

Investment Commentary

December provided a pleasant end to a solid year with the A Share class rising 1.19% to finish the year up an acceptable 7.03%

It is one of the vagaries of Fund Management that certain dates carry greater significance than others for no real reason and December 31st is certainly one of those dates. Although few investors invest on the 1st of the year and withdraw on the 31st, the monthly, quarterly, annual performance statistics are set in stone, and whilst they only represent a snapshot of a moment in time, they form part of the permanent record on which we are judged.

As such, it is difficult not to spend a little time looking backwards at this time of year. The curse of dealing in the equity market is that there are always missed opportunities and things we would have liked to do better and it is important not to live a life of regret. I am always minded at this time to remember the Crosby Stills and Nash song "Love the one your with". Without taking up the whole report with those lyrics, the moral is concentrate on what you have rather than what you want.

So looking back on the year, we made money in ten out of twelve months and our largest monthly loss was 0.7%. That meets the criteria we and our investors set ourselves and a solid 7% return in a low inflation environment will hopefully satisfy most investors. So what do we learn from this year?

The lesson we always try to remember is to continually question our decisions and to review the decision making process. There have been four or five stocks which have hurt us during the year reducing our final return by 2% or so. How could we have avoided these. Regrettably it is not as easy as it sounds. The markets are becoming increasingly violent and we approach the quarterly earnings season with a degree of trepidation, but perhaps our biggest lesson to remember this year is that quality will out.

"The road to madness is to believe that price action reflects value."

The road to madness is to believe that price action reflects value. A rise of 14 fold during the year in the price of bitcoin proves that is wrong. However, ignoring price action is equally foolish as it may be telling you something. We continue to try to navigate the fine line between quality and value, and hope that Mr Market doesn't become too irrational in the meantime. When it does, patience is our greatest virtue. We thank you for your continued support and patience and wish you all a very happy, healthy and prosperous 2018.

Fund Facts

Launch Date

14 January 2003

Lead Fund Manager

Richard Harwood
(since inception)

Fund Structure

UCITS V

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

£69.1m

Min Subscription

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

