

VT DE LISLE AMERICA FUND

Monthly Commentary

April 2025

Apr 2025		Fund			S&P 500 Index	
		Performance	Inception to date		Performance	Inception to date
		<i>YTD</i>	<i>ITD</i>		<i>YTD</i>	<i>ITD</i>
2005		+14.01%	+14.01%		+4.78%	+4.78%
2006		+16.91%	+33.29%		+13.62%	+19.05%
2007		+4.06%	+38.70%		+3.53%	+23.25%
2008		-47.99%	-27.86%		-38.49%	-24.18%
2009		+42.74%	+2.97%		+23.45%	-6.40%
2010		+24.94%	+28.65%		+12.78%	+5.57%
2011		+1.79%	+30.96%		0.00%	+5.56%
2012		+24.17%	+62.61%		+13.41%	+19.71%
2013		+42.96%	+132.46%		+29.60%	+55.15%
2014		+3.92%	+141.59%		+11.39%	+72.82%
2015		-2.10%	+136.51%		-0.73%	+71.56%
2016		+31.95%	+212.07%		+9.54%	+87.93%
2017		+13.43%	+254.00%		+19.42%	+124.42%
2018		-20.44%	+181.65%		-6.24%	+110.42%
2019		+27.60%	+259.39%		+28.88%	+171.19%
2020		+16.17%	+317.49%		+16.26%	+215.28%
2021		+35.18%	+464.37%		+26.89%	+300.07%
2022		-10.54%	+404.87%		-19.44%	+222.29%
2023		+20.33%	+507.49%		+24.23%	+300.38%

	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>	<i>MTD</i>	<i>YTD</i>	<i>ITD</i>
2024		+9.78%	+566.90%		+23.31%	+393.62%
Jan 2025	+2.58%	+2.58%	+584.10%	+2.70%	+2.70%	+407.04%
Feb 2025	-7.08%	-4.68%	+535.68%	-1.42%	+1.24%	+399.82%
Mar 2025	-5.17%	-9.61%	+502.80%	-5.75%	-4.59%	+371.06%
Apr 2025	-0.43%	-10.00%	+500.21%	-0.76%	-5.31%	+367.47%

In April, the Fund was down 0.43% and the S&P 500 was down 0.76%. Sterling holders were down 3.19% as the pound rose from \$1.292 to \$1.329. This was a highly volatile month which reached a crescendo of selling on April 8th as the S&P500 turned at 4835, down 14% from March month-end. Then, from April 21st, it proceeded to rally for nine consecutive days, the longest unbroken run since November 2004 as the market was rising from the 2002 recession. The cause was the uncertainty created by tariffs followed by the 90-day pause in tariffs, announced when the 10-year bond hit 4.5%. Finally the market had a 'Trump put', something which constrained the President, because the certainty of recession if mortgage rates rose again was too much to bear.

Not only was the rally remarkably strong, it carried on without touching the lowest sentiment indicators we have seen. Both the stocks sentiment (AAIL) and consumer confidence (University of Michigan) held at historic lows and at month-end GDP came in at -0.3% for the first quarter, confirming the slowdown. This is highly unusual because normally sentiment improves with a market rally and the ongoing pessimism moves us from bullish to very bullish.

We started the month at 11% liquidity, invested through the low and are now down to 6%, still moving lower. We also increased aggression by reducing gold stocks, a hedge, from 2.5% to 1.5% in mid-month. The falling dollar was widely understood and the usual stores of value, gold and the Swiss Franc, spiked. The Swiss Franc ran to a 10-year high and Swiss interest rates went negative up to two years. We sold Agnico Eagle as the gold/silver and gold/platinum ratios ran to historic highs. Gold has only previously been 100 times silver in March 2020 and February 1991, both times of recession. We are up 10% so far and intend to buy back in due course.

We bought into recovering financials, adding to community banks and introducing Sallie Mae (student loans) and Kingstone (insurance). As a recession became more expected, consumer durables stopped underperforming at their lows and we added to LCI Industries (RVs). These groups are also helped by the fall in West Texas oil below \$60, caused by the tariff slowdown and Saudi ending its suppression of production. When we add this news to falling interest rates around the world, the 'stagflation' case weakens and the recession itself remains endogenous.

Although we have been underperforming large-caps through the last couple of years of yield-curve inversion, we are doing better against smaller indices with which we are more comparable. We are down 10.0% year-to-date, versus down 12.3% for the Russell 2000 and down 15.2% for the Russell micro-cap. We finally have a set-up to test the hypothesis of small-cap advantage: their best relative period is the far side of recession. The small have a lot to prove. All their indices are below their 2021 highs. We still trust

the long-term data which is in their favour and we think the time is finally approaching when they will make their move.

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