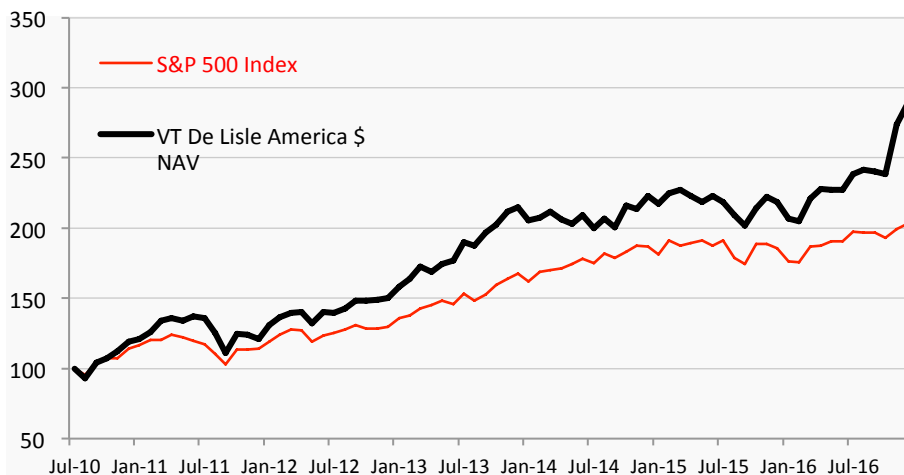


**Overview**

VT De Lisle America is a UCITS III American Equity fund launched in 2010, managed by Richard de Lisle with a particular focus on Small and Mid Caps.



	1M	3M	1Y	YTD	Since Inception	Since Inception Annualised
<b>VT De Lisle America</b>	5.10%	19.87%	31.95%	31.95%	188.20%	29.33%
<b>S&amp;P 500</b>	1.82%	3.25%	9.54%	9.54%	103.23%	16.09%

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	June-16	July-16	Aug-16	Sept-16	Oct-16	Nov-16	Dec-16
<b>VT De Lisle NAV</b>	206.48	204.83	221.26	227.92	227.57	227.53	238.47	241.34	240.43	238.77	274.21	288.20
<b>S&amp;P 500 NAV</b>	176.13	175.40	186.98	187.48	190.36	190.53	197.31	197.07	196.83	193.01	199.60	203.23
<b>VT De Lisle Return</b>	-5.47%	-0.80%	8.02%	3.01%	-0.15%	-0.01%	4.81%	1.20%	-0.38%	-0.69%	14.84%	5.10%
<b>S&amp;P 500 Return</b>	-5.07%	-0.41%	6.60%	0.27%	1.53%	0.09%	3.56%	-0.12%	-0.12%	-1.94%	3.42%	1.82%

**Commentary by Richard de Lisle (Fund Manager)**

In December, the Fund rose by 5.10% and the S&P500 rose by 1.82%. For 2016, the Fund rose by 31.95% and the S&P500 rose by 9.54%. Sterling was weak in 2016 and the fund rose by 58.29% in sterling terms. £100 invested when we got going, in July 2005, would now be £456, around 14% per annum compound. \$100 would be worth \$312, around 10% per annum compound.

The underperformance hangover of 2014 and 2015 was regained in a couple of days following the election. We know certain things. For instance, the US is the best performing major market since 1900. Within that, certain classes, such as value, perform better over the long term. These things are generally known and so it is a truism they must be hard to enact, or we would all be in that very best asset class and its advantage would disappear. The violent rebound after years of waiting required patience. The entire small cap performance as a class is based on its surge from 1975 to 1983. We often have to wait a while.

There are also two Reagan-era moves worth comparing- the relative move into growth stocks on his election in November 1980 and the absolute surge off the bear market low in August 1982. The former played until August 1998 and the latter until March 2000. In both cases it paid to be unmoved by events such as the 1987 crash or the 1990s recession.

**FOR PROFESSIONAL INVESTORS**

**Commentary Continued**

Behavioural changes favour us. Some examples: “Rush to Cash in Final Salary Pensions”, says the FT (goodbye bonds); “Exuberance Amongst the Trump Cohort” – males over 45, who are good for our small domestics; especially our boats, RVs and funeral parlours. “Animal Spirits in the Red States”? That’s where our little banks live. We also have short-term tricks to verify the move, like the First Hour-Last Hour Rule, whereby netting out a stock’s movement between the two gives its direction (goodbye bond proxies).

Overall the dollar is high and our small stocks are more highly valued, but we are unmoved. The dollar ran with Reagan until February 1985 and the small caps have achieved no serious excess since June 1983. We have domestic and small. We can take a strong dollar and higher interest rates. We’ve got Gencor which builds the roads, and Bluebird which builds school buses. Onward into 2017.

**Top 10 Holdings**

Towne Bank	9.31%
F S Bancorp	5.22%
Yadkin Financial	4.74%
Westwood Holdings	4.26%
Handy & Harman	3.28%
Carriage Services	2.69%
Fortive Corp	2.51%
Cascade Bancorp	2.49%
Johnson Outdoors	2.31%
Horizon Global	2.22%

**Sector Breakdown**

Con cyclical	14.49%
Con Defensive	1.39%
Technology	2.43%
Financials	58.11%
Industrials	13.95%
Healthcare	1.93%
Basic Materials	6.69%
Energy	1.01%
<b>Total</b>	<b>100%</b>

**Fund Characteristics**

Launch date	6 <sup>th</sup> Aug 2010		
Base Currency	GB£ with \$ Class		
Minimum Investment	\$1,000 / £1,000		
Management Fee	1%+£12,500	SEDOL	\$ B4X7J42
Liquidity	Daily		£ B3QF3G6
Valuation	Daily		
Administrator	Valu-Trac Inv Management	ISIN	\$ GB00B4X7J424
Auditor	Johnston Carmichael LLP		£ GB00B3QF3G69

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