

Vermeer Global Fund

August 2024



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	0.44%	1.93%	4.87%	14.44%

	1 Year	3 Year	5 Year	ITD
Class A	19.78%	18.29%	63.96%	136.68%

Portfolio Manager

Tim Gregory

Inception Date 5th December 2016

Base Currency GBP

Dealing Daily

Initial Charge None

AUM £60.8m

Estimated Yield 1.5%

No. of Holdings 59 holdings

Active Share 77.7%

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	236.678955
Class A2	0.25%	0.65%	£20million	115.319993
Class A3	0.25%	0.65%	£20million	171.473944
Class B	0.75%	1.15%	£5,000	211.705245
Class C	0.75%	1.15%	£5,000	212.810096

*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	4.53%
Nvidia	4.26%
Oracle	3.23%
Keyence	2.56%
Ferrari	2.54%
Schneider Electric	2.30%
Toyota Motor	2.27%
Eli Lilly	2.14%
Amazon	2.07%
Roche	2.06%
Cash	10.38%

Geographical Split

United States	49.36%
Europe	18.79%
Japan	10.61%
United Kingdom	9.08%
India	1.78%
Cash	10.38%

Sectors

Communication Services	7.90%
Consumer Discretionary	12.43%
Consumer Staples	5.67%
Energy	4.59%
Financials	1.59%
Healthcare	15.18%
Industrials	19.61%
Materials	0.97%
Technology	21.68%
Utilities	0.00%
Cash	10.38%

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%	-2.50%	1.97%	2.66%	-1.15%	0.44%					14.44%

Despite an astonishing level of volatility in world stock markets, the Vermeer Global Fund ended August slightly higher in Sterling terms as the US Dollar weakened against most major global currencies and represents around 50% of the portfolio.

August began with a period of material weakness in equities caused by the collision of a rise in Japanese interest rates and a notably weak US employment report. This sparked an unwind of the Yen carry trade that has been so successful for many years. Japanese equities fell sharply with the Nikkei declining nearly 20% in the first three trading sessions. The largest declines were seen in the financial sector, supposedly the main beneficiary of the rise in Japanese rates, highlighting that the move was sparked by excessive positioning rather than real fundamentals. Global central banks moved quickly to soothe markets with comments that there was no requirement for an emergency rate cut in the US, which we strongly believe would have made the situation worse, and also the Bank of Japan Deputy Governor noting that there would be no subsequent upward moves in Japanese rates while conditions remained volatile.

Over August the top five contributors to return were Ferrari, Eli Lilly, Keyence, Uber and Rolls Royce. The top five detractors to return were Cameco, Shiseido, Amazon, Alphabet and Toyota Motor.

We broadly maintained our cash weighting over the month but did introduce two new positions to the portfolio. Artificial intelligence has been a dominant market theme this year and we are beginning to think about which companies will be the next beneficiaries of the wave of spending that is trying to capture this huge opportunity. One area we think could be a clear winner from this opportunity is companies that own proprietary data that sits behind a pay wall. We started a new position in Wolters Kluwer after we met with the company in early August. Wolters Kluwer is a Dutch based company that is a global leader in the provision of information services. The company has very strong positions in healthcare, tax and various financial services markets and has the opportunity to be a longer term winner from the quality of the data it produces for the industries it operates in. This will be aided by the integration of generative AI tools across all their divisions.

We also re-introduced a position in Philips, which we sold some time ago after problems with its sleep division led to a long period of underperformance. New management is refocussing the business to become a purer healthcare play, focussing on Diagnostic Imaging, Ultrasound, Image Guided Therapy and Connected Care, which accounts for 80% of sales with Personal Health representing the remaining 20%. We believe new management has the scope to take advantage of structurally growing markets and significantly improve margins and returns to shareholders. Recent results highlighted the progress they are making to accelerate growth in areas where they are market leaders and the opportunity to focus on fewer projects and greater levels of innovation. We expect management to remain conservative after a difficult period but we also anticipate that revenue growth and margins should improve as the company strengthens its positions, particularly in the fast growing area of connected care.

September is seasonally a more difficult month for equities and with the uncertainty of the upcoming US election in November just around the corner, we are happy to have cash on hand to look for opportunities to invest in our existing portfolio along with new ideas. Equities have performed very well this year as expectations of lower rates and a soft landing for the US economy have driven valuations higher and the Vermeer Global Fund ended August up 14.4% for the year.

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