

# VT AJ Bell Cautious Q1 2021 Report

## Commentary

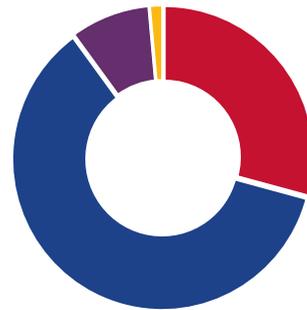
The spectre of inflation reared its head in the first quarter of 2021, following large government stimulus packages – particularly in the US – and plans to reopen the world economy. Higher inflation is bad for bond prices because it often leads to higher interest rates, which make bonds' fixed coupon rates less attractive. As a result of these fears, bonds suffered their worst quarter in over 30 years.

On the other hand, global stock markets performed well. Sectors and countries that are expected to benefit from a reopening of the economy post-lockdown largely outperformed the broader markets.

Sterling retained its recent gains against the US dollar and strengthened against other currencies, particularly the euro and Japanese yen. This led to many foreign holdings losing value for domestic investors when converted back into pounds.

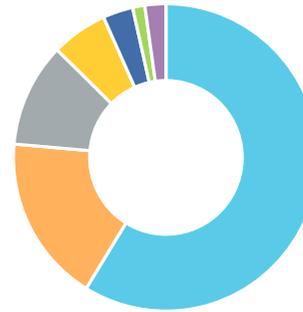
In the Cautious fund, the majority of investments are in bonds, with around a quarter in shares, concentrated in international holdings. Q1 2021 also saw us add new holdings we feel could perform relatively well if inflation does pick up. The fund returned -1.0% across the quarter, making a 12-month return of 9.3%.

## Asset Breakdown



Shares	29.2%
Bonds	60.7%
Cash	8.6%
Other	1.4%

## Shares Regional Breakdown



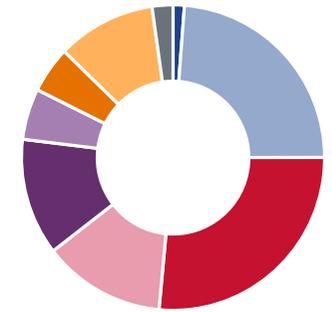
North America	58.8%
United Kingdom	17.6%
Japan	11.0%
Asia Emerging	5.9%
Asia Developed	3.2%
Europe Developed	1.3%
Other	2.2%

## Shares Sector Breakdown



Utilities	17.7%
Healthcare	16.2%
Consumer Defensive	16.0%
Industrials	9.7%
Technology	8.7%
Financial Services	8.5%
Consumer Cyclical	7.6%
Other	15.6%

## Bond Maturity Breakdown

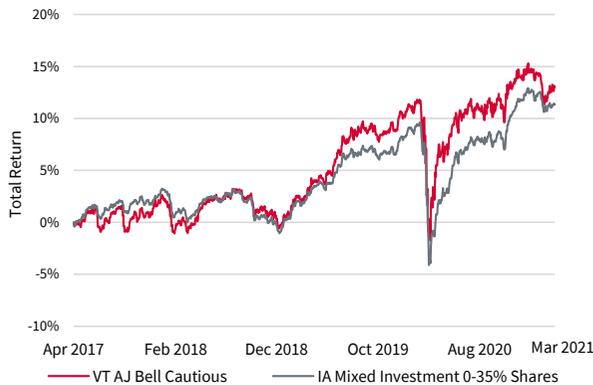


Less than 1 Year	1.2%
1-3 Years	23.8%
3-5 Years	26.5%
5-7 Years	13.1%
7-10 Years	12.4%
10-15 Years	5.4%
15-20 Years	4.9%
20-30 Years	10.5%
30+ Years	2.2%

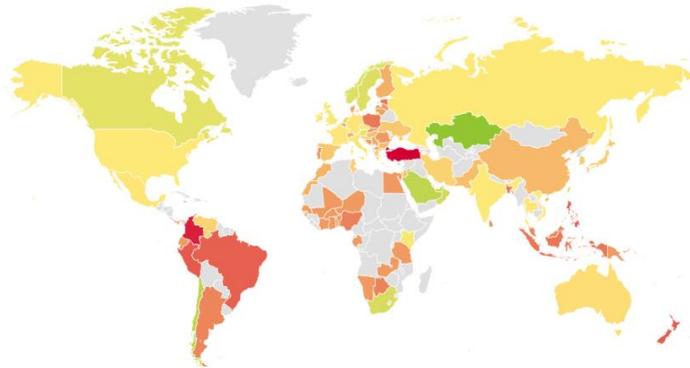
## Trailing Returns (%)

Last quarter	-1.0
Year to Date	-1.0
1 Year	9.3

## Historic Performance



## Q1 2021 Stock Market Performance (in GBP)



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## Top 10 Holdings

	Weight (%)
iShares Global Aggregate Bond ETF	12.0
Insight Liquidity Fund	9.1
JPMorgan Global High Yield Corporate Bond Multi-Factor ETF	8.0
Invesco GBP Corporate Bond ETF	7.9
Vanguard S&P 500 ETF	5.1
Invesco USD Corporate Bond £ Hedged ETF	5.0
iShares Core FTSE 100 ETF	4.0
United Kingdom of Great Britain and Northern Ireland 0.01%	3.7
United Kingdom of Great Britain and Northern Ireland 0%	3.6
iShares S&P 500 Utilities Sector ETF	3.2

## Fund Snapshot

ISIN	GB00BYW8RV97
IA Sector	Mixed Investment 0-35% Shares
Inception Date	18/04/2017
Ongoing Charge	0.35%
Fund Size (£m)	45.36
12 Month Yield (Reinvested)	1.55%

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.