

Vermeer Global Fund

Q1 2019



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	2018	YTD	ITD
3.61%	10.13%	-1.92%	9.62%	18.99%	-2.03%	10.13%	30.85%

*ITD Date 5th December 2016

Top 10 Stock Holdings

Stock	Position
Cisco Systems	5.40%
Microsoft	4.17%
Keyence	3.79%
Roche	2.89%
Varta AG	2.53%
Ferrari NV	2.50%
Madison Square Garden	2.27%
GlaxoSmithKline	2.24%
Davide Campari-Milano	2.23%
Alphabet - Class A	1.99%
Cash	12.94%

Portfolio Manager

Tim Gregory

Inception Date:	5th December 2016
Base Currency:	Sterling
Dealing:	Daily
Initial Charge:	None
AUM:	£17.65million
Estimated Yield:	1.96%
No. of Holdings:	56
Active Share:	90.3%
Current Available Platforms:	Transact, Transact Nominees, Platform Securities, RBC, Pershing, Rensburg Nominees, 7IM, Novia, Allfunds

Share Class	AMC	OCF**	Min. Invest	Price
Class A	0.45%	0.70%	£3million	130.850
Class A1	0.45%	0.70%	\$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	100.451
Class B	0.75%	1.00%	£5,000	118.963
Class B1	0.75%	1.00%	\$7,500	107.440
Class C	0.75%	1.00%	£5,000	127.042

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

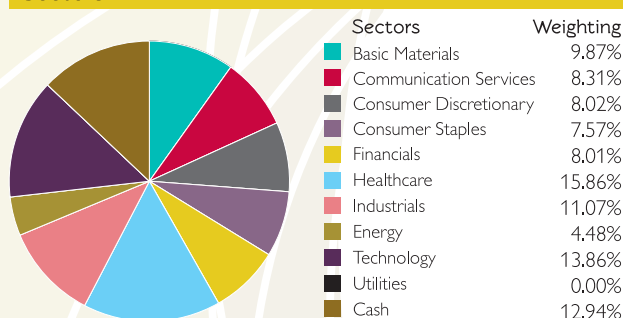
Performance Chart – Class A GBP



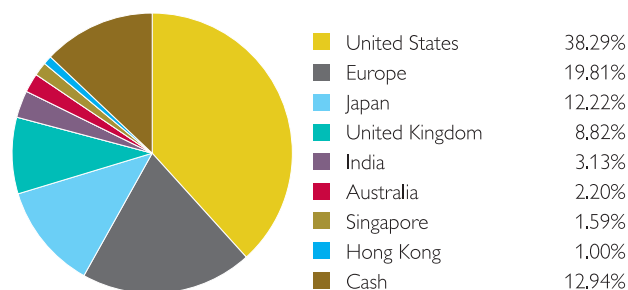
Monthly Performance Data – Class A GBP

	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%	2.87%	4.95%	-0.70%	1.07%	3.13%	0.03%	-7.61%	1.36%	-4.90%
2019	3.79%	2.40%	3.61%									

Sectors



Geographical Split



Commentary

The first quarter of 2019 was an excellent period for global equities, generating gains that far exceeded the pessimism that engulfed global markets in late 2018. Stocks posted gains in nearly all major regions but were led higher by a very strong 13% rally for the S&P 500, the best quarterly performance since 1990 and only the fourth time since then that the index has risen more than 10%.

The Vermeer Global Fund rose 10% in the first quarter of 2019 and was held back by the increase in the value of Sterling, which rallied over 2% against the Dollar in Q1 despite the continued uncertainty of the Brexit situation. Performance of the Fund was also held back by the high cash balances that we have continued to hold as a protection against a renewal of the uncertainty that overshadowed markets in the final quarter of 2018, which saw a decline from peak to trough of nearly 20% for the S&P 500.

Over the quarter the top five contributors to performance were Cisco Systems, Varta, Keyence, Microsoft and Nihon M&A Center. The top five detractors to performance were Sony, Renishaw, Medtronic, Treatt and Take Two Interactive.

In the first quarter the Fund switched its position in Medtronic into a new position in Becton Dickinson. Becton has grown very strongly in the last decade under the excellent supervision of CEO Vincent Forlenza, who we met in New Jersey during the quarter, and has overseen the acquisition of two transformational deals, Care Fusion in 2014 and CR Bard in 2017, which has broadened the spread of products the company offers and improved the research and development department capability of the overall company. Becton generates a very high level of recurring revenue making the company's view that they will be able to grow sustainably at 5-6% very credible and makes Becton a defensive growth asset in the medical devices industry.

In February the Fund sold its positions in Take-Two Interactive, creator of the highly successful gaming franchises Grand Theft Auto and Red Dead Redemption, after the company announced a disappointing outlook statement that accompanied their quarterly results. There is growing concern over the increasing threat to the traditional gaming industry from disruptive new entrants into the online esports market and from free to play games such as Fortnite and EA's new release Apex Legends.

The Fund increased its weighting in India during the quarter. India poses an interesting conundrum for investors; How to temper one's enthusiasm for the unparalleled opportunities to invest in the India economy, with its extremely favourable demographics, against the risks posed by India being a democracy, needing to import oil on a large scale and the inherently greater risks associated with an emerging economy. We switched our position in HDFC Bank ADR's into the local India line whilst also initiating small new positions IndusInd Bank who provide commercial bank microfinance loans, Wipro an IT outsourcing business and tractor manufacturer Escorts.

Late in March the Fund initiated a new position in Live Nation Entertainment, owner of Ticketmaster, which also runs concert venues and promotes music artists. We believe the business is in the early stages of its growth as millennials continue to spend a higher degree of their disposable income on experiences rather than on products. Whilst the shares have already performed well, we expect the company to continue to deliver strong long-term growth and benefit from a swathe of opportunities in the live entertainment market.

Following such a good run for stocks we anticipate that markets will now go through a period of consolidation as we move into the summer months and often a more seasonally difficult time for the market. However, we are still finding plenty of new opportunities to invest in for the Fund and have plenty of cash to put to work as these opportunities arise. We see good value in UK equities and have several potential opportunities if the Brexit uncertainty clears.