b>+254.00%</b>		<b>+19.42%</b>	<b>+124.42%</b>
<b>2018</b>		<b>-20.44%</b>	<b>+181.65%</b>		<b>-6.24%</b>	<b>+110.42%</b>
<b>2019</b>		<b>+27.60%</b>	<b>+259.39%</b>		<b>+28.88%</b>	<b>+171.19%</b>
<b>2020</b>		<b>+16.17%</b>	<b>+317.49%</b>		<b>+16.26%</b>	<b>+215.28%</b>
<b>2021</b>		<b>+35.18%</b>	<b>+464.37%</b>		<b>+26.89%</b>	<b>+300.07%</b>
<b>2022</b>		<b>-10.54%</b>	<b>+404.87%</b>		<b>-19.44%</b>	<b>+222.29%</b>
<b>Jan 2023</b>	<b>+8.22%</b>	<b>+8.22%</b>	<b>+446.39%</b>	<b>+6.18%</b>	<b>+6.18%</b>	<b>+242.19%</b>
<b>Feb 2023</b>	<b>-1.04%</b>	<b>+7.10%</b>	<b>+440.74%</b>	<b>-2.61%</b>	<b>+3.40%</b>	<b>+233.25%</b>
<b>Mar 2023</b>	<b>-4.82%</b>	<b>+1.95%</b>	<b>+414.70%</b>	<b>+3.51%</b>	<b>+7.03%</b>	<b>+244.93%</b>

In March the Fund fell 4.82% while the S&P500 rose 3.51%. Sterling-holders were down 7.24% as sterling rose from \$1.2049 to \$1.2364. We were doing fine until March 9<sup>th</sup>, when a perfect storm arrived. With just an hour to batten down the hatches, as Silicon Valley Bank fell faster and faster, we sold 25 basis points (\$600,000) of community banks at or near their 52 week highs and sailed into the most rapid American banks failures ever, with a 16.5% weighting in community banks. Although this was our lowest for some years, it was still a little higher than the small cap indices. By the end of the month, the community bank ETF (QABA) was down 19.85% and this was the best of all banking indices by some way, with both regional bank indices down 29.5%. Our banks are far from the epicentre and fell about 9% as a group. However, the knock-on consequences hit us in every sector. For instance, the Russell Microcap Index (IWC) was down 8.9% and value stocks were crushed everywhere.

By month-end, we saw the widest relative performance between growth and value, large and small, that we have seen in any month I remember. Now we are once again at extreme valuation differences between these groups, consistent with the low at the end of the third quarter 2022 or the start of the third quarter 2020. A flight to safety driven by loss of confidence and sudden imminence of recession meant value and small stocks were all sold. Energy, for instance, was even weaker than our banks because of energy price fears coupled with extant profits to be locked in.

Our current presumptions: this banking crisis is contained but confidence returns slowly; further regulation eventually which won't much impact community banks; competition for deposits will increase; loans will be in lower demand due to recession expectations. With price to book for our group back to second quarter 2020 lockdown lows and strong insider buying in our stocks, we retain our 16.5% weighting, having redeployed slightly into the remoter areas like Alaska. Too low to sell, too early to add. Elsewhere, we are investing in the uninvolved. We also added to long-term holding Climb, a technology distributor which had good earnings and moved up to fourth largest at 2.4%. The rally in growth stocks was related to the fall in interest rates as it was clear that breaking banks was an unacceptably high cost of breaking inflation. Where we do have growth stocks, like UFP Technologies and Ensign, they have been pushing to new highs but generally we have no interest in this group. Also, builders had another strong month and our Builders First Source rallied towards its high.

The only book I used to recommend for managers was Typhoon by Conrad. Captain McWhirr goes through the middle of it saying little more than 'I am the captain'. But when the ship makes port, it is agreed his action was the best possible. This storm exposed some fragilities and diminished the power of the Fed to impose its will. The instant reaction has been to treat it as a deflationary shock and revert to the pre-2020 market. We are following Captain McWhirr and heading straight through the middle, thinking these shocks actually stoke inflation longer term and we are increasing weightings in industrials and weak commodities.

#### **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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