



VT Tyndall North American Fund

August Review

August was quite action packed for the fund. It was a good month performance wise driven by some notable moves in certain stocks and sectors. First among them were our Cannabis stocks, Canopy Growth and Tilray. This new sector in the market is one that we really like long term but after amazing recent runs, Canopy + 73% and Tilray + 195% in August alone, we have sold both stocks; in such fledgling industries stocks can come down as quickly as they go up. Grubhub was another good performer up over 18% in the month, along with Paypal, Nvidia, both up double digits. They were part of the wider move in tech which saw the Nasdaq and the S&P 500 power to new all time highs. We added Apple back to the portfolio in early August. We had been on the sidelines as iPhone growth peaked and plateaued; however we were very encouraged by their recent quarter. With the fast growing services segment outpacing expectations and the stock still valued as a hardware play, there is a lot of upside potential. It remains cheaper than almost all Consumer Staples stocks, yet has much more growth.

Market Outlook

The world is increasingly more bifurcated, in terms of equity markets and currencies. All the major European markets are in the red in 2018, EM is reeling from crises in Turkey, Brazil, Argentina and Venezuela and their currencies are crashing. The Chinese stock market is down 24% since its January high.

All this compares starkly with the US, where economic growth remains strong and the currency continues to strengthen. This is despite all the damning rhetoric around President Trump and the trade wars. The trade wars make for great headlines but in reality they have not had much affect on the stock market. We have had a tremendous Q2 earnings season and some very positive outlooks, particularly in the tech and discretionary sectors, and these sectors are making new all time highs.

Amazon joins Apple in the \$1tr market cap club