

Vermeer Global Fund

Q1 2018



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

1 Month	3 Months	6 Months	1 Year	2017	YTD	ITD
-3.96%	-1.58%	2.57%	10.43%	18.99%	-1.58%	19.36%

*ITD Date 5th December 2016

Top 10 Stock Holdings

Stock	Position
Microsoft	5.54%
Cisco Systems	4.64%
Keyence	3.64%
Citigroup	2.23%
Kose	2.21%
Statoil	2.19%
DBS Group	2.11%
Rio Tinto	2.00%
Ferrari NV	1.98%
Sika AG	1.94%
Cash	10.93%

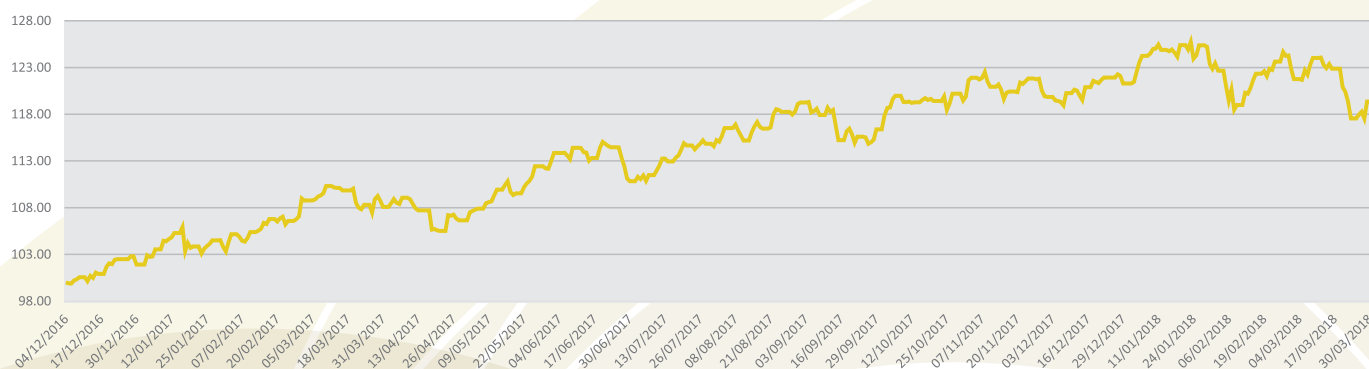
Portfolio Manager Tim Gregory

Inception Date:	5th December 2016
Base Currency:	Sterling
Dealing:	Daily
Initial Charge:	None
AUM:	c.£6.1million
Estimated Yield:	1.74%
No. of Holdings:	53
Active Share:	91.9%
Current Available Platforms:	Transact Nominees, Platform Securities, RBC, Pershing, Rensburg Nominees

Share Class	AMC*	OCF**	Min. Invest	Price
Class A	0.45%	0.70%	£3million	119.363
Class A1	0.45%	0.70%	\$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	-
Class B	0.75%	1.00%	£5,000	108.846
Class B1	0.75%	1.00%	\$7,500	105.698
Class C	0.75%	1.00%	£5,000	118.262

*Annual Management Fee
**Ongoing Charge Fee
Full explanation of the Fund's charges can be found on the KIID and Costs & Charges sheet

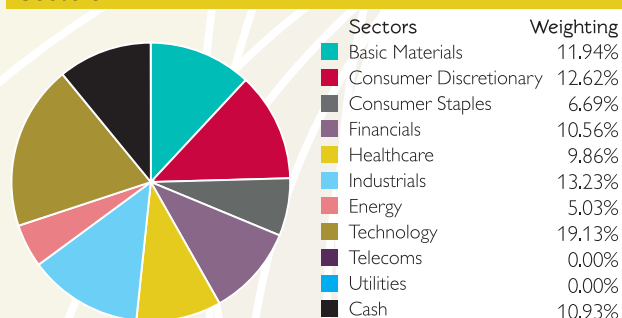
Performance Chart – Class A GBP



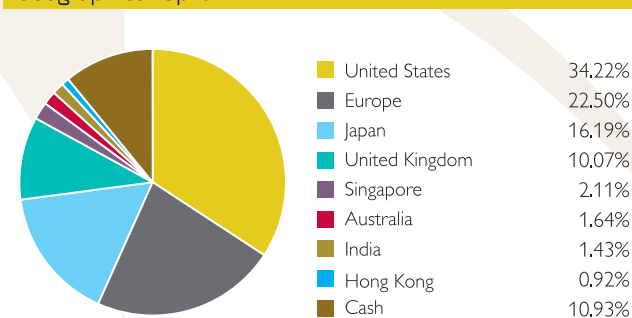
Monthly Performance Data - Class A GBP

	January	February	March	April	May	June	July	August	September	October	November	December
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%									

Sectors



Geographical Split



Commentary

March was a difficult month for global equity markets, which continued their recent declines after peaking in late January. The S&P 500 has declined 8% from its peak of 2,872 on 26th January whilst other global equity markets have also been weak with the EuroStoxx 600 and Japanese Nikkei down 8% and 11% from their respective highs.

Volatility has increased substantially of late and there have been seven falls of more than 2% on the S&P 500 in the last two months, by comparison there were no such falls of over 2% in the whole of 2017.

Over the quarter the top five contributors to performance were Kose, Nihon M&A Center, en-japan, Palo Alto Networks and Keyence. The top five detractors to performance were Toridoll, Maison du Monde, Citigroup, Deutsche Telekom and Chevron.

We made some significant changes to the portfolio in the first quarter of 2018, with the major change coming from a significant reduction in our weighting to the industrials sector. We sold positions in UPS, Fortive, Fastenal and dormakaba Group over the quarter as we had concerns due to a combination of high valuations, potential for escalation in trade war rhetoric and mixed company results.

Other changes included the sale of Toridoll after the company produced disappointing earnings along with concerns about the company's ambitions relative to the current size of the business. We also sold our position in Intel early in January following the announcement of the security issues discovered in their microprocessors that go back over a decade and we felt it was hard to quantify what long-term impact this may have on the company.

The Fund added new positions in the fertiliser sector via holdings in Mosaic and Nutrien, the latter of which was formed through the merger of Potash Corp of Saskatchewan and Agrium. We believe that these stocks are now at an attractive entry point after several difficult years for the industry.

In Europe the Fund added both GlaxoSmithKline and Puma as new holdings. We have monitored Glaxo since the launch of the Fund and believe that management, led by CEO Emma Walmsley, are taking the right strategic approach following the purchase of the remaining stake in their consumer health JV with Novartis and focusing on the R&D pipeline. Puma is trading at attractive valuation levels and has material opportunity to increase its market share in the US and China and the upcoming disposal of Kering's stake in the business should provide a catalyst for the company to deliver on the medium-term goals of 10% sales CAGR and a 10% margin target by 2022.

We are currently running a balanced portfolio, which we think reflects the uncertainty in the markets. We have over 10% cash which we would look to deploy into quality companies in the event that markets continue to drift lower or sell off sharply. The upcoming results season in the US should see double digit earnings growth, helped by lower tax rates, along with a strong general economy and higher oil prices.

We still see the highs the S&P reached in late January as a major ceiling this year that will not be passed anytime soon but we believe that there is some room to rally should there be an easing in trade related tensions. As has already been shown, there are plenty of good opportunities to generate solid returns from individual investments even if index levels are unable to make any significant progress.