Vermeer Global Fund

April 2022

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	-4.42%	-2.98%	-8.43%	-9.95%

	1 Year	3 Year	5 Year	ITD
Class A	0.62%	36.69%	72.58%	84.02%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£53.7m
Estimated Yield	1.5%
No. of Holdings	57 holdings
Active Share	81.9%

Available Platforms:

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

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	184.015611
Class A3	0.25%	0.50%	£20million	137.117109
Class B	0.75%	1.00%	£5,000	165.757363
Class B1	0.75%	1.00%	$7,500	144.373371
Class C	0.75%	1.00%	£5,000	172.096793

**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
BP	4.86%
Apple	4.19%
Microsoft	3.99%
Novo-Nordisk	3.26%
Oracle	3.12%
Roche	2.96%
Toyota Motor	2.80%
Keyence	2.61%
United Parcel Service	2.41%
Amazon	2.34%
Cash	8.34%

Geographical Split

United States	43.12%
Europe	20.22%
United Kingdom	12.94%
Japan	10.92%
India	2.67%
Singapore	1.79%
Cash	8.34%

Sectors

Communication Services	5.47%
Consumer Discretionary	16.12%
Consumer Staples	5.57%
Energy	6.60%
Financials	3.75%
Healthcare	12.04%
Industrials	17.49%
Materials	4.62%
Technology	20.00%
Utilities	0.00%
Cash	8.34%

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%									-9.95%

April was a very difficult month for global equities. Markets were hit by a number of negative issues and a strong rally that began in March petered out and the month ended on a very weak note leading April to be the worst month for US equities since the last recession. The Vermeer Global Fund declined by 4.4% during the month, in line with global markets and is down 10% year to date.

The Federal Reserve has become materially more hawkish in recent months and as expected, increased interest rates by 50 basis points at its early May meeting and confirmed that it intends to start running off its balance sheet from 1st June. Having failed to tighten policy when the US economy rebounded very strongly in 2021, the Fed now faces a problem of having to tighten policy just when the US economy is potentially starting to slow and is at risk of accidentally causing a recession by raising rates too far, too fast in order to try and catch up to a more appropriate monetary policy setting. As a result, US government bonds have fallen very sharply and had a substantial knock on effect on global equity markets and also materially strengthened the Dollar.

Over April the top five contributors to return were Target, Novo-Nordisk, BP, Oxford Instruments and Burlington Stores. The top five detractors to return were Amazon, Nvidia, UPS, Ocado and Keyence.

The weakness of the Japanese Yen has had a considerable negative impact to the performance of the Vermeer Global Fund so far in 2022. We have been overweight Japanese equities for a considerable period of time and still strongly believe in the long term attractions of a number of companies in this market and are still looking to add further to this part of our portfolio. However, we have been taking a patient approach to this whilst the Yen depreciation had made it a virtually impossible task for Japanese equities to perform well in a global context. Ironically the Yen's weakness will be helping the competitiveness and profitability of many of Japan's export led companies.

The Fund saw little trading activity over the month. We trimmed our position in BP, rotating the capital into Cameco, our uranium mining position whilst taking some profits in Jack Henry following good performance this year and using the proceeds to add to our new position in Accenture.

For a very long time it feels as if there has been no alternative to equities for investors as cash and bonds have offered such a low return, but rapidly rising interest rates are altering this perception as ten year US Treasury yields have moved up to close to 3% at the end of April. We have modestly increased our cash weighting over the month to around 8%, which we feel is appropriate given so much uncertainty. We are looking to potentially add stocks that we do feel are treated excessively harshly on results if, in our judgement, they are only being temporarily impeded by supply chain issues that will ultimately prove to be transitory. However, with so much uncertainty in global markets likely in the coming months, we feel it is appropriate to continue to tread very carefully and maintain a higher than normal cash weighting.