

VT AJ Bell Cautious Q2 2021 Report

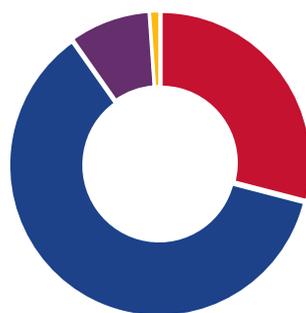
Commentary

The spectre of inflation continued to loom in Q2. But fears of runaway inflation were eased by governments and central banks, who indicated that recent increases in inflation are likely to be temporary in nature. This is good news for bonds, because it means their value wouldn't be eroded.

However, once again bond markets were outperformed by shares. This was because investors continued to seek riskier financial assets – feeling buoyed by the optimism of successful global vaccine rollouts, and the seemingly imminent end of lockdowns. This trend was consistent across most geographies and sectors, with the largest gains coming in developed markets.

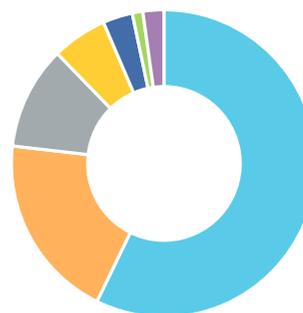
In the Cautious fund, the majority of investments are in bonds, with the quarter in shares concentrated in international holdings. We also have protection in the form of bonds and shares that have returns linked to inflation. Overall, the fund returned 2.2% across the quarter, contributing to a 12-month return of 4.5%.

Asset Breakdown



Shares	29.0%
Bonds	61.2%
Cash	8.7%
Other	1.1%

Shares Regional Breakdown



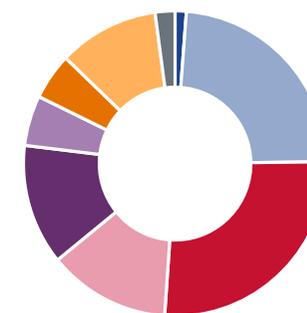
North America	57.2%
United Kingdom	19.6%
Japan	10.9%
Asia Emerging	5.8%
Asia Developed	3.2%
Europe Developed	1.1%
Other	2.2%

Shares Sector Breakdown



Healthcare	16.9%
Utilities	16.7%
Consumer Defensive	16.4%
Industrials	9.3%
Financial Services	8.8%
Technology	8.4%
Consumer Cyclical	7.2%
Other	16.3%

Bond Maturity Breakdown

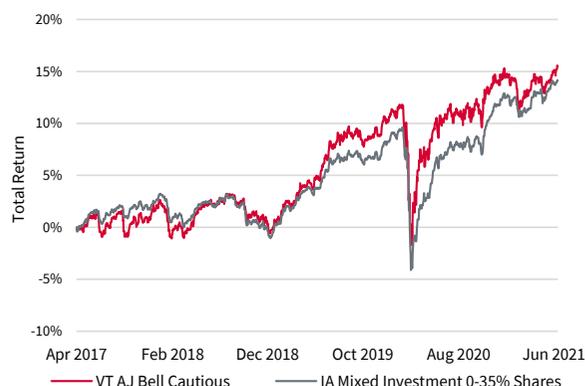


Less than 1 Year	1.2%
1-3 Years	23.6%
3-5 Years	26.3%
5-7 Years	13.0%
7-10 Years	12.8%
10-15 Years	5.3%
15-20 Years	4.9%
20-30 Years	10.7%
30+ Years	2.1%

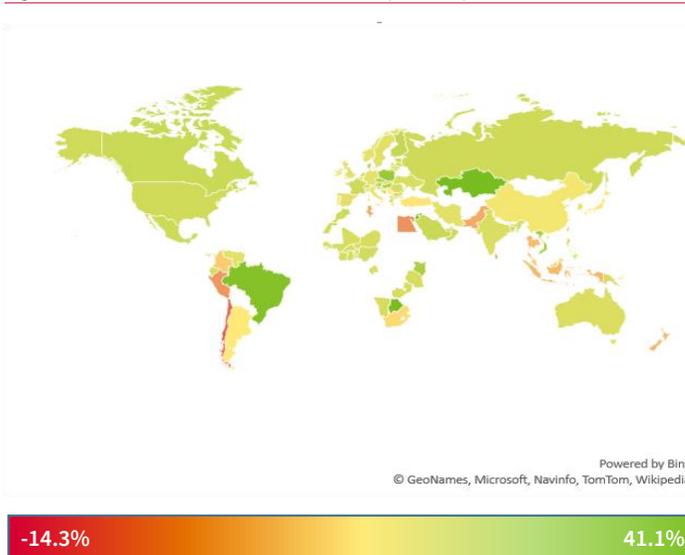
Trailing Returns (%)

Last quarter	2.2
Year to Date	1.1
1 Year	4.5

Historic Performance



Q2 2021 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
iShares Global Aggregate Bond ETF	12.0
Insight Liquidity Fund	9.7
JPMorgan Global High Yield Corporate Bond Multi-Factor ETF	7.9
Invesco GBP Corporate Bond ETF	7.9
Lyxor Morningstar UK ETF	5.9
Vanguard S&P 500 ETF	5.1
Invesco USD Corporate Bond £ Hedged ETF	5.0
Xtrackers MSCI US Health Care ETF	3.1
Lyxor US TIPS ETF	3.0
iShares \$ Corporate Bond Interest Rate Hedged ETF	3.0

Fund Snapshot

ISIN	GB00BYW8RV97
IA Sector	Mixed Investment 0-35% Shares
Inception Date	18/04/2017
Ongoing Charge	0.34%
Fund Size (£m)	50.84
12 Month Yield (Reinvested)	1.51%

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.