

# Vermeer Global Fund

September 2020



## 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	1 Year	3 Year
Class A	2.05%	6.45%	27.04%	13.45%	42.33%

	2017	2018	2019	YTD	ITD
Class A	18.99%	-2.03%	25.90%	10.73%	65.64%

**Portfolio Manager** Tim Gregory

**Inception Date** 5<sup>th</sup> December 2016

**Base Currency** GBP

**Dealing** Daily

**Initial Charge** None

**AUM** £34.5m

**Estimated Yield** 1.25%

**No. of Holdings** 59 holdings

**Active Share** 82.4%

**Available Platforms:**

7IM, AllFunds, Ascentric, Aviva for Advisors, Embark, FNZ, Hargreaves Lansdown, Novia, Pershing, Platform Securities, Raymond James, RBC, Rensburg, Succession, Transact

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	165.642412
Class A1	0.45%	0.70%	\$5million	-
Class A2	0.25%	0.50%	£20million	114.438731*
Class A3	0.25%	0.50%	£20million	125.767582
Class B	0.75%	1.00%	£5,000	149.914956
Class B1	0.75%	1.00%	\$7,500	134.167803
Class C	0.75%	1.00%	£5,000	157.792974

\*Ongoing Charge Fee  
Full explanation of the Fund's charges can be found on the KIID and the Costs & Charges sheet  
Class A2 price as of 16<sup>th</sup> September

## Top 10 Stock Holdings

Stock	Weight
Microsoft	4.29%
Apple	4.01%
Varta AG	3.77%
Keyence	3.67%
Roche	3.28%
Nihon M&A Center	2.75%
United Parcel Service	2.54%
Novo-Nordisk	2.54%
Amazon	2.35%
Davide Campari-Milano	2.32%
Cash	6.27%

## Geographical Split

United States	41.45%
Europe	26.68%
Japan	12.78%
United Kingdom	8.80%
India	2.66%
Singapore	1.36%
Cash	6.27%

## Sectors

Communication Services	5.29%
Consumer Discretionary	17.59%
Consumer Staples	4.12%
Energy	0.00%
Financials	5.81%
Healthcare	15.64%
Industrials	17.90%
Materials	7.46%
Technology	19.03%
Utilities	0.89%
Cash	6.27%

## Monthly Performance Data – Class A GBP

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
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%	-0.07%	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%	5.12%	-1.75%	1.15%	-2.29%	3.84%	0.98%
2020	-2.51%	-5.19%	-5.70%	7.56%	8.11%	2.63%	0.48%	3.82%	2.05%			

## Commentary – September 2020

---

As is often the case, September was a volatile month for global equities. From 2<sup>nd</sup> September when markets peaked, the S&P 500 declined 9.5% before rallying into the quarter end to finish the month down 3.8%, which was still the worst month since March this year at the peak of the COVID-19 financial dislocation. For the quarter global equities rose by around 3.5% in Sterling and the Vermeer Global Fund performed slightly better than the global benchmark over the period, rising 6.5%.

Over the month the top five contributors to return were Pets at Home, Keyence, Nihon M&A Center, Rational and Davide Campari-Milano. The top five detractors to return were Ciena, Apple, Varta, Lululemon and Microsoft.

We initiated a new position in water treatment company Evoqua Water Technologies. We have long liked water as a long-term investment theme and Evoqua provides critical water and wastewater treatment solutions and is the largest player in the space in North America. The company has strong recurring revenue and a fragmented market will allow for M&A to add to its organic growth over the longer term. Evoqua has moved past the difficulties it faced following its IPO in 2017 and learnt from its mistakes and whilst shares got hit hard during the COVID-19 related sell off due to the company's high leverage, having met with the company several times, we are confident that management are now focused on driving sustainable FCF and improving its balance sheet. In order to build a new position in Evoqua we sold our position in Manchester United.

During September, the two sporting goods companies that we own, Lululemon and Nike, both reported earnings. Both companies produced excellent results, driven by continued strong digital growth and the benefit of a reopening store base. Both companies have used the lockdown period to drive customer engagement and tie in consumers to their various digital platforms. Nike management commented that members of two or more Nike apps have a lifetime spend 4x that of non-members.

Pets at Home performed exceptionally well in September, helped by an excellent trading update which showed that momentum seen in its first quarter had continued. Pets noted that it has continued to see double digit like for like sales growth in both its retail and veterinary operations into the second quarter with profit now forecast to be higher than market expectations. Demand for pets has been very strong with the COVID-19 induced lockdown accelerating already encouraging pet ownership trends, which we believe will help Pets at Home to grow over the longer term as they acquire new customers and benefit from investments made in its digital and membership offerings.

We are retaining a balanced portfolio and a cash position of around 6% to reflect the current uncertainty we see in the near term. Over the coming weeks, the investment picture should become clearer as the US election and Brexit negotiations hopefully resolve themselves. However, the COVID-19 pandemic still creates a huge degree of uncertainty, but the market is likely to be buoyed by the possibility that the authorities approve a vaccine that becomes widely available at some point in 2021.

*Disclaimer: Further information about Vermeer UCITS ICAV including the current Prospectus and Key Investment Information Documents ("KIIDs") can be found at [www.vermeer.london](http://www.vermeer.london). Past performance may not be a reliable guide to future performance. Investments can go down as well as up and therefore the return on investment will necessarily be variable. Income may fluctuate in accordance with market conditions and taxation arrangements. Changes in exchange rates may have an adverse effect on the value, price or income of the product. Vermeer Investment Management Limited is authorised and regulated by the Financial Conduct Authority (Financial Register Number 710280) and is incorporated in the United Kingdom (Company Number 09081916). Registered Office Address: 130 Jermyn Street, London, SW1Y 4UR. Vermeer UCITS ICAV ("the Fund") is registered with the Central Bank of Ireland as an open-ended umbrella-type Irish collective asset management vehicle with variable capital (Register Number C154687). Opinions expressed whether specifically or in general or both on the performance of individual securities and in a wider economic context represent our view at the time of preparation. They are subject to change and should not be interpreted as investment advice. This document is intended for use by shareholders of the Fund, persons who are authorised to carry out investment business, professional investors and those who are permitted to receive such information. Nothing in this document should be construed as giving investment advice or any offer, invitation or recommendation to subscribe to the Fund. Any decision to subscribe should be based on the Fund's current Prospectus and KIIDs.*