

VAM FUNDS (LUX) - COMMENTARIES

March 2021

VAM Funds (Lux) - US Micro Cap Growth Fund*

Holdings in the health care and communication services sectors detracted from relative returns. Performance benefitted from holdings in the industrials and energy sectors. At month end, the Fund was overweight the consumer discretionary and financials sectors and underweight in the health care and real estate sectors.

The holding that detracted the most from the Fund's relative returns during the month was Intellia Therapeutics, Inc. (ticker: NTLA). Intellia is a clinical stage biopharmaceutical company developing clustered, regularly interspaced short palindromic repeats (CRISPR) based therapies to treat genetic diseases. There has been great investor excitement for this programme, given the disruptive potential of the approach, should it prove successful and repeatable. However, no clinical data has been presented to date and the risks associated with this new class of therapies have not been well-elucidated, making it difficult to have conviction in the data they will present later this year, as well as their impact. As such, the Manager has avoided initiating a position while the benchmark holds a large position, detracting from relative performance this quarter.

The holding that contributed the most to the Fund's relative returns during the month was Frequency Therapeutics (ticker: FREQ). Frequency is a clinical stage biopharmaceutical company developing drugs to treat hearing loss and multiple sclerosis. In March, the stock declined over 77% the day they reported the results of a randomised, controlled trial

that showed that their therapy was not significantly more efficacious than the placebo at improving hearing loss. The Manager has avoided investment in Frequency due to the underlying uncertainty of the biology they are exploring. As a result of not holding the company and the benchmark having a large weight, Frequency contributed positively to relative performance this month.

VAM Funds (Lux) - US Small Cap Growth Fund

Holdings in the communication services and consumer discretionary sectors detracted from relative returns. Performance benefitted from holdings in the health care and materials sectors. At month end, the Fund was overweight the consumer discretionary and industrials sectors and underweight in the health care and real estate sectors.

The holding that detracted the most from the Fund's relative returns during the month was PubMatic, Inc. Class A (ticker: PUBM). Pubmatic is a specialised cloud infrastructure platform vendor facilitating digital advertising transactions. In March, the stock detracted from relative performance as it pulled back in price following strong appreciation in January and February. The stock came under pressure as macro factors such as rising interest rates reset valuations lower across the software sector. In early March, the Manager took partial profits as valuations got elevated post earnings report.

The holding that contributed the most to the Fund's relative returns during the month was Cleveland-Cliffs Inc. (ticker: CLF). Cleveland-Cliffs is an iron ore mining company, which supplies iron ore pellets to the North American

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steel industry. The company recently expanded into steel production in 2020 through its acquisitions of AK Steel and the US operations of ArcelorMittal SA. In March, the stock positively added to the relative performance after Cleveland-Cliffs preannounced first quarter 2021 earnings that were better-than-consensus expectations. Additionally, the company guided 2021 earnings well above expectations based on the assumption of stronger steel prices.

VAM Funds (Lux) - US Mid Cap Growth Fund

Holdings in the information technology and communication services sectors detracted from relative returns. Performance benefitted from holdings in the materials and industrials services sectors. At month end, the Fund was overweight the consumer discretionary and industrials sectors and underweight in the health care and information technology sectors.

The holding that detracted the most from the Fund's relative returns during the month was MongoDB, Inc. Class A (ticker: MDB). MongoDB is database software platform vendor. In March, the stock detracted from relative performance as its trading multiples/valuation came under pressure from rising interest rates, which reset valuations lower across software sector. The Manager brought down its weighting as the group and its relative strength deteriorated.

The holding that contributed the most to the Fund's relative returns during the month was Cleveland-Cliffs Inc. (ticker: CLF). Cleveland-Cliffs is an iron ore mining company, which supplies iron ore pellets to the North American steel industry. The company recently expanded into steel production in 2020 through its acquisitions of AK Steel and the US operations of ArcelorMittal SA. In March, the stock positively added to the relative performance after Cleveland-Cliffs preannounced first quarter 2021 earnings that were better-than-consensus expectations. Additionally, the company guided 2021 earnings well above expectations based on the assumption of stronger steel prices.

VAM Funds (Lux) - US Large Cap Growth Fund

Performance benefitted from holdings in the consumer discretionary and information technology sectors. Holdings in the industrials and materials sectors detracted from relative returns. At month end, the Fund was overweight the financials and consumer discretionary sectors and underweight the industrials and consumer staples sectors.

The holding that contributed the most to the Fund's relative

returns during the month was Lennar Corporation Class B (ticker: LEN.B). Lennar Corp. is a homebuilder company which engages in the provision of real estate related financial and investment management services. The stock reported first quarter results that included gross margins coming in better-than-consensus, along with orders and backlog above. Guidance for the second quarter was slightly ahead at the midpoint.

The holding that detracted the most from the Fund's relative returns during the month was Sherwin-Williams Company (ticker: SHW). The Sherwin-Williams Co. engages in the manufacture and trade of paint and coatings. While nothing company-specific, the stock traded down in line with other home improvement stocks.

VAM Funds (Lux) - Emerging Markets Growth Fund

Exposures to the financials and health care sectors, as well as Brazil and Taiwan, detracted from relative returns. Performance was aided by holdings in the consumer discretionary and consumer staples sectors, as well as in the Netherlands and Hong Kong. At month end, the Fund was overweight the Netherlands and underweight Brazil.

