Vermeer Global Fund
January 2023

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	5.22%	4.96%	2.29%	5.22%

	1 Year	3 Year	5 Year	ITD
Class A	-1.29%	28.37%	52.39%	87.21%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£57.6m
Estimated Yield	1.7%
No. of Holdings	58 holdings
Active Share	83.1%

Available Platforms:

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

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	187.207575
Class A3	0.25%	0.50%	£20million	137.765243
Class B	0.75%	1.00%	£5,000	168.249107
Class B1	0.75%	1.00%	$7,500	143.583423
Class C	0.75%	1.00%	£5,000	172.320426

**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	4.47%
Novo-Nordisk	3.70%
Oracle	3.57%
Microsoft	3.38%
Apple	2.87%
Keyence	2.77%
Roche	2.67%
United Parcel Service	2.36%
Toyota Motor	2.25%
DBS Group	2.23%
Cash	11.20%

Geographical Split

United States	42.19%
Europe	21.21%
Japan	10.60%
United Kingdom	10.28%
India	2.29%
Singapore	2.23%
Cash	11.20%

Sectors

Communication Services	5.99%
Consumer Discretionary	13.47%
Consumer Staples	5.03%
Energy	6.57%
Financials	2.98%
Healthcare	13.37%
Industrials	17.15%
Materials	3.29%
Technology	20.95%
Utilities	0.00%
Cash	11.20%

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%												5.22%

Commentary – January 2023

January saw a surprisingly strong start for global equities. Investors began the year positioned very cautiously with a high level of expectation that markets would endure another tough start, as was the case in 2022. Many commentators believed that stocks would move lower in the first half of the year before recovering in the latter parts of 2023 to end the year broadly unchanged at the index level. However, expectations that economic growth could hold up better than forecast, the slowing of the pace of rate hikes from the Federal Reserve, the mild temperatures seen in Europe so far this winter, along with the reopening of the Chinese economy have helped investors regain some confidence and push global stocks 5% higher in Sterling terms in one month.

On the first day in February, the Federal Reserve raised interest rates by 25 basis points, continuing its push to get monetary policy into restrictive territory. Fed Chairman Jerome Powell reiterated his previous comments that rates would have to go higher in the battle to get inflation back to the Fed's 2% target. Mr Powell made several references to the current disinflation that is now emerging and did not push back aggressively on the prospect of rates falling later this year. However, interest rate futures continue to price in peak rates in the first half of 2023 with cuts forecast for later this year. We think interest rates cuts are unlikely unless the jobs market weakens considerably from the current situation, where the labour market remains very tight. The job openings data, known as JOLTS, continues to show that there are 11 million vacant jobs as of December, well above the normal run rate. This may keep wage growth elevated, limiting the Fed's desire to lower rates.

Over December the top five contributors to return were Cameco, Keyence, ASML, Nvidia and Apple. The top five detractors to return were Roche, IBM, Zimmer Biomet, Danaher and UnitedHealth.

We took a new position in Carl Zeiss Meditec in January, a company which is well known to us and one we have owned in the past that we see as a major beneficiary of China reopening its economy. Carl Zeiss is a world leader in ophthalmic devices, consumables, implants, and services. Demand for its products is driven by an ageing population in Europe and North America and the extremely high levels of myopia in South East Asia. To put this in context, China's myopia rate is 31%, which leads to an addressable market of 400 million people. Shares have been impacted since their peak in mid-2021 because of the virtual closure of the Chinese economy due to COVID, whilst its premium rating has also been affected by the selloff in highly rated growth stocks in early 2022. The Fund has started a position encouraged by forecasts of low double digit revenue growth over the medium term, coupled with a near term acceleration of China as it reopens. Carl Zeiss has a fantastically strong balance sheet with high levels of net cash that it could deploy on strategic acquisitions.

The strong start to the year for equities has been driven by a clear belief that interest rates are close to peak and that any potential recession in the US economy will be short and shallow, whilst Europe and China see a considerably improvement after a weak end to 2022. Continuing with our stated strategy, we have been adding to core positions and looking for new opportunities in quality franchises that have been struggling with supply chain issues and high input costs, which we anticipate will ease considerably in 2023.