March Review

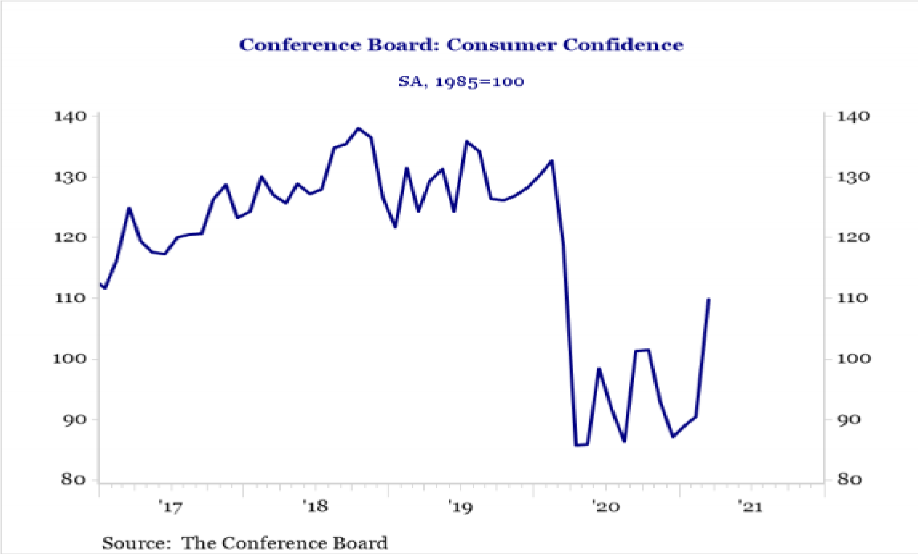
The Fund's F Acc share class returned -3.38% in March, compared to the S&P 500 ETF return of +4.77% in sterling terms. Despite this, the fund still sits in the top decile of the IA North America sector, having returned 13.06% vs the S&P 500 ETF return of 5.54% year to date.

Although the S&P 500 index itself was positive for the month, things were much more volatile at the sector level with weakness in Technology, Energy and Materials and in any part of the market that had performed well thus far in 2021. The best performing sectors in the S&P 500 index were Utilities and Staples, which enjoyed a counter trend bounce in March, and these are two sectors where we don't have much exposure. The correction in growth stocks was mainly felt in our Tech and Communications Services sector weightings, Twilio -13.3% and Snap -20.4%, but also some of our higher growth Discretionary names also sold off, with Chewy the online petfood retailer, -16.6%, one of the largest detractors to performance. Energy and Materials were also weak, but I believe the action this month has been a normal correction and is a dip to take advantage of rather than one to be concerned about.

There are two powerful forces in the immediate future that we, as investors, need to be positioned for. The first is the re-opening of the economy and the second is the wave of inflation that is coming alongside it. As we anniversary the Covid shutdown period of Q2 2020 we are due for a very big bounce in both GDP and inflation in Q2 2021; in part because some of the base effects are the lowest ever seen by any living investor, and as we lap these comparisons the economy is re-opening at the same time. This could mean that we see GDP growth in Q2 21 north of 10% which would mark it out as the second strongest quarterly expansion since World War 2. This is why we continue to be positioned in the cyclical areas of the market and have been increasing our weightings to Energy, Financials, Industrials and Materials over the last few weeks.

Market Outlook

We have also increased our Consumer Discretionary weighting as American consumers have emerged from the Covid recession better off than when they went into it, thanks to the huge Government response to the pandemic. We estimate that consumers have an extra $1tr at their disposal that is likely to be spent, invested, or used to pay down debt. Consumers are certainly feeling confident, as this week's consumer confidence data for March showed, with a reading of 109 vs 90.4 in February.



With further stimulus to come and an announced multi-trillion dollar fiscal and infrastructure plan there is a lot to look forward to in US equities and we believe an active and differentiated portfolio like ours is the best way to get exposure to the exciting markets ahead.

Felix Wintle, Fund Manager, VT Tyndall North American Fund, 31 March 2021
Data source: Strategas Research Partners March 2021

Contact Details:

Fund Manager – fwintle@tyndallim.co.uk

Sales Director - hnolan@tyndallim.co.uk

Disclaimer

WARNING: All information about the VT Tyndall Real Income Fund ('The Fund') is available in The Fund's prospectus and Key Investor Information Document which are available free of charge (in English) from Valu-Trac Investment Management Limited (www.valu-trac.com). Any investment in the fund should be made on the basis of the terms governing the fund and not on the basis of any information provided herein.

The information in this Report is presented using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this Report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this Report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial advisor.

Value of investments can fall as well as rise and you may not get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance.

Any opinions expressed in this Report are subject to change without notice and Tyndall Investment Management is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are Valu-Trac Investment Management Limited unless otherwise indicated.

The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you.

Users are therefore warned not to rely exclusively on the comments or conclusions within the Report but to carry out their own due diligence before making their own decisions.

Employees of Tyndall Investment Management, or individuals connected to them, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this Report.

Tyndall Investment Management is a trading name of Odd Asset Management. Authorised and regulated by the Financial Conduct Authority (UK), registration number 660915. This status can be checked with the FCA on 0845 730 0104 or on the FCA website (UK).

Investment Manager: 5-8 The Sanctuary, London, SW1P 3JP.