

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

**AT A GLANCE**

<b>Investment Objective</b>
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.

<b>Inception Date</b>	6 <sup>th</sup> August 2010
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000JRR2">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000JRR2</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Richard de Lisle	6 <sup>th</sup> August 2010

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 28<sup>th</sup> February 2021:

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>VT De Lisle America Fund</b>	56.38%	4.36%	-16.20%	22.09%	13.12%	29.73%
<b>S&amp;P 500</b>	33.55%	11.28%	1.56%	26.41%	14.74%	20.75%

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

	<b>1 year</b>	<b>3 years</b>	<b>Since launch</b>
<b>VT De Lisle America Fund</b>	58.00%	37.98%	485.94%
<b>S&amp;P 500</b>	27.61%	55.46%	478.33%

*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.*

<b>Tracking Error</b>	<b>Active Share</b>	<b>Upside Capture Ratio</b>	<b>Downside Capture Ratio</b>	<b>Batting Average</b>	<b>Beta</b>	<b>Alpha</b>	<b>Equity Style</b>
8.95	-	102.30	93.16	52.78	1.02	2.81	Value/Small

<b>Volatility Measurements</b>	
<b>3-Yr Std Dev (volatility)</b>	24.02%
<b>3-Yr Mean Return (average)</b>	11.33%

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Investment Style Details	
Giant	0.01%
Large	0.80%
Medium	10.95%
Small	8.73%
Micro	77.37%

Top 5 Holdings – 146 Holdings		
FS Bancorp Inc	Financial Services	5.83%
Johnson Outdoors Inc Class A	Consumer Cyclical	4.84%
Build-A-Bear Workshop	Consumer Cyclical	3.95%
YETI Holdings	Consumer Cyclical	3.47%
Sally Beauty Holdings Inc	Consumer Cyclical	2.69%

Top 5 Sectors	
Consumer Cyclical	43.05%
Financial Services	33.43%
Industrials	8.71%
Basic Materials	4.77%
Energy	4.63%

## UPDATE....

This was our second meeting with the manager and really was more a fact find to dig down a little on the approach. We started by talking about Build-A-Bear which was added last year, with shares at around \$4.5. Much of the valuation was based on the market assumption that, as it was a toy shop it would disappear, and the pandemic just added to this. The reality was that this business has little debt and a Chief Executive focusing more on the customer experience. It has also changed its demographics to appeal to teenagers rather than young children. The company has since surprised the market twice on positive earnings and therefore they continue to hold this stock.

As a team they have not been in retail for a while and therefore this is a stock that makes them feel uneasy, so they are watching it carefully. If the Chief Executive can recreate the brand, and customers start to see this as an experience, then they think this still has legs to run.

They are happy to search in areas which others ignore. The value of the companies they hold make up 2% of Apple! So this is going to be different to other US funds. In terms of finding stocks, it is about following leads and looking at what people are buying and selling. An example of this would be the selloff in US housing stock on the assumption that the market was cooling. The reality on the ground is that the demand remains and therefore this provides opportunities to top-up investments.

Although growth has been the only game in town, they see the fund sitting in the wings and that it will outperform when the time is right. They do look at trends so the desire for experiences is one. But rather than going for the obvious they look outside of the box. An example is Cedar Fairs who provide good old family fun fairs for the younger age group. Doing the research and studying the market, they think this can boom but Wall Street doesn't agree so effectively they are taking a bet against Wall Street. Another example is Vale Ski Resorts, with the assumption that no-one will go skiing again, but the reality is that there is still a desire to ski.

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Another area of focus is pets. In this case they found a company that made dog kennels and the owner gave his shares back to the company. The culture of the business is very strong and although the founder has died, they continue to hold this.

In terms of the team, there is risk as this is a small team of 4, with Richard as the manager, an analyst, an ESG specialist and Chief Operating Officer. However, all are focused on the business and the fund. In terms of performance the holdings are all companies that are doing well but the valuations are cheap. They believe not only can the fund benefit from a re-rating in the businesses but a small shift in interest rates and inflation will act as a turbo charge for the fund and things will change, it is a just a question of when.

In summary, the assumption is that what has done well over the last ten years will continue to do so. We see this as a counterbalance to those strategies. If growth drops back and value comes back in then this fund will do well. Even without the value tilt they have proved that they can deliver strong returns: it is just that a shift to value will turbo charge those returns. This fund would be added to our watch list.

*The source of information in this note has been provided by VT De Lisle and is correct as of September 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.*