Vermeer Global Fund

Q2 2018

VERMEER
INVESTMENT MANAGEMENT

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
-0.70%	7.20%	5.51%	15.45%	18.99%	5.51%	27.96%

*ITD Date 5th December 2016

Top 10 Stock Holdings

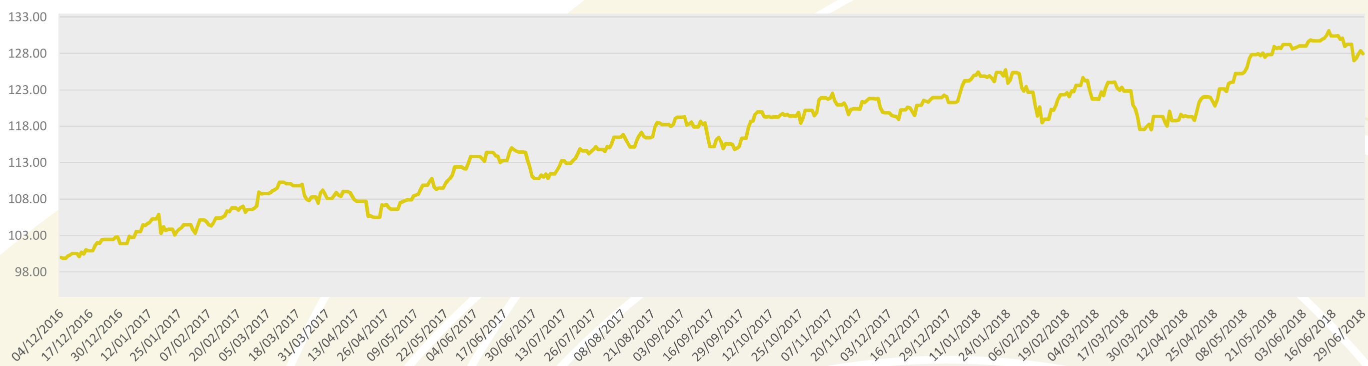
Stock	Position
Microsoft	5.41%
Cisco Systems	4.31%
Keyence	3.56%
Madison Square Garden	2.12%
Ferrari NV	2.08%
Nihon M&A Center	2.04%
Rational AG	1.94%
Equinor	1.91%
DBS Group	1.85%
Chevron	1.84%
Cash	9.54%

Portfolio Manager	Tim Gregory
Inception Date:	5th December 2016
Base Currency:	Sterling
Dealing:	Daily
Initial Charge:	None
AUM:	£15.7million
Estimated Yield:	1.77%
No. of Holdings:	60
Active Share:	91.6%
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	127.961
Class A1	0.45%	0.70%	$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	98.740
Class B	0.75%	1.00%	£5,000	116.598
Class B1	0.75%	1.00%	$7,500	106.709
Class C	0.75%	1.00%	£5,000	126.685

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

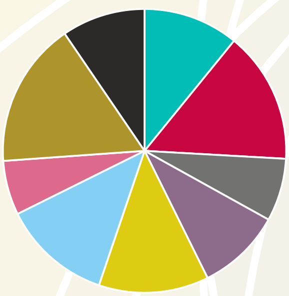
Performance Chart – Class A GBP



Monthly Performance Data - Class A GBP

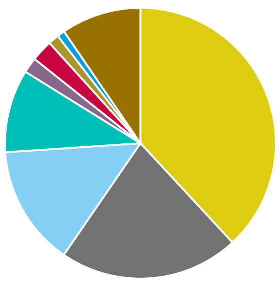
	January	February	March	April	May	June	July	August	September	October	November	December
2017	1.83%	3.16%	0.96%	-1.35%	5.19%	-1.18%	3.36%	3.97%	-2.29%	2.66%	0.39%	1.12%
2018	1.29%	1.17%	-3.96%	2.87%	4.95%	-0.70%						

Sectors



Sectors	Weighting
Basic Materials	10.88%
Consumer Discretionary	15.01%
Consumer Staples	7.16%
Financials	9.61%
Healthcare	12.55%
Industrials	12.46%
Energy	6.19%
Technology	16.59%
Telecoms	0.00%
Utilities	0.00%
Cash	9.54%

Geographical Split



United States	38.09%
Europe	21.49%
Japan	14.36%
United Kingdom	9.91%
Singapore	1.85%
Australia	2.57%
India	1.29%
Hong Kong	0.90%
Cash	9.54%

Commentary

Global equities had a turbulent month in June as talk of a trade war between the US and China intensified once again. As President Trump and President Xi Jinping exchanged tit for tat barbs on tariffs, investors became nervous about the likely implication of restrictions on investment by Chinese companies into US technology related industries.

Despite this, markets were little changed and for the 6 months to the end of June global equities have been able to make headway in Sterling terms as once again the Pound suffered bouts of material weakness. The MSCI World Index returned 3.5% in GBP over the first half of the year, with the majority of that gain coming from the weakness of Sterling. European markets made little progress over the first half of the year with the Stoxx 600 and FTSE 100 returning 0.1% and 1.6% in local currency respectively. The Japanese Topix closed the half year with a negative 3.7% return.

Over the second quarter the top five contributors to performance were Microsoft, Equinor, Rio Tinto, Ferrari and Varta. The top five detractors to performance were Fanuc, Nihon M&A Center, en-Japan, Keyence and Xylem.

During the second quarter we increased the number of positions in the Fund to our maximum of 60 names increasing the overall balance of the portfolio. This came from replacing some existing stocks with new ideas and adding positions in companies that have been on our watchlist for some time. However, at the end of the quarter we took the strategic decision to move to an overweight position in healthcare. Valuations in the sector remain attractive and companies will benefit from the structurally changing demographics in developed economies.

We rotated capital from the sale of Smith & Nephew into Philips. After finally spinning off their lighting division, Philips is now a pure healthcare stock which we believe has an improving earnings growth profile and has made some interesting acquisitions with long term potential. We also added new positions in medical technology stocks Zimmer Biomet and Intuitive Surgical, and Novo Nordisk in the pharmaceutical space.

We added a new position in luxury goods company Moncler, whose roots lie in mountaineering apparel, from which is has developed a far broader range of products. We met with the company in Milan earlier in the year and are very optimistic about the company's prospects, especially for the long term in China, where the Winter Olympics is to be hosted in 2022.

In the technology space we bought back our position in Broadcom, which we sold during the period of uncertainty over their failed bid for Qualcomm. With this overhang on the shares now removed the company can now go back to focusing on the organic growth of its franchises, expand margins and use their exceptional cash flows to increase dividends and buy back shares or use for bolt on M&A. Broadcom trades at a valuation discount to peers and presents an attractive risk reward at these levels.

In the media content space, we added a position in Madison Square Garden, owner of the New York Knicks basketball and New York Rangers ice hockey franchises along with the eponymous entertainment venue. The company has a very strong balance sheet with over $1billion in cash and is using this to expand their number of venues, both in the US and internationally. In addition to this, at the end of the quarter they announced that they are exploring the possibility of spinning off their sports franchises into a separately listed entity. We believe that the value being placed on the shares by the market on the sum of the parts basis still materially undervalues the company.

Whilst we find the daily "noise" of the global stock market almost impossible to decipher on day-to-day basis, as it is now almost entirely driven by politics after years of being controlled by central banks, we continue to believe that markets will continue to struggle to make material progress in the short term. We have been able to find many new investment ideas that we have implemented into the portfolio, and also have a growing list of reserve stocks that are potentially ready to be promoted into the portfolio, particularly if any of our existing companies run into any difficulties.