

**SHINING A LIGHT ON THE.....
VT De Lisle America Fund**

AT A GLANCE

Investment Objective
The Fund will aim to achieve capital and income growth over the long term (5 years). The Fund will invest primarily (70%) in equities and other investments in America (and may also invest in Canada). The Fund will invest in, predominantly (80%), listed securities, typically common stock and American Depository Receipts listed on US exchanges, including exchange traded funds.

Inception Date	6 th August 2010
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000JRR2

Management	
Manager Name	Start Date
Richard de Lisle	6 th August 2010

FUND PERFORMANCE

Performance from 1st January 2016 to 28th February 2021:

	2016	2017	2018	2019	2020	2021
VT De Lisle America Fund	56.38%	4.36%	-16.20%	22.09%	13.12%	12.51%
S&P 500	33.55%	11.28%	1.56%	26.41%	14.74%	-0.55%

Performance over 12 months, 3 years, and since launch:

	1 year	3 years	Since launch
VT De Lisle America Fund	36.81%	37.23%	408.15%
S&P 500	19.95%	46.54%	376.32%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
7.60	97.36	96.35	104.80	47.22	1.02	-2.37	Value/Small

Volatility Measurements	
3-Yr Std Dev (volatility)	23.91%
3-Yr Mean Return (average)	11.13%

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Investment Style Details	
Giant	0.01%
Large	0.16%
Medium	4.29%
Small	9.40%
Micro	82.91%

Top 5 Holdings – 118 Holdings		
FS Bancorp Inc	Financial Services	8.00%
Johnson Outdoors Inc Class A	Consumer Cyclical	6.85%
MarineMax Inc	Consumer Cyclical	3.11%
Marine Products Corp	Consumer Cyclical	3.08%
Sally Beauty Holdings Inc	Consumer Cyclical	2.76%

Top 5 Sectors	
Financial Services	40.12%
Consumer Cyclical	38.49%
Industrials	8.06%
Healthcare	3.85%
Technology	3.35%

UPDATE....

This was our first introduction to this strategy and offers investors a slightly different play on the US market. The manager takes a top-down thematic approach alongside a bottom-up company fundamental analysis. The manager explained that his interest in investing started back in the seventies when his father lost all his money, and he was driven to invest better. This started with large cap US, but after reading “Fama and French Efficient Market Theory”, he switched to small cap and value as the best place to invest, and has done so since the nineties.

It is a universe of around 4,000 companies but both small and value have been out of favour so the fund against the S&P 500 has really matched the performance whilst other funds have done well by holding big tech. He believes a switch to value and small cap will benefit the fund. There are some simple rules he follows – he does not want to invest in disrupters or be caught out by disrupters, and he takes a no sin approach (no tobacco, gambling, weapons, and alcohol).

He looks to companies where they can push on an open door, and then he looks to hold onto the stock until it is picked up by Wall Street and becomes too expensive.

To bring this alive, some examples include:

Great outdoors – as Americans rediscover the great outdoors then companies like Johnson Outdoors will be beneficiaries of this trend

Experiences – this is about the desire for experiences – an example would be Build-a-Bear which was seen as down and out but is a turn around story, it doesn't have to go back to where it was and this is what the market is missing

Migration – this is investing in community banks like FS Bancorp

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Discretionary spend – this is about focusing on themes; an example would be investing in the housing boom through companies like Kirklands

In terms of sectors the fund is positioned towards consumer cyclical and financials, and less in areas like telecom and technology which tend to be expensive.

In summary, this is different to many other strategies with its focus on micro caps and value. Both styles have been out of favour and yet the fund has kept up with the S&P 500 despite not holding the big tech. If there is a rotation towards micro caps and value, then this fund should do well. This may suit as a blend with large cap strategies but it does carry risk because of the types of companies it is investing in.

The source of information in this note has been provided by VT De Lisle and is correct as at February 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.