

## October Review

The fund returned 0.37% in October vs the S&P 500 ETF return of -2.13%, in sterling terms.

The stock that contributed the most in terms of performance was a relatively recent buy; Pinterest. This web based platform helps its users find inspiration and ideas and is seeing a purple patch of growth amongst both users and advertisers and this led to revenue growth of 49% in the third quarter. Its advertising model has been helped by an embargo by some advertisers against Facebook, which has come under pressure for not cleaning up its platform of undesirable content which brands do not want to be associated with.

Facebook aside, Pinterest is growing fast and on its own merits and with a market cap of only \$36bn it is a much more exciting prospect than some of its mega cap peers.

Generally speaking the market has dealt quite well with Q3 earnings, although outcomes have been very different across the sectors. Energy and Financials have continued to perform badly, despite some notable M&A in the Energy sector and we continue to avoid these sectors. Leadership remains in those industries and stocks that can continue to function well in these strange times that we find ourselves in.

## Market Outlook

The Election is of course the focus of the world's media at the moment and the race looks as tight as it's ever been. There are plenty of fears around the result, and not just who wins, but rather whether the result will be contested. We do not concern ourselves with trying to predict the winner, because as dispassionate investors we look forward to the investment opportunities that will emerge given either a Trump or Biden victory.

**Felix Wintle, Fund Manager, VT Tyndall North American Fund, 31 October 2020**

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