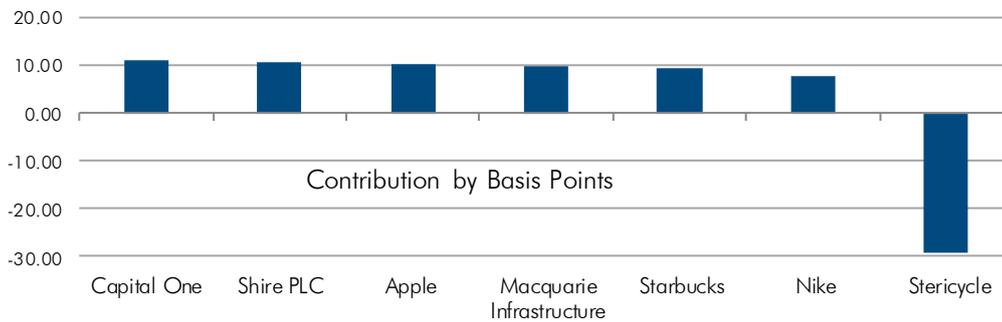


Orchard Fund Top Movers



Capital One, + 11.02 bps

Capital One provides commercial banking services but is best known as a credit card provider. Although predominantly a US based organisation, they are growing their international presence rapidly now accounting for over 40% of group revenues having accounted for just 6% of group revenues just three years ago. The Company trades on an undemanding 9 times earnings falling to 8 times this year and with earnings estimates being revised higher. The Company rose 5% during the month after reporting better than expected earnings but, realistically, that price adjustment merely reflects the excellent fundamentals. Our commitment to buy at \$95 against the current share price of \$99.09 expires on the 21st September. Assuming the price stays above \$95, that trade will have yielded 11.36% annualised over the last nine months.

Shire PLC, + 10.52 bps

Shire appears in our top movers for the third time in the last four months. It also made money in the month it did not appear but not quite enough to reach our top movers, and this month the reasons are largely the same. The proposed takeover by Takeda Pharmaceutical continues to progress although this month that supportive news was enhanced by the approval by the FDA of the drug TAKHZYRO which aims to prevent attacks of hereditary angioedema in patients 12 years of age and over. This pushed the share price up to nearly £45 at the month end approaching our call at £46. However, with only three months to run, that call option is still worth £1.50 which gives us plenty of upside over the next three months.

Apple, + 10.33 bps

What is there to say about Apple that hasn't already been said. We have been long term fans of Apple having originally bought it in 2012 at \$550 in old money (\$78.57 in post split terms). Over a year ago we agreed to sell our holding at \$180 not predicting the remarkable 40% share price rally over the last 12 months. We only ever sell calls at levels at which we believe the stock is expensive and although the fundamentals have improved significantly, they are struggling to keep up with a rampant share price and as such, we expect to lose the stock in January at \$180. This looks foolish compared to the current share price of \$227 but we are disciplined in our approach and based on our methodology, the stock ceased to be cheap at \$180, that is where we sold our stock. The stock now trades on a P/E of 20 albeit with a large cash reserve and we will continue to monitor the stock if it sets back.

Top 5 Countries

United States	71.59%
United Kingdom	16.47%
Jersey	3.98%
France	3.01%
Bermuda	2.82%

Fund Facts

Launch Date

14 January 2003

Fund Manager

Richard Harwood
MitonOptimal Jersey Ltd
(since inception)

Fund Structure

UCITS V

Domicile

Dublin

Currencies

GBP, USD, EUR, CHF

Administrator

CACEIS Ireland Ltd

Fund AUM

£54.6m

Min Subscription

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

Macquarie Infrastructure, + 10.02 bps

As we noted last month, we like this Company a lot and were awaiting their quarterly results with some optimism. That optimism wasn't misplaced and another set of expectation beating numbers saw the share price push higher again this month. It has not passed us by that the manager of this structure has been a consistent buyer of stock and following results, the Directors made additional purchases. The stock looks cheap which combined with a very acceptable indicated yield of 8.5% makes it easy for us to hold this stock. We would expect to continue to hold the stock for some time to come or until we see a material re-rating of the stock.

Starbucks Inc, + 14.54 bps

Starbucks also appears for a second month as the stock continues to recover after its recent setback. Little has fundamentally changed for the firm, although the decision by Coca Cola to purchase Whitbread's Costa Coffee chain certainly adds spice to the sector. This has two potential consequences for Starbucks either negatively impacting them as competition in the sector increases or alternatively, it may act to highlight the value of the existing participants in the sector. The Starbucks share price initially fell on the news but immediately rallied to close the day higher. With the share price trading at \$53.45, we are writing the \$57.50 call for January, committing us to sell at that price if the share price rises over 8% in the next few months. We are receiving 2% for doing so, increasing our yield on this holding by almost 6%.

Nike, + 7.79 bps

Nike is an unusual visitor to this report rising steadily but unspectacularly over the last year which has seen the share price rise steadily from \$50 to over \$80. It has done so on the back of maintaining brand loyalty and resisting the downward pressure on margins caused by internet purchases and the Amazon effect. The rise this month was again on the back of better than expected results but has seen the share price pass through our target price and unless the share price sets back significantly, we will lose the stock in January for a very acceptable return.

Stericycle Inc, - 29.46 bps

Having featured in our best movers for the last few months on the upside, Stericycle fell over 13% following disappointing results. The underlying business remains sound but the market is losing faith in management's ability to deliver the potential of this business and we would not be surprised to see investor pressure on management start to surface. Overall, we believe that the business still has many good qualities and that the share price underestimates the potential of the business, but we will not be stubborn. This holding is under review and unless we are convinced that management can start to deliver and we have a reasonable expectation of stronger returns going forward, we will look to exit the position.

Fund Facts

Launch Date

14 January 2003

Fund Manager

Richard Harwood
(since inception)

Fund Structure

UCITS V

Domicile

Dublin

Currencies

GBP, USD, EUR, CHF

Administrator

CACEIS Ireland Ltd

Dividend Policy

Distribution

Dealing Days

Daily

Fund AUM

£54.6m

Min Subscription

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