The holding that detracted the most from the Fund's relative returns during the month was JD Health International, Inc. (ticker: 6618-HK). The stock was under pressure given its high valuation and perception that it was a stay-at-home Covid-19 beneficiary and, thus, not as well positioned as the economy reopens (similar dynamics played out across the market during the month). The Manager thinks the company's business of ecommerce for health care products is growing well, not only due to a shift in behaviour as a result of Covid-19, but also the attractiveness of the business model itself and value it delivers to consumers. The company reported solid fiscal year 2020 results at the end of March.

The holding that contributed the most to the Fund's relative returns during the month was Pinduoduo, Inc. Sponsored ADR Class A (PDD). The Fund did not own Pinduoduo, which underperformed in March. The ecommerce company rapidly grew its business over the last few years and now has one of the biggest active buyer bases in China. However, the company has never been profitable and is set to accelerate its spending further to build out its online grocery business. The stock was also pressured by the broad market shift away from growth stocks during the month.

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VAM Funds (Lux) - World Growth Fund

Exposures in the consumer discretionary and information technology sectors, as well as in the United States and the United Kingdom, detracted from relative returns. Performance was aided by exposures in the materials and industrials sectors, as well as in Germany and Malta. At month end, the Fund was overweight Germany and the United States.

The holding that detracted the most from the Fund's relative returns during the month was MongoDB, Inc. Class A (ticker: MDB). MongoDB is database software platform vendor. In March, the stock detracted from relative performance as its trading multiples/valuation came under pressure from rising interest rates, which reset valuations lower across software sector. The Manager brought down its weighting as the group and its relative strength deteriorated.

The holding that contributed the most to the Fund's relative returns during the month was Cleveland-Cliffs Inc. (ticker: CLF). Cleveland-Cliffs is an iron ore mining company, which supplies iron ore pellets to the North American steel industry. The company recently expanded into steel production in 2020 through its acquisitions of AK Steel and the US operations of ArcelorMittal SA. In March, the stock positively added to the relative performance after Cleveland-Cliffs preannounced first quarter 2021 earnings that were better-than-consensus expectations. Additionally, the company guided 2021 earnings well above expectations based on the assumption of stronger steel prices.

VAM Funds (Lux) - International Real Estate Equity Fund

Exposures in Australia and Singapore detracted from relative returns. Performance was aided by exposures in China and Spain. At month end, the Fund was overweight China and underweight Australia.

The holding that detracted the most from the Fund's relative returns during the month was Vital Healthcare Property Trust (ticker: VHP-NZ). Vital Healthcare is an investment fund, which invests in health and medical-related properties. While the company reported solid numbers driven largely by better net rental income, the company traded lower mainly due to valuation concerns.

The holding that contributed the most to the Fund's relative returns during the month was Agile Group Holdings Limited (ticker: 3383-HK). Agile Group Holdings Ltd. is an investment company, which engages in the businesses of property development, property management, hotel operations,

property investment and environmental protection. The company traded higher as it reported strong earnings growth and positive guidance including progress on strengthening their balance sheet.

VAM Funds (Lux) - International Opportunities Fund

The VAM Funds (Lux) – International Opportunities Fund performance was aided by holdings in the consumer discretionary and materials sectors, as well as in Germany and Japan. Exposures to the industrials and financials sectors, as well as in Canada and Switzerland, detracted from relative returns. At month end, the Fund was overweight Germany and Canada.

The holding that contributed the most to the Fund's relative returns during the month was 888 Holdings Plc (ticker: 888-GB). 888 Holdings operates an online gambling and sports betting website in the UK, Europe and the US. They have been experiencing accelerating growth trends the past several quarters from the proliferation and legalisation of online sports betting across the markets they serve over the past two years. They are a smaller player, but have unique technology assets for various poker and sports betting applications that appeal to both consumers and larger players looking to expand their footprint in select markets. They have reported stronger-than-expected top and bottom line growth trends for the past several quarters. Most recently, in mid-March, they reported annual results for 2020, which led to outsized performance for the stock over the past couple months. Ultimately, the Manager believes one of the larger players will eventually acquire them.

The holding that detracted the most from the Fund's relative returns during the month was Xebec Adsorption Inc. (ticker: XBC-CA). Xebec Adsorption is a leading global provider of Pressure Swing Adsorption technology, equipment that facilitates the separation and purification of mixed gasses, including renewable natural gas and hydrogen. In short, they are a play on accelerating electric vehicles and clean energy trends. They have spent the last few years building out their network and technology, but recently announced delays in their production and order trends, cutting guidance for the remainder of 2021 due to slower adoption trends and some errant order and backlog numbers in their accounting. This led to a substantial negative reaction in the stock. The Manager still likes its technology offering and growth potential for the longer term, but decided to exit the position until its operating issues are resolved.

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*Fund is currently closed to new subscriptions.

Sources: Driehaus Capital Management LLC, FactSet Research Systems, Inc., Reuters, Yahoo Finance and Bloomberg.

Featured securities were the top contributor to or detractor from return and were held by the Fund at some point during the month of March 2021. The performance numbers for the Funds are provided by VAM Funds (Lux). The performance discussed above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance quoted.

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