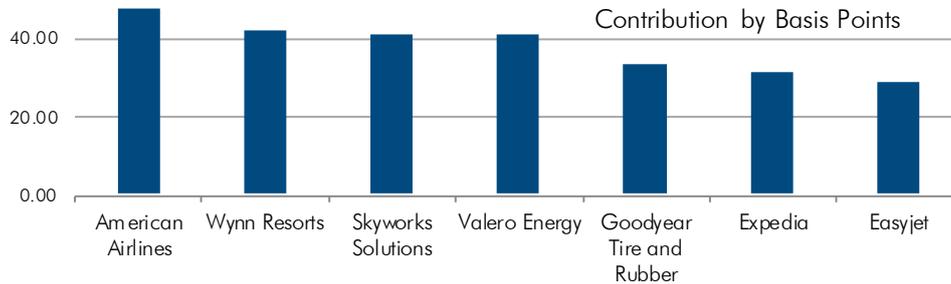


Orchard Fund Top Movers



American Airlines, 47.86 bps

Like most of the holdings in our top movers this month, this move was simply unwinding some of the losses from May. The fundamentals of the Company remain sound with the stock trading on an undemanding P/E ratio of 7.5 with earnings expected to grow over each of the next two years to the point that based on current expectations, by the end of 2020, the Company will be trading on a P/E of 5.7. That means that if the Company doesn't change its earnings, and you buy the stock at the current market price, it will only take 7.5 years to get your money back in the form of earnings. The more relevant statistic for us is shareholder yield. That is the real return to shareholders after all necessary company expenditure, which currently stands at an exceptional 11.10%. If anyone can find solid investments which yield a better return, please let us know as we can't find them.

Wynn Resorts, 42.18 bps

The Wynn share price seems to be wholly dependent upon sentiment around the US China trade talks. The underlying fundamentals improved during the month with June Macau Casino revenue rising 5.9%, against expectations of a 1.8% gain, despite the weak Chinese economy. We have long believed that the economic consequences of a US China trade war were too far reaching and complex for it to be allowed to escalate fully which is just one of the reasons why we remain confident in our holding in Wynn. The nature of the investment means that it can be volatile, but looking past the noise the fundamentals remain sound and the stock looks reasonably valued. We remain happy to hold this position.

Skyworks Solutions, 41.23 bps

Another beneficiary of the calming of the US China trade tensions, but the nearly 16% rise this month still does not bring the stock back to our concept of fair value. We have sold a January \$85 call against the current share price of \$77.27 because we believe that any price below that offers value. That option is currently trading at \$4.90, which means that we are receiving an annualised 11.6% yield for agreeing to exit this stock 10% above the current share price. If the ban on Huawei is lifted the share price could push well above that level, but that is where we believe the stock no longer offers value and so our methodology is to exit the stock. This stock is at the epicentre of the current trade conflicts but so much news is priced into the current share price, combined with the attractive yield we are receiving from writing the call, means that we are being paid to be patient.

Top Countries	
United States	70.26%
United Kingdom	13.27%
Bermuda	3.28%

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	£40.7m
Min Subscription	50,000 for individuals, 10,000 for platforms and designated bodies



Valero Energy, 40.86 bps

A strengthening oil price saw Valero Energy recover 15% in the month after falling 20% in May. The fundamentals of the Company remain sound with earnings expected to rise sharply over the next two years. Based on current expectations, the P/E ratio in 2020 will be a modest 8 x earnings. Whilst petroleum refining may not be a business that will survive the next century it is an essential part of the modern world and as such a robust business. The stock provides an attractive 4.2% yield with the July 85 call further significantly enhancing that yield. Our commitment expires in July and with the stock trading at just over our \$85 strike, it is touch and go whether we will lose the stock. If we do, we will await a setback and write puts at a lower level, whereas if we retain the stock we will continue to enjoy holding this high yielding stock.

Goodyear Tire and Rubber, 33.68 bps

This was the most modest of bounces given the trials of the last few months but it was good to see Goodyear Tires return to the winners column. The stock has been at the epicentre of trade disputes and a stagnating market but on an undemanding P/E of 7 this is fully priced in. Earnings are expected to fall this year but should start rising again there after. It will be a long road to full recovery but we are supported by a 4% dividend yield, which we are able to enhance by the judicious writing of options. We will continue to monitor the fundamentals closely but for the moment believe that the upside significantly outweighs the downside for this stock.

Expedia, 31.43 bps

There are certain themes which we believe give a long term tailwind to a stock and we try to be patient with those stocks. The movement away from high street travel agents to online services is inexorable as is the ever increasing desire to travel. That combination bodes well for Expedia, but as it has always been, the travel industry is prone to movement linked to feelings of economic welfare. We believe that overall the thematic tailwind overcomes any economic headwinds but it can cause a little turbulence. We are happy to ride through that turbulence and enjoy the benefits of a strong franchise with a solid business model.

Easyjet, 28.62 bps

The cloud of Brexit continues to hang over Easyjet but the fundamentals are still in place and we believe that the ultimate resolution of Brexit, almost regardless of which way it is resolved, will allow for a significant re-rating of the Easyjet share price. Considering it has yet to celebrate its 25th anniversary, Easyjet has built a formidable business model. With a fleet of 327 planes servicing 156 destinations, it generates almost £6 billion of annual revenue and £358 million of profits. Airlines are well renowned for being a difficult business but amongst the lower cost carriers, Easyjet has a strong position and a balance sheet which will allow it to better weather the inevitable economic headwinds. Trees don't grow to the sky, and problems don't last forever and we strongly believe that once Brexit is over, this airline will continue to grow both in size, stature and profitability.

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

£40.7m

Min Subscription

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