Vermeer Global Fund

March 2024

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	3.49%	12.93%	19.60%	12.93%

	1 Year	3 Year	5 Year	ITD
Class A	22.51%	33.39%	78.49%	133.56%

Portfolio Manager	Tim Gregory
Inception Date	5th December 2016
Base Currency	GBP
Dealing	Daily
Initial Charge	None
AUM	£49.9m
Estimated Yield	1.4%
No. of Holdings	53 holdings
Active Share	78.4%

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%	0.85%	£3million	233.555065
Class A3	0.25%	0.65%	£20million	169.067420
Class B	0.75%	1.15%	£5,000	209.176583
Class B1	0.75%	1.15%	$7,500	182.915647
Class C	0.75%	1.15%	£5,000	210.268238

**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
Microsoft	6.46%
Nvidia	4.09%
Novo-Nordisk	3.88%
Toyota Motor	3.84%
Oracle	3.65%
Ferrari	3.24%
Keyence	3.17%
Linde	2.84%
ASML	2.70%
Amazon	2.66%
Cash	2.57%

Geographical Split

United States	55.18%
Europe	19.83%
Japan	11.40%
United Kingdom	9.12%
India	1.90%
Cash	2.57%

Sectors

Communication Services	9.64%
Consumer Discretionary	14.65%
Consumer Staples	5.41%
Energy	5.17%
Financials	0.74%
Healthcare	14.72%
Industrials	21.45%
Materials	0.27%
Technology	25.38%
Utilities	0.00%
Cash	2.57%

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%	1.61%	0.25%	0.31%	2.44%	0.95%	-0.33%	-1.17%	-1.83%	5.44%	2.31%	16.25%
2024	2.97%	5.97%	3.49%										12.93%

Commentary – March 2024

March was another positive month for global equities, rounding out a very strong quarter for world stock markets. The Vermeer Global Fund rose 3.5% in March, taking year to date gains to 12.9% compared to the 10% return for the global equity market.

US economic performance in 2024 has continued to be more robust than had been anticipated by many commentators. After numerous upward revisions, 2023 GDP growth came in at 2.5% and the first quarter of 2024 is currently expected to see growth of around 2%. As a result, US interest rate cut expectations have considerably eased over the last three months.

Over March the top five contributors to return were Nvidia, Oracle, Novo-Nordisk, Rolls Royce and Alphabet. The top five detractors to return were Varonis Systems, Accenture, Uber, Siemens and Apple.

Although expectations of sizeable interest rate cuts drove stocks higher in early 2024, equity markets have not been negatively impacted by this shift in rate expectations thus far this year. A more resilient economy has helped deliver better than expected earnings growth. Although it is easy to point to the power of the booming AI trade for this performance and the incredible strength of shares like Nvidia, which is up an astonishing 82% year to date, the reality is somewhat different. Looking at our own portfolio, there has been a far broader spectrum of success in the first quarter, with strong performances from Carl Zeiss Meditec, Disney, Oracle, Burlington Stores and notably Toyota Motor, all from different sectors and contributing to a positive start to the year.

After a long period of very poor performance, we have added to our holding in Shimano, the Japanese manufacturer of bicycle and fishing components. After a COVID inspired boom, the cycling industry has been going through a long and painful inventory readjustment, which we believe will end in 2024. Investors rarely focus on the company's world leading position in the fishing industry, but the reality is that this is also a very valuable asset from which the company generates very good returns. Shimano management has the opportunity to return a considerable amount of capital to shareholders as it has over 20% of its current market capitalisation in cash and this is leading to management facing increasing investor pressure to be more shareholder friendly.

Accenture shares are virtually unchanged this year after the stock fell back around 10% following its results that could not meet lofty AI expectations. We trimmed our position at around $378 into results, fearing there was little that the company could say in the short term that would justify the move in the stock price since May of last year, rising 44% with little change to earnings expectations. Although AI related revenue is growing strongly, the traditional core consulting business is being held back by economic headwinds that are still hindering the spending of small and medium-sized businesses. We strongly believe that Accenture is extremely well placed to benefit from the increased adoption of AI by many companies and are looking for an opportunity to add back to our position in the future.

We are still running broadly fully invested with a month end cash position of around 2.5% but do sense that the market may continue to broaden out and are looking at overall portfolio construction in that context. While we remain cautiously optimistic about the prospects for global equities, we will be using the upcoming results season as a barometer for both our existing positions and a number of stocks that currently sit on our watch list.