

VT De Lisle America Fund US\$ Units

December 2021

DE
LISLE
PARTNERS

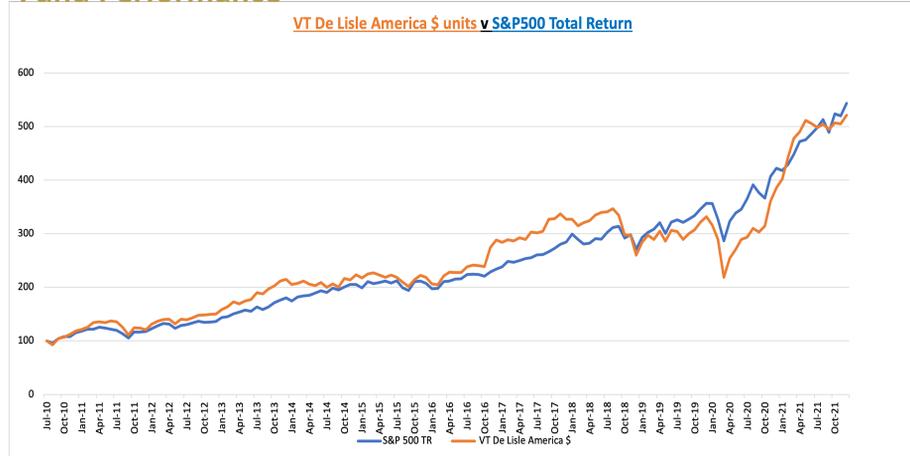
Fund Information

Portfolio Manager	Richard de Lisle
Launch Date	06/08/10
Fund Size	£100.65m
No. of Holdings	158
Benchmark	S&P 500(TR) Index
IA Sector	IA North America
Pricing	Daily, 12 noon
ACD	Valu-Trac Inv. Management
Structure	UCITS III OEIC

Fund Objective

To provide an attractive long-term return by investing primarily in equities in North America.

Fund Performance



Cumulative Performance (%)

	1 month	3 month	6 months	1 year	3 years	5 years	7 years	10 years	Since Launch
VT De Lisle America US\$	3.17%	5.27%	3.10%	35.18%	100.38%	80.84%	133.62%	330.99%	421.19%
S&P 500 TR	4.48%	11.03%	11.67%	28.71%	100.37%	132.08%	164.44%	362.58%	443.44%

Discrete Performance (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
VT De Lisle America US\$	31.02%	16.17%	27.60%	-20.44%	13.43%	31.95%	-2.09%	3.92%	42.96%	24.17%	1.79%
S&P 500 TR	28.71%	18.40%	31.49%	-4.75%	21.60%	12.89%	0.93%	14.04%	32.23%	16.00%	2.03%

Source: Data from daily valuations of the B US\$ share class, as at 03/01/22 and Market Close for the S&P500 TR as at 31/12/21.

Past performance is not a reliable indicator to future performance.

Shareclass Information

Shareclass	B Shares Acc GBP (£)	B Shares Acc USD (\$)
Minimum Investment	£10	\$10
Initial Charge	Nil	Nil
Management Fee	1.0316%* (Dec 2021)	1.0316%* (Dec 2021)
OCF	~1.10%	~1.10%
SEDOL	B3QF3G6	B4X7J42
ISIN	GB00B3QF3G69	GB00B4X7J424
	*1%+£12,500(whole fund)	*1%+£12,500(whole fund)

Ratios

	3yr	5yr	Since launch
Volatility	22.92	20.02	17.86
Alpha	2.72	-1.69	2.75
Beta	0.98	0.94	0.96
Sharpe ratio	0.85	0.35	0.76
Information Ratio	0.05	-0.24	0.12

Manager Commentary

In December, the Fund rose by 3.17% and the S&P500(TR) rose by 4.48%. Omicron dominated and stocks realigned but it wasn't as easy as just reaching for last year's playbook. While Internet use did hit new highs and travel plans were cancelled, initial reactions to buy large tech and sell commodity stocks were tempered by memories of what came next. Turning on December 20th, by Christmas, commodities were recovering from 15% falls and tech was stalling out at new highs. For ourselves, we were bashed and then recovered accordingly but beat comparable indices, with the Russell Microcap down slightly on the month and the Russell 2000 up just 2.1%. This is a pattern which has persisted throughout the year, with us finishing at +35.2% against +17.8% for the Microcap and just +13.7% for the Russell 2000.

