Vermeer Global Fund

Q2 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.

Portfolio Manager	Tim Gregory
Inception Date:	5th December 2016
Base Currency:	Sterling
Dealing:	Daily
Initial Charge:	None
AUM:	£19.3million
Estimated Yield:	1.83%
No. of Holdings:	56
Active Share:	88.7%
Current Available Platforms:	Transact, Transact Nominees, Platform Securities, RBC, Pershing, Rensburg Nominees, 7IM, Novia, Allfunds

Rolling Performance – Class A GBP

1 Month	3 Months	6 Months	1 Year	2017	2018	YTD	ITD
5.33%	6.82%	17.64%	9.23%	18.99%	-2.03%	17.64%	39.77%

*ITD Date 5th December 2016

Share Class	AMC	OCF**	Min.Invest	Price
Class A	0.45%	0.70%	£3million	139.772
Class A1	0.45%	0.70%	$5million	-
Class A2	0.25%	0.50%	£20million	-
Class A3	0.25%	0.50%	£20million	107.354
Class B	0.75%	1.00%	£5,000	126.980
Class B1	0.75%	1.00%	$7,500	111.663
Class C	0.75%	1.00%	£5,000	135.603

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

Top 10 Stock Holdings

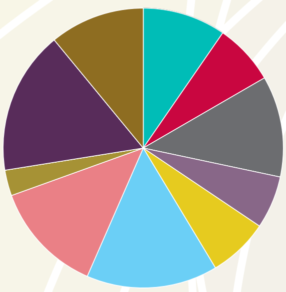
Stock	Position
Cisco Systems	5.14%
Microsoft	4.45%
Varta AG	4.42%
Keyence	3.51%
Ferrari NV	2.84%
Roche	2.77%
Walt Disney	2.76%
Davide Campari-Milano	2.09%
Ciena	2.05%
Madison Square Garden	2.03%
Cash	10.95%

Performance Chart – Class A GBP

Monthly Performance Data - Class A GBP

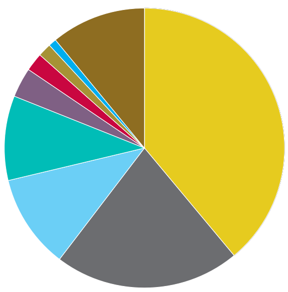
	January	February	March	April	May	June	July	August	September	October	November	December
2017	1.83%	3.16%	0.96%	-1.35%	5.19%	-1.18%	3.36%	3.97%	-2.29%	2.66%	0.39%	1.12%
2018	1.29%	1.17%	-3.96%	2.87%	4.95%	-0.70%	1.07%	3.13%	0.03%	-7.61%	1.36%	-4.90%
2019	3.79%	2.40%	3.61%	2.88%	-1.43%	5.33%						

Sectors



Sectors	Weighting
Basic Materials	9.61%
Communication Services	7.04%
Consumer Discretionary	11.68%
Consumer Staples	6.09%
Financials	6.96%
Healthcare	15.16%
Industrials	12.95%
Energy	2.97%
Technology	16.59%
Utilities	0.00%
Cash	10.95%

Geographical Split



United States	38.96%
Europe	21.42%
United Kingdom	10.90%
Japan	9.78%
India	3.44%
Australia	2.11%
Singapore	1.54%
Hong Kong	0.92%
Cash	10.95%

Commentary

The second quarter of 2019 was a volatile period for global equity markets as poor performance from markets in May and a subsequent strong rebound in June led to the global benchmark rising just under 4% in the quarter and 6.4% in Sterling thanks to the weakening of the Pound. The Vermeer Global Fund ended the quarter up 6.8%, slightly ahead of the global benchmark.

The recent rebound in global equities in June represents a major victory for hope over current economic reality. Recent manufacturing PMI data from all over the world is showing the negative impact that trade tensions have created in the global economy. Whilst global stock markets have performed very strongly this year, much of this has been based on the belief that a trade deal will be done leading to a strong recovery in the industrial parts of the economy that have suffered the most because of the uncertainty that has been created. Although the messages that emanated from the G20 meeting in Japan at the end of the quarter were once again hopeful that a deal can be cut, this is highly unlikely to lead to any recovery in investment spending by companies until they are genuinely more confident of the landscape that lies ahead.

Over the quarter the top five contributors to performance were Varta, Microsoft, Ferrari, Sony and Sika. The top five detractors to performance were Escorts, Philip Morris, Takeda Pharmaceutical, Nihon M&A Center and ITV.

During the quarter the Fund increased its weighting in India by adding Shree Cement as a new position. We met with senior management in London shortly after Prime Minister Modi was confirmed as having won a second term in the Indian general election. The Indian cement industry is a natural winner from Mr Modi's plans to invest heavily to improve India's infrastructure. Just as importantly the management of Shree is strongly of the view that pricing is set to improve for the industry as supply and demand is now in balance after a period where excess supply held down cement prices for a long period of time. Shree has been a wonderful performer for many years, as management has built a very strong network in the north of India but is well positioned to continue with this success as much needed improvements in transport infrastructure and ongoing urbanisation all create a strong structural growth driver for the industry.

The Fund added a new position in climate control specialist Ingersoll Rand, following the announcement that it is merging its industrial unit with Gardner Denver. This decision will allow the faster growing climate control part of the business to be a standalone unit that we anticipate will trade for a higher EBITDA multiple than is currently implied by its valuation.

Following the addition of Disney to the portfolio after their investor day in early April, we have continued to add to the position over the quarter as we feel the investment case for the company is becoming more compelling following the announcement of their Disney+ direct to consumer streaming service . Disney shares have materially underperformed the market in recent years as investors have fretted over the demise of the cable television model that has been so important in driving profitability, notably at sports broadcaster ESPN. During this period, Disney has had incredible success with its studios business, as both Marvel and Star Wars have delivered blockbuster movies that have continued to perform well at the box office, but this has largely been ignored by investors. The announcement that the new service will cost only $6.99 per month and will include a lot of high-quality Disney content at launch should attract a very large and loyal audience and ultimately be a significant profitable addition to Disney's business model.

Early in the quarter we made the decision to switch the Fund's position in Equinor into Royal Dutch Shell. The company delivered exceptional results earlier in the quarter which notably highlighted the strong cash flows from the business. Following this Shell announced at their capital markets day in June, that the company is targeting $35billion of FCF by 2025 and is set to return around $176billion to shareholders which equates to a return of around 10% per annum.

We are continuing to find new ideas to add to our portfolio and have confidence in the ability of our companies to manage their way through the current turbulent economic and political period.