Vermeer Global Fund

November 2021

VERMEER INVESTMENT MANAGEMENT

Investment Objective

The aim of the fund is the 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	6m	1 Year	3 Year	YTD
Class A	0.58%	10.50%	17.45%	61.77%	14.90%

	2017	2018	2019	2020	ITD*
Class A	18.99%	-2.03%	25.90%	17.60%	102.12%

**ITD performance based off Fund launch price*

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£53.4m
Estimated Yield	1.3%
No. of Holdings	60 holdings
Active Share	81.0%

Available Platforms:

7IM, AllFunds, Ascentric, Aviva for Advisors, Embark, FNZ, Hargreaves Lansdown, Novia, Pershing, Platform Securities, Raymond James, RBC, Rensburg, Succession, Transact, Fidelity, Old Mutual Wealth, Aegon Institutional

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	202.116607
Class A1	0.45%	0.70%	$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	152.036213
Class B	0.75%	1.00%	£5,000	182.286966
Class B1	0.75%	1.00%	$7,500	167.925023
Class C	0.75%	1.00%	£5,000	190.276706

**Ongoing Charge Fee*
Full explanation of the Fund's charges can be found on the KIID and the Costs & Charges sheet

Top 10 Stock Holdings

Stock	Weight
Microsoft	4.51%
BP	3.81%
Keyence	3.34%
Apple	3.16%
Novo Nordisk	2.88%
Toyota Motor	2.72%
Roche	2.66%
Amazon	2.60%
United Parcel Service	2.52%
Oracle	2.41%
Cash	8.14%

Geographical Split

United States	38.83%
Europe	21.73%
United Kingdom	14.69%
Japan	12.77%
India	2.56%
Singapore	1.28%
Cash	8.14%

Sectors

Communication Services	3.16%
Consumer Discretionary	17.83%
Consumer Staples	4.87%
Energy	4.47%
Financials	6.93%
Healthcare	11.25%
Industrials	17.11%
Materials	4.93%
Technology	21.31%
Utilities	0.00%
Cash	8.14%

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%	6.76%	2.22%
2021	-1.16%	-1.84%	2.60%	4.45%	0.01%	3.74%	2.10%	3.27%	-2.37%	2.87%	0.58%	

Commentary – November 2021

Global equity markets ended November lower, reversing solid gains from earlier in the month where equities were around 2% higher and retreated around 4% in the last few trading days of the month to close just over 2% lower in Dollar terms.

Having unsuccessfully introduced the concept of "transitory inflation" earlier this year, the recently reappointed Federal Reserve Chairman Jerome Powell announced in his testimony to the Senate Banking Committee that it was time to retire the phrase. The idea that the Federal Reserve was behind the curve served to increase anxiety in markets and further damaged risk sentiment that had already become increasingly fragile in recent weeks. Increasing fragility in markets was caused by a new strain of COVID that sent a tremor through global markets on the 26th November. The Omicron variant, which appears to have emanated in southern Africa, sent equities lower across the world, but was particularly severe for the more cyclical, reopening areas of the market.

Over the month, the top five contributors to return were Apple. Nvidia, Keyence, Sika and Evoqua Water Technologies. The top five detractors to return were Flutter Entertainment, BP, Disney, Varta and Zimmer Biomet.

We initiated a position in Caterpillar in November following a pull back in the shares and a good set of quarterly results. The company is exposed to structural tailwinds that allow us to play many different themes through one company. Many of Caterpillar's clients have held back on capex spending for many years, such as mining and rail companies and when combined with a positive macro backdrop and record low dealer inventories, we think this provides an attractive set up for the company over the next several years. With the stock trading on around 16.5x 2022 earnings, compared some US aggregates stocks that now trade on over 30x, we believe the stock is attractively valued given the investment case.

In recent years we have tried to think more carefully about the implications of the ongoing global energy transition, which has come into much sharper focus in recent months. The much-anticipated COP26 Global Summit, held in Glasgow in early November proved to be two weeks of large promises, but appeared to lack any decisive action plan. We believe that governments around the world are going to have to re-embrace nuclear power and across the world countries are commissioning nuclear projects to help facilitate the energy transition and we expect this progress to continue. As a result, we initiated a new position in Cameco, the world's largest publicly traded uranium producer. The company's tier one operations in Canada and Kazakhstan have licensed capacity of 53million pounds per annum and are backed up by extensive reserves. In recent years Cameco has demonstrated a strong discipline by holding inventory and utilising long term fixed price purchase agreements with their utility customers.

Towards the end of November, we increased the Fund's cash position to reflect the new uncertainty in markets caused by the new omicron COVID strain that has put a break on the relentless upward passage of global stock markets over the last 18 months. Our cash position of around 8% is at the top end of our normal allocation range reflecting short term caution whilst we try to get a better understanding of the economic implications of the new strain of the virus. This is combined with the fact that US authorities are now wrestling with inflation they apparently no longer regard as transitory.