



Review

The Fund's F Acc share class units returned -9.49% compared to the S&P 500 Index ETF return of -4.9% in sterling terms.

February was quite an extraordinary month for the fund. It started off well with many of our holdings reporting excellent results and moving higher. However, many of the stocks then corrected quite significantly over the next week or so, giving up much of those gains. This was quite a turnaround in a very short period of time and we responded by reducing position size in some of the names that had performed well. Some examples would be stocks like Palantir, the AI company, which popped +24% on the earnings print on 4 February and then continued to rally for about a week after. The stock hit an all-time high on 18 February, and since then it has given back all of that gain, to be back where it was before the earnings report. Such a quick roundtrip is unusual, and for this to happen to several of our companies is even more rare.

When something like this happens, we assess each stock on its own merits and then act accordingly. Stocks which have been outperforming by a significant margin will correct, they never carry on in a straight line, but for so many of our stocks to retrace their gains so quickly was a surprise. We sold our positions in Cava and Brinker, another two examples of companies that had been big contributors to the fund, but which we now feel the time is right to bank some profits. We may revisit both these names once the dust has settled. Axon stock has also been weak this month, when the market was spooked by an analyst downgrade. However, the quarterly earnings soon banished these concerns, and the stock rallied 15% when it reported, and we expect this will get the stock back on its upward trajectory. We also sold our positions in MicroStrategy and in Coinbase. These two stocks are closely correlated to Bitcoin and we don't want any exposure there at the moment.

In terms of stocks added to the fund, we started a position in Planet Fitness. This company is the largest owner of budget gyms in the US and has new management in place, who have wasted no time in turning around the fundamentals of the business. A new pricing cycle around their black card membership and an expansion plan make for a compelling growth story.

Market Outlook

Since the market took a leg lower on 19 February, the market has undergone some rotation. This is important because it includes the most widely held stocks in the market, the Magnificent 7, and the technology sector more broadly. It's notable that the tech sector has been weak relative to the S&P 500 for many months now, having peaked back in July 2024. This is important because it is clear that tech is no longer the leadership sector, and if anything, it is leadership to the downside.

The market is now pricing in that President Trump's tariffs and the cuts to government spending will negatively affect GDP growth. This is reflected in the 10-year bond yield which has fallen from a closing 12 February peak of 4.62% to a closing low on 28 February of 4.20%.



Capital at Risk – the value of investments can fall as well as rise and you may not get back what you invested

Past performance is not a reliable indicator of future results.

These macro conditions are a cue to us that growth, at least in the near term, is likely to come in lower than the market expects and that this is a time to be more defensive than aggressive. As such, we have reduced our weightings to tech and consumer discretionary and are keeping proceeds in cash as we await further clarity.

Felix Wintle Fund Manager, VT Tyndall North American Fund, 28 February 2025

Data sources: Bloomberg.

Contact Details:

Fund Manager – Felix Wintle fwintle@tyndallim.co.uk
Head of Distribution – Theresa Russell trussell@tyndallim.co.uk

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



Capital at Risk – the value of investments can fall as well as rise and you may not get back what you invested

Past performance is not a reliable indicator of future results.

Disclaimer

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.

© 2024 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 3JS.



Capital at Risk – the value of investments can fall as well as rise and you may not get back what you invested

Past performance is not a reliable indicator of future results.