Vermeer Global Fund

June 2024

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	YTD
Class A	2.66%	2.06%	15.26%	15.26%

	1 Year	3 Year	5 Year	ITD
Class A	21.38%	25.62%	70.55%	138.38%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£55.1m
Estimated Yield	1.4%
No. of Holdings	54 holdings
Active Share	77.3%

Available Platforms:

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

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.85%	£3million	238.375411
Class A3	0.25%	0.65%	£20million	172.643580
Class B	0.75%	1.15%	£5,000	213.332838
Class B1	0.75%	1.15%	$7,500	186.860433
Class C	0.75%	1.15%	£5,000	214.446183

**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	6.19%
Nvidia	5.05%
Oracle	3.70%
Novo-Nordisk	3.29%
Toyota Motor	2.82%
Keyence	2.70%
Amazon	2.57%
Alphabet	2.51%
Schneider Electric	2.50%
Ferrari	2.39%
Cash	9.79%

Geographical Split

United States	52.66%
Europe	16.88%
Japan	10.40%
United Kingdom	8.29%
India	1.98%
Cash	9.79%

Sectors

Communication Services	9.02%
Consumer Discretionary	13.16%
Consumer Staples	5.11%
Energy	5.12%
Financials	0.78%
Healthcare	13.97%
Industrials	18.48%
Materials	0.98%
Technology	23.59%
Utilities	0.00%
Cash	9.79%

Monthly Performance Data – Class A GBP

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
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%	18.99%
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%	-2.03%
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%	25.90%
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%	17.60%
2021	-1.16%	-1.84%	2.60%	4.45%	0.01%	3.74%	2.10%	3.27%	-2.37%	2.87%	0.58%	1.11%	16.17%
2022	-7.19%	-2.36%	3.96%	-4.42%	-2.73%	-5.03%	7.65%	-0.06%	-5.20%	2.86%	3.00%	-3.15%	-12.94%
2023	5.22%	0.22%	1.61%	0.25%	0.31%	2.44%	0.95%	-0.33%	-1.17%	-1.83%	5.44%	2.31%	16.25%
2024	2.97%	5.97%	3.49%	-2.50%	1.97%	2.66%							15.26%

Commentary – June 2024

Global equities enjoyed very strong performance in the first half of 2024. The Vermeer Global Fund rose by 15.3% compared to the IA Global Sector which increased 8.6%. Returns over the first half for the Fund were aided by strong performance from a number of our larger positions and thematic ideas. During June, the Vermeer Global Fund returned 2.7%, in line with global equity markets.

June ended a quarter for equities that was defined by a continued narrowing of market performance. During the second quarter, the average US equity was down 3%, while the S&P 500 was up nearly 4%, with growth equities further outperforming the index. US equities now account for around 72% of the global market while the largest 6 companies make up nearly 22% of the index. While the Fund has material positions in some of these mega-cap stocks, we remain underweight these names overall and have been reducing our weightings so far this year.

At the end of 2023 equities had performed strongly on the back of anticipated US interest rate cuts that were fuelled by dovish remarks from Fed Chair Jerome Powell at the final FOMC meeting of the year in December. Markets quickly moved to price in as many as six rate cuts, and none have as yet materialised. However, global stocks have managed to ignore this disappointment as the US economy has proved more resilient than expected and full year GDP growth is forecast to be around 2.5%. Expectations are still that there may be two rate cuts in late 2024 and we do see some signs from more recent economic data that the US economy has cooled, and consumer spending is weakening.

Over June the top five contributors to return were Oracle, Nvidia, Microsoft, Novo Nordisk and Eli Lilly. The top five detractors to return were Cameco, Carl Zeiss Meditec, Toyota Motor, Orange and Zimmer Biomet.

The continued sluggishness of the Chinese economy has impacted a number of our companies, especially in the health care sector. Danaher, which we have held for many years, expressed confidence that its biologics business would improve towards the end of the year as China bottoms out and the impact of the Inflation Reduction Act on drug development will also start to reduce. We have used weakness in the biologics sector to introduce Thermo Fisher Scientific as a new position in the portfolio, a business we have long admired but never previously owned. We think Thermo, like Danaher, is superbly managed, has a great track record on acquisitions and that current weakness is a great opportunity to accumulate shares as they head into what we believe will be a stronger 2025/26.

Our new position in Shin-Etsu Chemical reflects our desire to increase our exposure to the semiconductor space without buying something that has been totally correlated to the exponential rise in stocks like Nvidia. Shin-Etsu is a Japanese business which has world leading technology in the production of semiconductor silicon and photomasks so effectively is a key part of the supply chain for the industry hiding inside a chemical company. This inevitably impacts the rating the stock trades on but as we see increased demand for powerful chips, we expect Shin-Etsu to be a structural winner and distract attention away from the lowlier rated and lower returning more cyclical parts of the business, including the manufacturing of PVC.

We have increased our cash weighting in the portfolio to around 9%, which reflects a slightly more cautious view of the market, notably in the US after such a strong run. However, we do still see a number of attractive opportunities in new and existing ideas as the rise in the market has been very narrow recently and many stocks are actually down over the first half, despite global equity markets rising over 12%.