

Investment Commentary

April saw the Orchard A share class rise for the fourth time this year and the sixth successive month, rising 0.77% on the month and 4.4% on the year

Despite continuing to keep our risk profile at the lower end of our normal scale, the Fund has been able to grind out another solid month returning 0.77% and outperforming its benchmark by another quarter of a percent on the month. This was the fourth month that we had outperformed our benchmark by at least that amount and continues our recovery after last years subdued performance. Whilst stock selection and having faith in the companies that we own has paid dividends, we also have to acknowledge that the strengthening of Sterling has helped our relative performance just as the weakening of Sterling hurt us last year. In many ways, it is not the strategy which changes but the relative performance against an index which is heavily weighted to the dollar. We keep doing what we have been doing for a long time now and believe that over the long run solid and steady will be the right outcome for many of our investors.

When we look at the market and our performance over the last few years, it is difficult not to be reminded of the fable of the tortoise and the hare. It may not be terribly exciting being the tortoise but in the fable at least it was the winning strategy. We believe that in investing, slow and steady allows investors to see the investment through to the end whereas sharp rallies and falls generally result in investors never reaching the finishing line.

Whilst one of the hardest things to do as a manager is to do nothing. The second hardest is to step back from a rising market when you believe that it is getting expensive. We have done both at the moment leaving the positions in which we believe will reach their potential while being very cautious in adding new monies until the market gives us better opportunities.

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That has the potential to see us underperform if the market continues higher although we will do well if the market falls or enters a sideways churn. That is our preferred scenario at the moment and with 18% of the Fund in cash uncommitted to the market, we are awaiting opportunities to buy on a pull back.

Fund Facts

Launch Date

14 January 2003

Fund Manager

Richard Harwood
(since inception)

Fund Structure

UCITS IV

Domicile

Dublin

Currencies

GBP, USD, EUR, CHF

Administrator

CACEIS Ireland Ltd

Dividend Yield

Target 6%
2017 Est 6.22%

Dividend Policy

Distribution

Dealing Days

Daily

Fund AUM

£73.8m

Min Subscription

50,000 for individuals,
10,000 for platforms and
designated bodies