Vermeer Global Fund

February 2023

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

	1m	3m	6m	YTD
Class A	0.22%	2.13%	2.58%	5.45%

	1 Year	3 Year	5 Year	ITD
Class A	1.32%	35.70%	50.96%	87.62%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£57.2m
Estimated Yield	1.8%
No. of Holdings	57 holdings
Active Share	82.9%

Available Platforms:

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

Share Class	AMC	OCF*	Min	Price
Class A	0.45%	0.70%	£3million	187.620666
Class A3	0.25%	0.50%	£20million	138.090420
Class B	0.75%	1.00%	£5,000	168.581560
Class B1	0.75%	1.00%	$7,500	140.387233
Class C	0.75%	1.00%	£5,000	172.660924

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

Top 10 Stock Holdings

Stock	Weight
BP	5.07%
Novo-Nordisk	3.93%
Oracle	3.64%
Microsoft	3.52%
Apple	3.04%
Keyence	2.72%
Roche	2.55%
United Parcel Service	2.40%
Toyota Motor	2.18%
DBS Group	2.15%
Cash	9.80%

Geographical Split

United States	42.95%
Europe	22.32%
United Kingdom	10.87%
Japan	10.16%
Singapore	2.15%
India	1.75%
Cash	9.80%

Sectors

Communication Services	6.44%
Consumer Discretionary	13.25%
Consumer Staples	5.16%
Energy	7.20%
Financials	2.91%
Healthcare	13.22%
Industrials	17.55%
Materials	3.09%
Technology	21.38%
Utilities	0.00%
Cash	9.80%

Monthly Performance Data – Class A GBP

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
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%	18.99%
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%	-2.03%
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%	25.90%
2020	-2.51%	-5.19%	-5.70%	7.56%	8.11%	2.63%	0.48%	3.82%	2.05%	-2.68%	6.76%	2.22%	17.60%
2021	-1.16%	-1.84%	2.60%	4.45%	0.01%	3.74%	2.10%	3.27%	-2.37%	2.87%	0.58%	1.11%	16.17%
2022	-7.19%	-2.36%	3.96%	-4.42%	-2.73%	-5.03%	7.65%	-0.06%	-5.20%	2.86%	3.00%	-3.15%	-12.94%
2023	5.22%	0.22%											5.45%

Commentary – February 2023

After a very strong start to the year, stocks retraced some of their gains as a string of positive economic data releases from the United States led investors to reassess the likely path of interest rates through the remainder of 2023. In January investors had warmed to the theme that rates may be near or even at a peak and would be coming down before the year end. However, a very strong employment report was accompanied by stubbornly high inflation data leading to the likelihood that rates must go up further and there would be no rate cuts in 2023. The Vermeer Global Fund was slightly positive over the month of February, around 1% better than global equities.

In Japan, we are awaiting the confirmation of a new Governor of the Bank of Japan whom many commentators believe will set a new interest rate policy and abandon the yield curve management strategy that has been in place for many years. Frustratingly, uncertainty over policy has once again led to a weakening yen against the US Dollar, hindering the performance of our Japanese equity portfolio.

Although the US market has given back some ground it is still well above the lows of last year. We remain of the view that for now equities are likely to remain in a trading range, enabling us to worry less about substantial rallies or falls in benchmark indices and to concentrate on the individual performance of stocks within our portfolio and new ideas generation.

Over February the top five contributors to return were BP, Nvidia, Novo-Nordisk, Orange and Linde. The top five detractors to return were Alphabet, Newmont, Roche, DBS Group and Shiseido.

The fund made little changes to the portfolio over the month although we exited our position in Divi's Laboratories following a poor set of results. We are concerned that the company will continue to struggle to fill its recently expanded capacity, which is likely to materially impact its profitability.

Artificial intelligence was a dominant theme over the month of February, helping continue Nvidia's bright start to the year. Investors have correctly identified the company as one of the best placed to benefit from the explosive growth, we are likely to see in this area as the use of AI in business begins to become far more mainstream. Nvidia's powerful GPU chips are already seeing a pickup in demand that is linked to this increased interest in AI. CEO Jensen Huang believes this is just the start of a new era for computing, which will see Nvidia grow strongly both in hardware and software related products.

Cash in our portfolio has risen back towards the 10% level. This does not signal that we have once again become very pessimistic about the outlook for equities but rather that we are remaining patient to find new ideas for our portfolio. Given that we believe the market is likely to remain rangebound, we are not prepared to chase stocks which have got to excessive valuations in the short term.