Vermeer Global Fund

February 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	-1.84%	5.14%	23.43%	37.32%	-2.98%

	2017	2018	2019	2020	ITD
Class A	18.99%	-2.03%	25.90%	17.60%	70.66%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£38.6m
Estimated Yield	1.6%
No. of Holdings	60 holdings
Active Share	83.7%

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	170.661844
Class A1	0.45%	0.70%	$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	128.180595
Class B	0.75%	1.00%	£5,000	154.269070
Class B1	0.75%	1.00%	$7,500	148.889587
Class C	0.75%	1.00%	£5,000	161.030768

**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	3.84%
BP	3.63%
Apple	3.41%
Keyence Corp	3.04%
Roche	2.89%
Walt Disney	2.72%
Novo-Nordisk	2.48%
Nihon M&A Center	2.35%
Toyota Motor	2.34%
United Parcel Service	2.19%
Cash	5.30%

Geographical Split

United States	38.86%
Europe	25.08%
Japan	13.65%
United Kingdom	12.98%
India	2.61%
Singapore	1.52%
Cash	5.30%

Sectors

Communication Services	5.55%
Consumer Discretionary	19.85%
Consumer Staples	3.81%
Energy	3.63%
Financials	7.21%
Healthcare	12.67%
Industrials	15.66%
Materials	8.64%
Technology	17.68%
Utilities	0.00%
Cash	5.30%

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%										

Commentary – February 2021

February was another volatile month for global stocks and the Vermeer Global Fund underperformed global equity markets. The continued strength of Sterling has severely hampered our performance as the Pound has moved higher against all major currencies, helped by the tailwind of the Brexit deal and the very successful roll out of COVID vaccinations that is a long way ahead of anything achieved by most other countries in the Western world.

Over the month the top five contributors to return were BP, Walt Disney, Rio Tinto, Deutsche Bank and Moncler. The top five detractors to return were Varta, Keyence, Apple, Ocado and Nihon M&A Center.

We have been adding to our positions in the banks sector, increasing our position in Deutsche Bank, whilst introducing JP Morgan to the portfolio for the first time. We have long been admirers of JP Morgan and the higher return on capital it generates and although this is reflected in the valuation relative to other banks, we expect the company to return an enormous amount of surplus cash to shareholders through increased dividends and share buybacks, having reserved heavily against COVID-19 related losses in 2020. Deutsche Bank continues to be treated with deep scepticism by the investment community despite continuing to deliver on its turnaround plan. Deutsche's recent results continued to show the progress that has been made and management insists that it remains confident that it will achieve its target of an 8% return on equity whilst the bank's shares continue to trade below half of book value. We anticipate that Deutsche Bank will be able to return to the dividend list in 2022 and may also have a substantial amount of capital available to buy back shares, which will be very value accretive if the shares continue to trade at such low levels.

Our three Italian holdings all reported results in February. Moncler produced a stellar set of fourth quarter results given the continuing impact on its business from COVID. Q4 revenues increased mainly due to strong growth from Asia whilst Moncler is set to complete its acquisition of Stone Island at the end of March and is continuing to invest in its e-commerce proposition. Davide Campari also reported a very good quarter with continued growth in key brands although it remains impacted by closures in its on-premise market and lack of travel retail. Both Moncler and Campari should benefit as economies start to reopen and people being to travel again. Ferrari's results were in line with expectations and its 2020 performance highlighted the quality of its business model and strength of brand and its order book is covered into 2021 but we are currently reviewing the position as it continues to search for a new CEO following the surprise resignation Louis Camilleri late last year and its implications on Ferrari's longer term strategy.

We are continuing to operate with a balanced portfolio. We have been adding to the more value oriented parts of the portfolio, including energy and financials which until recently have performed so poorly but even after rallying from their lows still look good value relative to some of the more stretched, growth oriented areas of the market. We intend to continue with this policy whilst remaining vigilant with respect to the increasing risks from inflation and believe that the companies we are invested in are well managed, and have robust financial attributes which we continue to believe are a crucial combination for long term equity investment.