



THROUGH THE LENS OF DE LISLE PARTNERS: A RESEARCH TRIP TO THE US

Gill Charlton
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We like to visit our US investments to kick the tyres, not by meeting with management in the boardroom, but in the field. As a former journalist, I know that taking people out of the office, for a tour of a factory or a store, is a good way to get answers to trickier questions.

Which is how I ended up being driven around Phoenix by Andy Rider, President of Pinnacle Senior Living, an expanding part of the Pennant Group (PNTG), one of the fund's Top 10 holdings. I wanted to find out why EPS growth was lagging EBITDA. The company had spun out from its much larger parent Ensign in 2019 and was supposed to be asset light. Now the pandemic was behind us, profits should be accruing faster.

Healthcare providers in the US, especially in the care home sector, need to consider demographics when choosing where to invest; places that have enough private payers and where state governments have properly funded social care programmes. Building relationships with communities and with state Medicaid agencies takes time, I am to learn.

At De Lisle, we like companies that trust their employees and delegate authority to those operating at a local level rather than taking a top-down management approach. Andy took me to three care homes, all owned outright by Pennant: a former Marriott hotel and two purpose-built 'assisted living' villages. Each demonstrated just how much value can be added when there is a strong local management team, rigorously trained and suitably rewarded for good performance.

Another indicator of future profit comes as I learn that fewer new care homes are being built as developers can't turn a profit due to the increasing regulatory burden. Yet the demand is there as people live longer and in poorer health, especially in a state like Arizona popular with retirees from the cold north.

Noting this, Pennant has taken the decision to start buying, rather than leasing, failing care homes. Class A homes have seen price rises of around 30% in a year and Andy expects Class B homes to see a similar hike in value soon. But it can take two years to build back trust, both in the community and with the state which issues headcount permits and will pay for around half the residents.

Having visited care homes in the UK, I was impressed with the quality of the care, staffing and cleanliness in these homes aimed largely at working class retirees, often with memory issues.

So it was pleasing to see that Pennant's May earnings report beat analyst expectations with revenue expected to grow 22% in 2026. Witnessing the dedication of the teams I met on my visits, I am confident that EPS growth will follow.

Driving west through the deserts of Arizona into California in the week that Trump took a swipe at the Pope, my English accent brought forth a litany of apologies from waiters, storekeepers and museum guides embarrassed by their crass president and hopeful the mid-terms will fetter him. The price of fuel was on everyone's lips but it had yet to change behaviour. In Las Vegas, hotels were full, rates were high, and huge images of Gordon Ramsay loomed over the strip, advertising his fine dining restaurants.

Company Spotlight: Nextpower (NXT)

Market Cap*	\$19.7bn
Sector	Energy
Date Purchased	2 September 2025
Portfolio Weighting	0.9%
P/E (NTM)	34x

California-based Nextpower sells proprietary pivots that track the sun increasing the output of solar farms significantly. We invested in September 2025 at \$66 because we didn't agree with the market that Trump's withdrawal of tax incentives would be the end of renewables. This was confirmed by seeing the scale of the new solar farms being installed in Nevada and California on my trip. Nextpower has also benefitted from the Iran war and recently entered the power conversion solutions market to grab more of the supply chain. The stock is now doubled since we invested and now trades at \$137.

*Source: Morningstar as at 30/04/2026

Another of our larger holdings is Carriage Services (CSV) which owns and runs funeral homes and cemeteries. We sold out of the stock before the pandemic because its founder and CEO had succumbed to hubris and taken on too much debt. In 2023 he stepped down and we met with the new management team. They impressed us and we reinvested.

Rene Negrete, recently appointed COO having left a rival firm, met me in Bakersfield, a working class town in the heart of orchard and oil country in central California, to visit one of CSV's newer acquisitions. The 35 acres of tree-shaded lawns gave it a parkland feel and, on this warm Sunday afternoon, a number of families had set up dining tables under awnings for get-togethers next to gravesites.

While, in Britain, we tend to bury our relatives and forget about them, or scatter their ashes on a clifftop, ancestors are remembered for a long time in the US, especially in religious Hispanic and African-American communities. Celebration of Life halls contain stacked glass-fronted cases, repositories of urns alongside mementos of loved ones and there are fresh flowers on many graves.

Financial success in this business is all about upselling so it was good to hear that site managers are expected to be entrepreneurial and find creative ways to add value as cheaper cremations overtake burials. Sales staff still knock on doors in likely communities and set out stalls at fairs and church events. In what is a highly emotive business, these old-fashioned ways of selling continue to pay off. Reporting positive news to the investment team from the road led to us topping up our holding immediately.

I headed back to Phoenix on Interstate 10, a hair-raising drive as 18-wheeler trucks jostled to overtake on every hill, bound for Texas and points north. A railroad runs alongside the road, busy with freight trains two miles long, containers double stacked, carrying imports from Long Beach in LA as far as Chicago. Diesel may now cost over \$6 a gallon (equating to £1.19 a litre) but there is business to be done and money to be made. It is the American way.

Gill Charlton is our Head of Research. She is a former investigative journalist for the Daily Telegraph. She joined De Lisle five years ago and visits the US twice a year for us.

Watch on Demand



Webinar Recording: 'Positioning for uncertain times'

April 2026

[Click here to watch \(40 minutes\)](#)



Webinar Recording: 'Introduction to the VT De Lisle America Fund Webinar'

March 2026

[Click here to watch \(35 minutes\)](#)



Webinar Recording: 'In an uncertain world, Real Assets are back'

March 2026

[Click here to watch \(40 minutes\)](#)



Webinar Recording: 'Introduction to the VT De Lisle America Fund'

February 2026

[Click here to watch \(35 minutes\)](#)

Upcoming Events

VT De Lisle America Fund Webinar:

'Restore factory settings: the new US Industrial Revolution'

Date: 9 June 2026

Time: 2:00pm - 2:30pm

[Register here](#)

Contact Us

If you would like to arrange a meeting with the manager, or for further information on the Fund, please email investor-relations@delislepartners.uk or call 020 7074 3572.

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