When we look into our portfolio to see where we differ, the patterns emerge. The overall answer is our lower P/Es are working but imagine our 150 stocks as four ideas: The Great Outdoors, Community Banks, the Primary Producers and Experientials. The first idea was the winner in 2020 and loser in 2021 as the market now presumes behavioural reversion. The middle two went with the news, going up and down with the virus. The last idea of experiences becoming more important just keeps on going from a low base and the gains have outweighed the drag from The Great Outdoors.

Here are some of the December gainers: OneWater, MarineMax, Build-A-Bear, Customers Bancorp (fintech), Builders FirstSource and BlueLinx (builders' wholesalers). Lower P/E marinas accelerated away from boat builders, and our low P/E fintech went for it even as the major high-P/E fintechs fell hard. We paid \$18 for BlueLinx in Autumn 2020; today it is \$91 with a P/E of 3.8. It has earned \$23 in the last three quarters alone, making it less than 1x prospective earnings when we bought! Supply disruptions can help suppliers.

In 2021, we correlated strongly with rising bond yields and rose in sterling terms in eleven months out of the twelve. We crawled higher on a risk-adjusted basis as investors turned away from high P/Es and moonshots everywhere. A proxy for this, the S&P Biotech ETF, was down 3.7% on the month and down 20.5% on the year. The Fund is on 9x trailing earnings and has shown this year it actually prefers rising bond yields. On the other hand, low P/Es are not getting sold off hard when the bad news comes and bond yields fall, such as in early December.

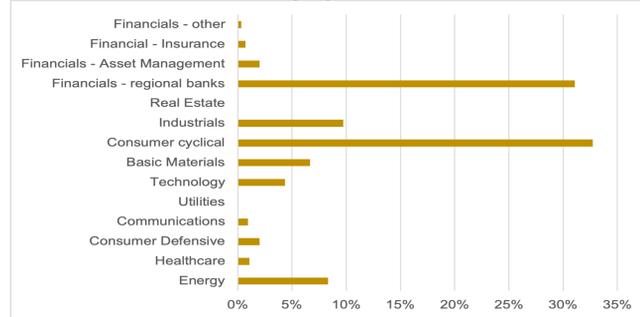
In 2022 we expect The Great Outdoors to do well again, vindicated by their record backlogs and single figure P/Es. We also want more Experientials but they are very obscure. We are confident about our prospects for this year as ongoing fears of a lower P/E for the market bring hope that it remains our turn in the sun. Bond yields are still lower than they were last February. Continued low bond yields mean we retain potential energy. If bond yields rise due to better times, earnings growth will outweigh P/E contraction at our end of the spectrum.

Finally a big thank you to all new investors in 2021 who tended to buy quite well, which is great.

Platform Availability

Aegon - Cofunds	Hargreaves Lansdown
AJ Bell/Youinvest	Interactive Investor
Allfunds	Novia
Alliance Trust	Quilter – Old Mutual Wealth
Ascentric	Pershing Nexus
Aviva	Standard Life
Raymond James	Nucleus
Funds Direct	Transact

Sector Allocation (%)



Market Cap Breakdown (%) (31-12-2021)



Top 10 Holdings (%)

F S Bancorp	4.69%
Build-A-Bear Workshop	3.54%
Johnson Outdoors	3.46%
YETI Holdings	2.49%
Winnebago Industries	2.43%
Townebank	2.21%
Sally Beauty Holdings	2.19%
MarineMax	2.18%
Wayside Technology	1.91%
Builders FirstSource	1.72%
Total	26.81%

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