

Vermeer Global Fund

October 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	2.86%	-2.54%	-3.08%	-12.72%

	1 Year	3 Year	5 Year	ITD
Class A	-11.24%	25.02%	49.29%	78.36%

Portfolio Manager	Tim Gregory
Inception Date	5 th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£53.4m
Estimated Yield	1.7%
No. of Holdings	55 holdings
Active Share	82.6%

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	178.356433
Class A3	0.25%	0.50%	£20million	133.032844
Class B	0.75%	1.00%	£5,000	160.419535
Class B1	0.75%	1.00%	\$7,500	129.067619
Class C	0.75%	1.00%	£5,000	166.554819

*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	4.65%
Apple	4.17%
Microsoft	3.68%
Oracle	3.56%
Novo-Nordisk	3.33%
Roche	3.25%
Keyence	2.43%
United Parcel Service	2.43%
Toyota Motor	2.42%
T-Mobile US	2.25%
Cash	12.45%

Geographical Split

United States	42.82%
Europe	19.13%
United Kingdom	10.49%
Japan	10.32%
India	2.55%
Singapore	2.24%
Cash	12.45%

Sectors

Communication Services	6.62%
Consumer Discretionary	13.30%
Consumer Staples	4.61%
Energy	6.73%
Financials	3.01%
Healthcare	12.50%
Industrials	16.57%
Materials	3.18%
Technology	21.03%
Utilities	0.00%
Cash	12.45%

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%			-12.72%

Perhaps unexpectedly, stocks staged a strong recovery in October after a very difficult September. The Dow Jones Industrial Average gained just over 14% for the month, its largest monthly increase since 1976. Over the month the Vermeer Global Fund returned just under 3%, below the global equity market.

US stocks rallied strongly in the second half of the month as the first suggestion that the Federal Reserve could ease back on the pace at which it raises interest rates crept into investors' thinking. Equity markets had remained in cautious mode early in the month as bond yields continued to rise. There seems little question to us that US authorities had begun to worry about the possible tail risks caused by a lack of liquidity in markets at a time when the Federal Reserve is due to step up its quantitative tightening plan.

In the UK, the 48 day reign of Liz Truss came to an end with the almost full reversal of the "mini-budget" policies proposed by the also now ex-Chancellor Kwasi Kwarteng that had led to a run on Sterling, the Gilt market, and created significant problems for parts of the UK pension industry. The ultimately unopposed appointment of Rishi Sunak as the new Prime Minister and Jeremy Hunt as the new Chancellor of the Exchequer has, for now at least, brought a degree of stability to the UK.

Over October the top five contributors to return were Oracle, BP, Caterpillar, Apple and Keyence. The top five detractors to return were Cameco, Amazon, Microsoft, Havells India and Danaher.

Over the month we exited our remaining position in Varta and added modestly to our position in Schneider Electric at the end of October following a highly credible set of results, once again highlighting the strength of the company's portfolio and the position of the business to benefit from the ongoing energy transition. The company confirmed that it would achieve its targeted double digit sales growth ambition in 2022 and noted that the increasing anxiety over future energy security was serving to underpin the company's long term prospects. We think Schneider is well managed and will be another company which in 2023 will benefit from an easing of inflation and supply chain related headwinds.

We also added to Davide Campari at the end of the month after the company reported excellent results and shortly afterwards announced the strategic acquisition of 70% of Wilderness Trail Distillery, a premium US bourbon & rye whiskey brand that is growing extremely quickly and will benefit materially from Campari's superb distribution capability. It is also quite clear that the weakness of the Euro has seen a flood of American tourists as the lockdowns have ended and further strengthened engagement with these brands. Campari shares have underperformed the broader market this year despite excellent results, and we believe that although 2023 may be a more difficult year for sales growth, the market is underestimating the amount of margin leverage the company will enjoy.

On an opportunistic basis, we have started to put some of our cash to work in October in line with our stated strategy, anticipating that equities would bottom out, for the short term at least, in October. We have added to high quality stocks within our portfolio that we see as having unduly underperformed in 2022 and still have a very bright long term future. We are monitoring a number of other ideas, both new and existing, for a further reduction of our cash. We were a little surprised that the rally we have already seen has gone so far so quickly, especially in light of weak earnings produced by mega cap tech stocks which form such a large percentage of the global and US benchmark. Many more companies are due to report earnings in November, and this may create further opportunities.

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