

Vermeer Global Fund

October 2020



Investment Objective

The aim of the fund is to generate long term capital growth. The fund invests in a diversified portfolio of global equities that have an attractive growth potential. The portfolio will hold between 30 and 60 stocks.

Rolling Performance – Class A GBP

	1m	3m	6m	1 Year	3 Year
Class A	-2.68%	3.10%	14.95%	12.99%	34.93%

	2017	2018	2019	YTD	ITD
Class A	18.99%	-2.03%	25.90%	7.76%	61.20%

Portfolio Manager

Tim Gregory

Inception Date 5th December 2016

Base Currency GBP

Dealing Daily

Initial Charge None

AUM £33.9m

Estimated Yield 1.3%

No. of Holdings 58 holdings

Active Share 82.9%

Available Platforms:

7IM, AllFunds, Ascentric, Aviva for Advisors, Embark, FNZ, Hargreaves Lansdown, Novia, Pershing, Platform Securities, Raymond James, RBC, Rensburg, Succession, Transact

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	161.197882
Class A1	0.45%	0.70%	\$5million	-
Class A2	0.25%	0.50%	£20million	114.438731*
Class A3	0.25%	0.50%	£20million	122.413044
Class B	0.75%	1.00%	£5,000	145.856554
Class B1	0.75%	1.00%	\$7,500	130.808491
Class C	0.75%	1.00%	£5,000	153.521303

*Ongoing Charge Fee
Full explanation of the Fund's charges can be found on
the KIID and the Costs & Charges sheet
Class A2 price as of 16th September

Top 10 Stock Holdings

Stock	Weight
Microsoft	4.17%
Apple	3.81%
Keyence	3.61%
Varta	3.40%
Roche Holding	3.12%
Nihon M&A Center	2.87%
United Parcel Services	2.71%
Novo-Nordisk	2.38%
Amazon	2.29%
Davide Campari-Milano	2.24%
Cash	7.42%

Geographical Split

United States	40.51%
Europe	25.66%
Japan	14.06%
United Kingdom	8.15%
India	2.79%
Singapore	1.41%
Cash	7.42%

Sectors

Communication Services	5.05%
Consumer Discretionary	18.03%
Consumer Staples	3.94%
Energy	0.00%
Financials	5.88%
Healthcare	15.20%
Industrials	17.93%
Materials	7.81%
Technology	17.71%
Utilities	1.03%
Cash	7.42%

Monthly Performance Data – Class A GBP

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2017	1.83%	3.16%	0.96%	-1.35%	5.19%	-1.18%	3.36%	3.97%	-2.29%	2.66%	0.39%	1.12%
2018	1.29%	1.17%	-3.96%	2.87%	4.95%	-0.07%	1.07%	3.13%	0.03%	-7.61%	1.36%	-4.90%
2019	3.79%	2.40%	3.61%	2.88%	-1.43%	5.33%	5.12%	-1.75%	1.15%	-2.29%	3.84%	0.98%
2020	-2.51%	-5.19%	-5.70%	7.56%	8.11%	2.63%	0.48%	3.82%	2.05%	-2.68%		

As we anticipated, October was a volatile month for global equities. The Vermeer Global Fund fell by 2.7% over the month compared to the global benchmark which declined by 3.2%. We have maintained a balanced portfolio in recent months as we feel it is appropriate to wait to have greater clarity as to US economic policy and how the COVID pandemic develops before committing to a more decisive strategy. We are currently sticking with the view that after a period of caution in the early part of the fourth quarter the stage will be set for a year-end rally as hopes for a better 2021 replace the traumatic events of 2020.

Over the month, the top five contributors to return were Sony, Trane Technologies, IPG Photonics, Orsted and Alphabet. The top five detractors to return were Varta, Ocado, Apple, Roche and Novo Nordisk.

The Fund added a new position in Shimano early in the month and the stock rallied strongly on its most recent results at the end of October. The election of Yoshihide Suga as Prime Minister, who is continuing a business-friendly policy for Japan, was a catalyst for the Fund to add this new position in early October. Shimano has a leading global position in supplying brakes, gears, pedals and wheels in the premium segment of the cycling industry. Increased usage of bikes for commuting in preference to the risks associated with public transport, is a significant driver of demand. City authorities throughout the world are encouraging cycling by creating cycle lanes and imposing even stricter carbon emission rules. The boom in cycling is set to continue and the mass adoption of E-bikes, which continues to gain popularity, should provide another leg to the growth case for Shimano.

At the end of the month, the “famous five” technology companies all reported results. Amazon produced an excellent set of results with revenue growing 36% as online grocery accelerated with continued levels of elevated retail demand as we head into the holiday season. The company is continuing to make significant investments to keep up with this increased demand, and management notably called out that they had increased their number of employees by over 50% on the prior year. Apple produced a solid set of results, whilst disappointing iPhone performance leading into the launch of the new line up was not unexpected in our opinion. The iPhone 12 is expected to generate double digit iPhone growth over the holiday quarter whilst the services and wearables divisions continue to perform exceptionally well. Alphabet reported perhaps the best set of results of the major tech companies with excellent performance from YouTube and Search whilst it was good to see the company announce they would increase disclosures in the Cloud segment moving forwards. Following the results, we have not changed our positions in any of the major tech related stocks held in the portfolio.

We are continuing to be very watchful in our approach to investment at the current time. Whilst we remain optimistic about the prospects of a year-end rally, the type of stocks and sectors that lead that rally remains very open to question. Hopefully, a timely outcome of the US election will give us greater clarity as to how to shape strategy and whether the leadership of growth equities will be maintained or whether a more value-oriented strategy could be more appropriate. In either event we will continue to focus on companies of high quality with strong management, strong balance sheets and cash flow.

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