



April Review

The Fund's F Acc share class units returned 1.95% vs the S&P 500 Index ETF return of -3.51%, in sterling terms.

April was a difficult month for equities and was actually the worst since the Covid crash in March 2020 for the S&P 500 and was the worst since 2008 for the Nasdaq. It's also been the worst start to the year for the S&P 500 since World War 2 and the worst start for the Nasdaq since it was established in 1971. From a sector perspective the worst offenders in the month were the Communication Services sector -14.1%, the Consumer Discretionary Sector -11.9% and the Technology sector -11.1%. We have very little exposure to these sectors and have owned none of the banner names in mega cap tech, like Netflix which fell 49% last month. We continue to avoid the high growth areas of the market and believe that with the Fed hiking rates into an economic slowdown, these sectors are likely to underperform.

The contributors to the fund's performance were Consumer Staples stocks like Hershey and Procter & Gamble. Energy was also positive as was Healthcare and Utilities. All typically defensive sectors, apart from Energy of course, which is ploughing its own furrow at the moment, despite the risk off tone to markets. Earnings season is in full swing, and it's been a very mixed picture with the Consumer Discretionary sector delivering significantly weaker numbers as that sector contends with the impossible comps that 2021 delivered, when consumers were given free money. Currently that sector's EPS growth is -45% year on year, with over half of the companies already having reported. We are very underweight this sector as well; if Amazon is finding it hard, it fell 14% on its earnings report on 29 April, then imagine the difficulties for the rest of the retail sector.

Market Outlook

The market has priced in a hawkish Fed, some ten rate hikes at the time of writing. This seems ludicrous to me and recent history has showed how quickly these estimates can change, as market prices change. The idea that the Fed will carry on regardless of market signals for ten hikes is nonsense but that does not mean that the Fed won't be hawkish for the next few meetings. This is a time therefore to be cautious as, although Fed action will come as no surprise, it does seem that they have the bit between their teeth and will be zealous in their attempts to control inflation with a series of aggressive rate hikes.

Felix Wintle Fund Manager, VT Tyndall North American Fund, 30 April 2022

Data sources: Bloomberg

Contact Details:



Not for retail distribution. This document is intended for professional clients only.

Disclaimer

WARNING: All information about the VT Tyndall North American 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.

Capital at Risk: 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.

© 2022 Tyndall Investment Management.

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). All rights reserved. No part of this Report may be reproduced or distributed in any manner without the written permission of Tyndall Investment Management.

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



