

VT AJ Bell Balanced Q2 2021 Report

Commentary

Despite a delay to the lifting of lockdown restrictions in the UK, financial markets continued their upward path in Q2. Investor optimism wasn't dampened by the rise in COVID-19 cases, or the still-looming spectre of inflation.

This had the effect of pushing money away from traditionally safe bonds and into shares. Across both developed and emerging markets, share prices once again improved – continuing the now-familiar story of stock markets rising despite lockdown and other business interruptions.

Inflation fears led to bonds performing poorly at the start of the year. However, Q2 saw a slight uptick in bond prices thanks to more stability about future inflation expectations. Turning to currency, the pound sterling was relatively flat compared to other currencies this quarter, but has still appreciated strongly against the US dollar and Euro over the last 12 months.

In the Balanced fund, we hold a diversified range of shares and bonds, covering both domestic and international markets. This helped the fund return 3.7% this quarter, contributing to a 12-month total return of 12.3%.

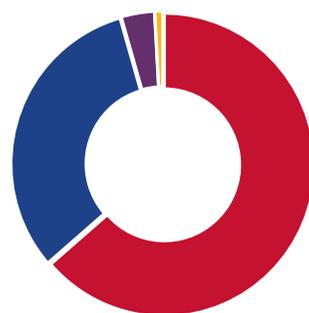
Trailing Returns (%)

Last quarter	3.7
Year to Date	4.9
1 Year	12.3

Historic Performance



Asset Breakdown



Shares	63.6%
Bonds	31.9%
Cash	3.6%
Other	0.9%

Shares Regional Breakdown



North America	39.2%
United Kingdom	23.6%
Asia Emerging	11.6%
Japan	9.6%
Asia Developed	6.3%
Europe Developed	5.5%
Other	4.3%

Shares Sector Breakdown



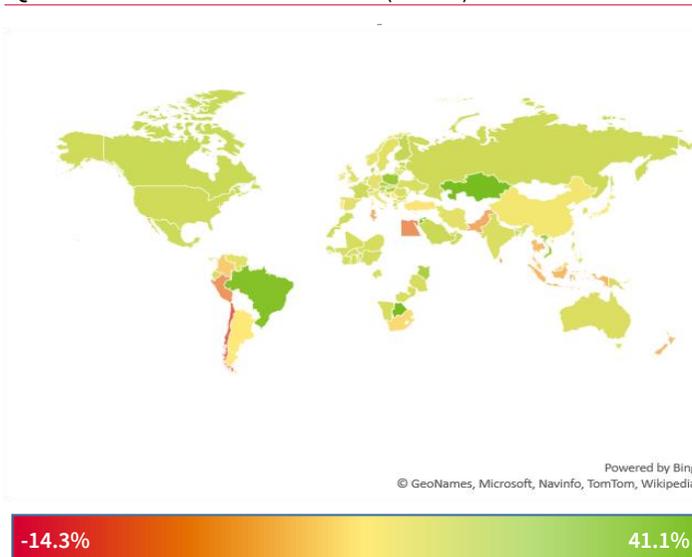
Consumer Defensive	12.6%
Healthcare	12.5%
Financial Services	12.2%
Consumer Cyclical	10.0%
Technology	9.9%
Industrials	9.4%
Energy	8.9%
Other	24.5%

Bond Maturity Breakdown



Less than 1 Year	0.7%
1-3 Years	16.0%
3-5 Years	23.9%
5-7 Years	15.4%
7-10 Years	15.4%
10-15 Years	6.1%
15-20 Years	6.4%
20-30 Years	13.0%
30+ Years	3.1%

Q2 2021 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
Lyxor Morningstar UK ETF	15.8
Vanguard S&P 500 ETF	10.1
Invesco GBP Corporate Bond ETF	9.0
HSBC MSCI Emerging Markets ETF	8.1
JPMorgan Global High Yield Corporate Bond Multi-Factor ETF	6.0
Lyxor Core MSCI Japan ETF	5.9
Lyxor US TIPS ETF	4.0
Vanguard USD Emerging Markets Government Bond ETF	4.0
Insight Liquidity Fund	3.9
iShares S&P 500 Energy ETF	3.1

Fund Snapshot

ISIN	GB00BYW8RX12
IA Sector	Mixed Investment 40-85% Shares
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	279.69
12 Month Yield (Reinvested)	1.61%

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.