

# VT AJ Bell Moderately Cautious Q2 2021 Report

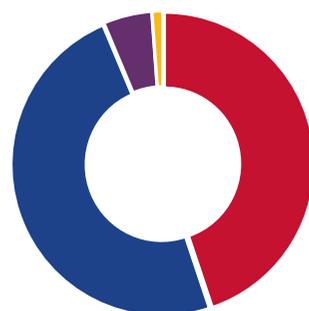
## Commentary

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.

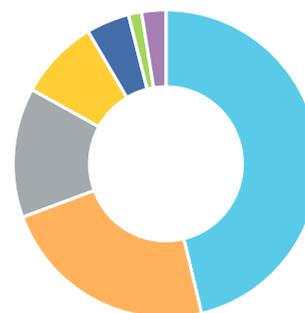
In the Moderately Cautious fund, the majority of investments are in bonds, with around a quarter in shares – largely concentrated in international holdings. We also have protection in the form of bonds and shares that have returns linked to inflation. Overall, the fund returned 2.8% across the quarter, contributing to a 12-month return of 8.7%.

## Asset Breakdown



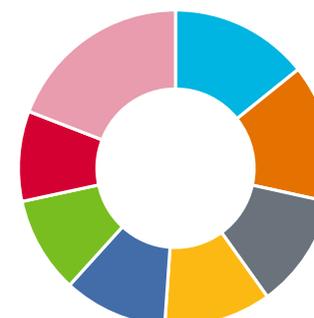
|        |       |
|--------|-------|
| Shares | 44.8% |
| Bonds  | 48.8% |
| Cash   | 5.2%  |
| Other  | 1.2%  |

## Shares Regional Breakdown



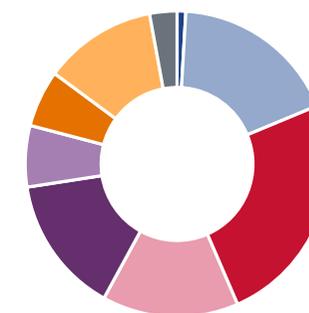
|                |       |
|----------------|-------|
| North America  | 46.2% |
| United Kingdom | 23.1% |
| Japan          | 13.6% |
| Asia Emerging  | 8.5%  |
| Asia Developed | 4.6%  |
| Latin America  | 1.4%  |
| Other          | 2.6%  |

## Shares Sector Breakdown



|                    |       |
|--------------------|-------|
| Healthcare         | 14.3% |
| Consumer Defensive | 14.2% |
| Utilities          | 11.6% |
| Financial Services | 11.0% |
| Technology         | 10.7% |
| Industrials        | 9.9%  |
| Consumer Cyclical  | 9.2%  |
| Other              | 19.2% |

## Bond Maturity Breakdown



|                  |       |
|------------------|-------|
| Less than 1 Year | 0.9%  |
| 1-3 Years        | 17.8% |
| 3-5 Years        | 24.7% |
| 5-7 Years        | 14.5% |
| 7-10 Years       | 14.6% |
| 10-15 Years      | 6.5%  |
| 15-20 Years      | 6.0%  |
| 20-30 Years      | 12.0% |
| 30+ Years        | 2.9%  |

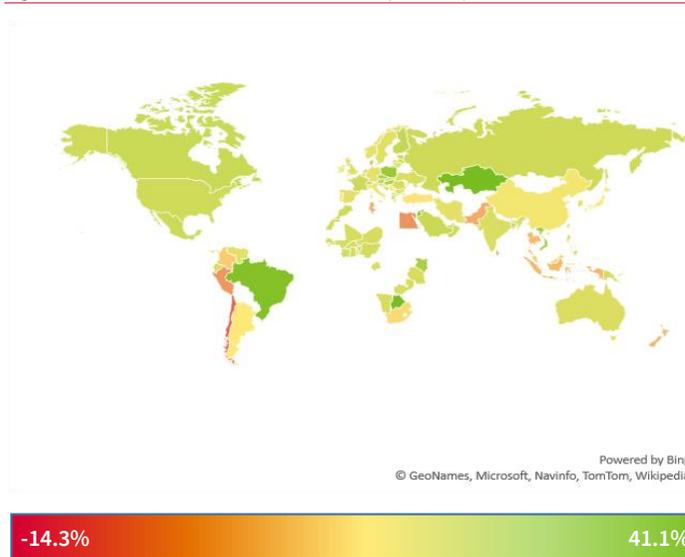
## Trailing Returns (%)

|              |     |
|--------------|-----|
| Last quarter | 2.8 |
| Year to Date | 2.7 |
| 1 Year       | 8.7 |

## Historic Performance



## Q2 2021 Stock Market Performance (in GBP)



## Top 10 Holdings

|  | Weight (%) |
|--|------------|
| Invesco GBP Corporate Bond ETF                             | 13.0       |
| Lyxor Morningstar UK ETF                                   | 10.9       |
| Vanguard S&P 500 ETF                                       | 9.1        |
| HSBC MSCI Emerging Markets ETF                             | 7.1        |
| JPMorgan Global High Yield Corporate Bond Multi-Factor ETF | 7.0        |
| Lyxor Core MSCI Japan ETF                                  | 5.9        |
| Insight Liquidity Fund                                     | 5.9        |
| Vanguard USD Emerging Markets Government Bond ETF          | 5.0        |
| iShares Global Aggregate Bond ETF                          | 5.0        |
| Lyxor US TIPS ETF  | 4.0        |

## Fund Snapshot

|                             |                                |
|-----------------------------|--------------------------------|
| ISIN                        | GB00BYW8VJ55                   |
| IA Sector                   | Mixed Investment 20-60% Shares |
| Inception Date              | 18/04/2017                     |
| Ongoing Charge              | 0.32%                          |
| Fund Size (£m)              | 90.23                          |
| 12 Month Yield (Reinvested) | 1.64%                          |

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.