

VT AJ Bell Income & Growth Q1 2021 Report

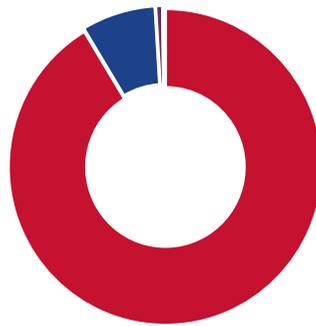
Commentary

It has been an uncertain 12-months for income investors. As companies suspended dividends due to lost earnings, and bond yields were pushed lower, investments once favoured by income-seekers became much less appealing. But this trend has reversed in recent months.

Companies that suspended dividends in 2020 are now looking more favourable. Economic forecasts suggest a return of revenues once lockdowns are eased – profits they can pass on to shareholders. Companies which are sensitive to changes in the economy (and which suffered during the global lockdown) saw large jumps in their share prices in Q1 as a result. These so-called ‘value’ stocks have share prices relatively cheap to their earnings potential, and therefore represent good returns in dividends.

The Income & Growth fund contains mostly shares. One change we made to the fund this quarter was tilting towards companies with a close link to the profits they generate and the strength of the economy, such as banks and energy. We also moved away from investments in UK property, given its continued uncertainty. Overall, the fund returned 5.0% across the quarter, making a 12-month return of 28.2%.

Asset Breakdown



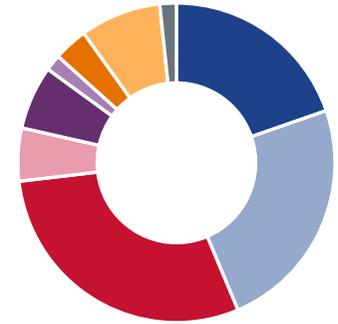
Shares Regional Breakdown



Shares Sector Breakdown



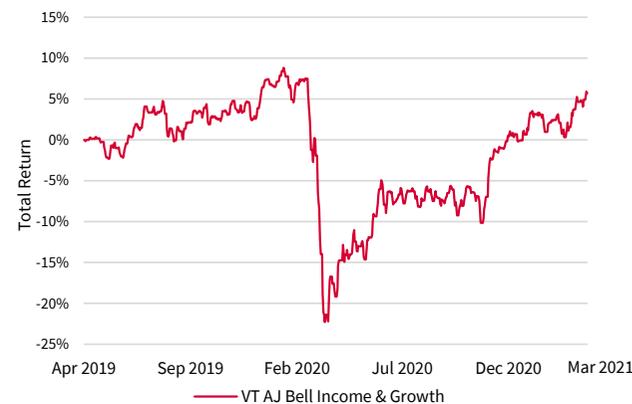
Bond Maturity Breakdown



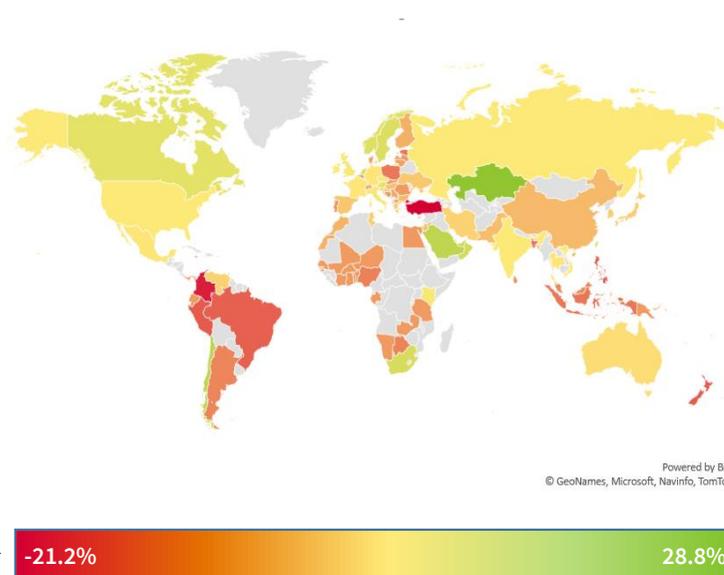
Trailing Returns (%)

Last quarter	5.0
Year to Date	5.0
1 Year	28.2

Historic Performance



Q1 2021 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
Schroder Oriental Income Trust	9.7
Invesco S&P 500 High Dividend Low Volatility ETF	9.5
Fidelity US Quality Income ETF	9.4
iShares Core FTSE 100 ETF	8.8
Invesco FTSE Emerging Markets High Dividend Low Volatility ETF	8.6
Fidelity Emerging Markets Quality Income ETF	8.5
Jupiter Japan Income	8.0
Temple Bar Investment Trust	6.2
City of London Investment Trust	6.1
iShares MSCI World Quality Dividend ETF	6.0

Fund Snapshot

ISIN (Distributing Class)	GB00BH3W7990
ISIN (Accumulating Class)	GB00BH3W7883
Inception Date	08/04/2019
Ongoing Charge	0.75%
Fund Size (£m)	29.51
12 Month Target Income	3-5%

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.