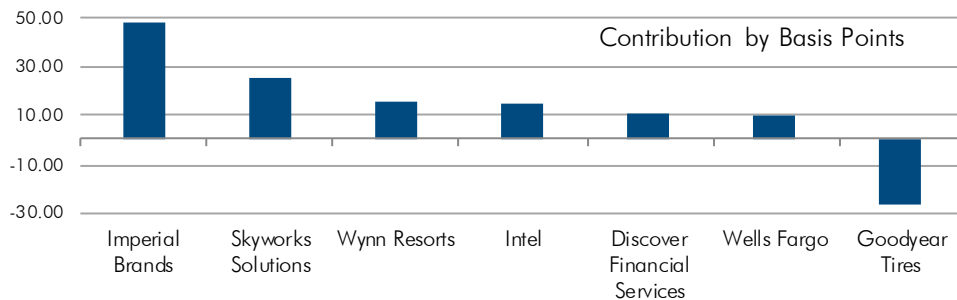


Orchard Fund Top Movers



Imperial Brands, +48.12 bps

After a couple of poor months, Imperial Brands staged an impressive bounce back in May recovering 13.44% as a combination of better results and less selling pressure allowed the stock to recover. It is widely acknowledged that there have been significant holdings in the suspended Woodford income Trust which may explain the selling pressure which the Company has come under of late, but we prefer to concentrate on the fundamentals which remain sound. The Company trades on an undemanding forward P/E ratio of 7 with an exceptional 9% dividend yield, which has always been funded out of operating free cash flow. Despite the well known difficulties of this industry, Imperial Brands continues to grow their earnings and at these valuations, we see no reason to move out of this holding.

Skyworks Solutions, +25.62 bps

We have covered the topic of Skyworks Solutions most months for the last quarter. They were hit hard by the US ban on Huawei, one of their largest customers. We said at the time that the reaction was excessive and was not supported by the fundamentals of the Company and to an extent we have been vindicated this month as the stock rallied 10% to compliment the 15% rise last month. Unfortunately, the sector is still in the wars and will ebb and flow with the level of rhetoric between the US and China but fundamentally, this is a good Company with some excellent products coming through and we are happy for it to be one of our larger holdings.

Wynn Resorts, +14.92 bps

Wynn Resorts has again performed well as an improvement in the relationship between the US and China has allowed investors to concentrate on fundamentals rather than the noise surrounding a trade war. At times like this we think about the difference between potential and reality. There is the potential for multiple problems for Wynn, which the market worries about, but the reality of the business is that the fundamentals are sound and with earnings due to be released early in August, our expectation is that RevPAR, a key metric in the hospitality industry will rise significantly, possibly by up to 10% this quarter. Analysts believe earnings will rise by over 25% in the next year which continues to make Wynn a compelling buy. We acknowledge the potential risks but prefer to concentrate on the reality of sharply rising income and earnings.

Top Countries	
United States	59.00%
United Kingdom	11.34%
Bermuda	3.31%

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

£39.3m

Min Subscription

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



Intel Corp, +14.92 bps

Intel epitomises our ideal investment positioning itself firmly at the intersection of quality and value. Trading on a P/E of just 10, and generating over \$13 billion of free cash flow each year, Intel is core component in most consumer electronic products. Whilst its peak growth days are behind it this cash generating behemoth pays out a fraction of its earnings and carries a debt burden which it can clear with just one years free cash flow. That additional cash will either be used to purchase new growth opportunities or the company will continue to continually return cash to shareholders in the form of share buybacks, which last year represented more than twice the 2.6% dividend rate. Either way, a solid cash generating company with solid earnings and visibility is a comfortable hold in difficult markets.

Discover Financial Services, +10.85 bps

Discover Financial Services is a good company which is quietly executing its business plan and was well rewarded this month with a 15% rise as their quarterly earnings call highlighted the solid nature of the Company. We find it intriguing that the market reacted so strongly to what was, in many ways, business as usual but a 10% earnings beat highlighted the progress being made by management. Those growth rates are unsustainable, but having written the \$85 puts against a current share price of nearly \$90, we don't need the share price to rise. Management just needs to keep executing their business plan and we will remain contented holders.

Wells Fargo, +9.41 bps

Despite falling 3% after reporting quarterly earnings which disappointed, the stock rose on the month as the market acknowledged the fundamental value in the Wells Fargo share price. Despite disappointing analysts, the Company generated over \$5.85bn of earnings during the quarter bringing their price earnings ration close to single figures. Banking is never an easy business to analyse and it is easy for management to overreach themselves and disappoint investors, but in a crowded marketplace, we consider Wells Fargo to be one of the more predictable and reliable banks and a solid hold in our portfolio.

Goodyear Tires, -28.62 bps

Having recovered in June, Goodyear gave back much of those gains in July as disappointing earnings once again focussed attention on the Groups difficulties. We are fully aware of those difficulties but believe that at the current valuation those issues are well and truly priced in. Earnings expectations have been cut and the lack of optimism for the Company leaves a lot of upside potential. The Company trades on a P/E of half of that of the wider market and is still growing earnings albeit at a much slower rate than in the past. The debt burden is higher than we would ideally like but is absolutely manageable for a company of this magnitude and demand for the product, although it may wax and wane, will continue for some time to come. The Company is undoubtedly in a tough place but there are signs of recovery which we hope to see bloom soon.

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

£39.3

Min Subscription

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