

VT AJ Bell Cautious Q4 2020 Report

Commentary

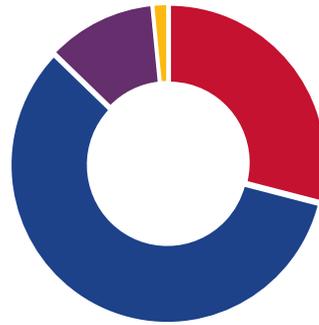
Low interest rates and unprecedented government spending have become the norm throughout the COVID-19 pandemic. This has resulted in bonds losing some of their appeal to investors. Although some riskier types of bonds have done well, it has been another fairly flat quarter for them overall.

The past three months also saw a fall in the US dollar and a climb in the pound sterling – resurgent on the back of the Christmas Eve UK-EU trade deal. This has led to many foreign holdings losing value in sterling terms.

However, the biggest impact on the global markets was the announcement of the first successful COVID-19 vaccine trials, followed by their near-immediate rollout. This has boosted share prices worldwide, including in the UK and many emerging market countries.

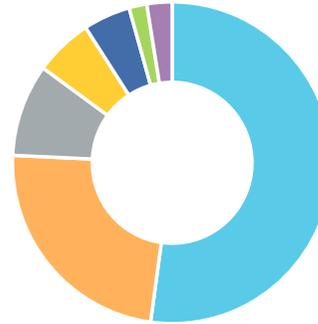
In the Cautious fund, most of our holdings are bonds. These are well diversified across countries and types, ensuring that we can take advantage of an upturn in one area while remaining defensive in others. Our holdings in shares are similarly diversified, leading to a return of 3.3% across the quarter and a 12-month return of 3.8%.

Asset Breakdown



Shares	29.0%
Bonds	58.2%
Cash	11.3%
Other	1.6%

Shares Regional Breakdown



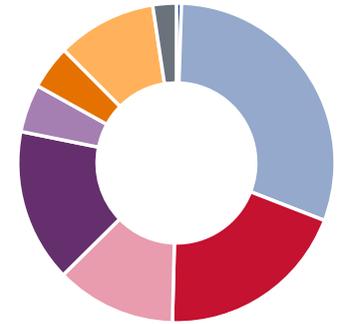
North America	52.2%
United Kingdom	23.6%
Asia Developed	9.3%
Asia Emerging	5.9%
Australasia	4.8%
Europe Developed	1.8%
Other	2.5%

Shares Sector Breakdown



Healthcare	25.4%
Consumer Defensive	22.5%
Financial Services	10.4%
Real Estate	8.5%
Technology	7.2%
Consumer Cyclical	6.7%
Industrials	5.8%
Other	13.5%

Bond Maturity Breakdown



Less than 1 Year	0.5%
1-3 Years	30.3%
3-5 Years	19.6%
5-7 Years	12.2%
7-10 Years	15.5%
10-15 Years	4.9%
15-20 Years	4.5%
20-30 Years	10.1%
30+ Years	2.4%

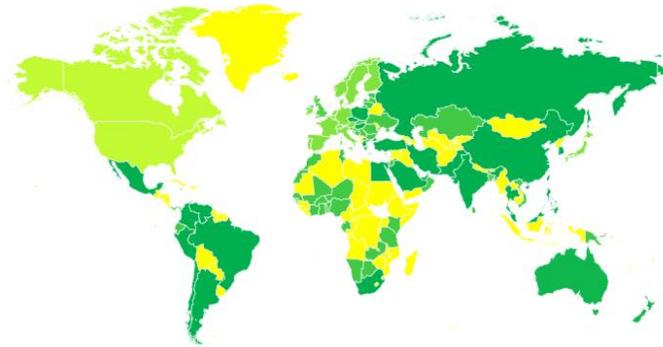
Trailing Returns (%)

Last quarter	3.3
Year to Date	3.8
1 Year	3.8

Historic Performance



Q4 2020 Stock Market Performance (in GBP)



Powered by Bing
© GeoNames, Microsoft, Navinfo, TomTom, Wikipedia

0.0%

13.2%

Top 10 Holdings

	Weight (%)
JPMorgan Global High Yield Corporate Bond Multi-Factor ETF	9.1
Invesco USD Corporate Bond £ Hedged ETF	9.0
Insight Liquidity Fund	8.9
Invesco GBP Corporate Bond ETF	8.0
iShares Global Aggregate Bond ETF	7.0
Vanguard USD Emerging Markets Government Bond ETF	5.9
Xtrackers MSCI US Health Care ETF	5.9
United Kingdom of Great Britain and Northern Ireland 0%	5.5
iShares Core FTSE 100 ETF	4.9
Xtrackers MSCI US Consumer Staples ETF	4.9

Fund Snapshot

ISIN	GB00BYW8RV97
IA Sector	Mixed Investment 0-35% Shares
Inception Date	18/04/2017
Ongoing Charge	0.35%
Fund Size (£m)	38.50
12 Month Yield (Reinvested)	1.67%

The value of investments can go down as well as up and you may get back less than you originally invested. We don't offer advice, so it's important that you understand the risks, if you're unsure please consult a suitably qualified financial adviser. Past performance is not a guide to future performance and some investments need to be held for the long term.