

Vermeer Global Fund

August 2021



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	6m	1 Year	3 Year	YTD
Class A	3.27%	17.24%	23.26%	50.02%	13.74%

	2017	2018	2019	2020	ITD
Class A	18.99%	-2.03%	25.90%	17.60%	100.08%

Portfolio Manager

Tim Gregory

Inception Date 5th December 2016

Base Currency GBP

Dealing Daily

Initial Charge None

AUM £49.4m

Estimated Yield 1.5%

No. of Holdings 59 holdings

Active Share 83.3%

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	200.084031
Class A1	0.45%	0.70%	\$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	150.432236
Class B	0.75%	1.00%	£5,000	180.588832
Class B1	0.75%	1.00%	\$7,500	172.064908
Class C	0.75%	1.00%	£5,000	188.504140

*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	4.02%
Keyence Corp	3.37%
BP	3.23%
Roche	2.85%
Toyota Motor	2.81%
Novo-Nordisk	2.79%
United Parcel Service	2.60%
ASML	2.60%
Apple	2.45%
Target	2.19%
Cash	6.58%

Geographical Split

United States	36.56%
Europe	24.39%
United Kingdom	14.51%
Japan	14.02%
India	2.58%
Singapore	1.36%
Cash	6.58%

Sectors

Communication Services	3.76%
Consumer Discretionary	19.98%
Consumer Staples	3.71%
Energy	3.23%
Financials	7.45%
Healthcare	12.85%
Industrials	16.83%
Materials	6.31%
Technology	19.30%
Utilities	0.00%
Cash	6.58%

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%				

Commentary – August 2021

The Vermeer Global Fund rose 3.3% in August, slightly below global equity markets. Global equities produced another solid month of performance with a relentlessly strong US market, driven higher by a strong performance from the Nasdaq, which rose 4.1% in local currency. The S&P 500 rose 3% in August, outperforming most other global markets and further extending the outperformance of the US market in 2021.

News over the month revolved around the highly anticipated Jackson Hole Summit for global central bankers and continuing developments around Chinese regulatory actions. Jackson Hole highlighted the determination of Fed Chairman Jerome Powell to give a clear message to investors that he intends to continue with a policy that will be as accommodative as possible, to limit any disruption to asset prices, when some form of tapering of its bond buying programme finally occurs. Chinese government regulatory actions have had a significant negative impact on the performance of Asian stock markets so far this year. This has ranged from actions to restrict the power of Chinese tech companies along with comments from Chinese President Xi around “common prosperity”, which had a significant impact on the luxury goods sector over the month.

Over the month, the top five contributors to return were Keyence, Microsoft, Evoqua Water Technologies, ASML and Novo Nordisk. The top five detractors to return were IPG Photonics, Burlington Stores, Zimmer Biomet, Varta and Moncler.

We started a new position in Varonis Systems, a security software company with a market capitalisation of around \$7billion. This valuation is, almost inevitably, a somewhat forward looking one but reflects the structural growth prospects that the security software industry is likely to enjoy over the next few years. The zero-trust environment has gathered momentum as part of the COVID driven digital transformation, with companies seeking to protect themselves from the ever-increasing cyber security threat. Varonis provides a security platform that specialises in preventing employees having unnecessary access to data, allowing protection of enterprise data, sensitive emails and files along with confidential customer and employee data, financial records and many other aspects of intellectual property. Varonis believes it has a 15-year lead over its competition and is growing its revenue by around 30% per annum using a license and subscription model that is rapidly moving the company from break even to profitability.

Along with taking profits in our position in Japanese tyre manufacturer Bridgestone, we sold our position in fibre laser manufacturer IPG Photonics in August, after a very disappointing set of results and forecast. The results highlighted a weakening demand outlook and increased commoditisation in the all-important Chinese market, which represents over 30% of the company’s sales.

Although there appears to be ever increasing uncertainty surrounding the growth outlook for the global economy as we approach 2022, the overriding sentiment driving the performance of equities has been a continuation of loose monetary policy still adopted by central banks around the world, and most importantly by the Federal Reserve in the US. Market leadership has been firmly in the grip of the mega cap technology companies and we will be watching closely for any sign that this is changing as we head into the final quarter of the year.

Disclaimer: Further information about Vermeer UCITS ICAV including the current Prospectus and Key Investment Information Documents (“KIIDs”) can be found at www.vermeer.london.

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