

# VT AJ Bell Income Q2 2023 Report

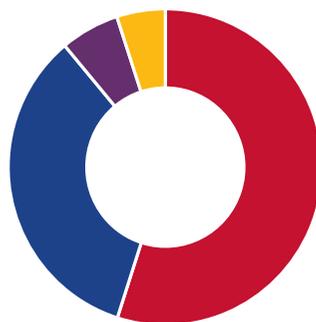
## Commentary

A poor quarter for bonds coincided with a distribution of returns in stock markets that weren't especially favorable for income investors. Bonds suffered globally from central banks' inclination to hold interest rates at higher levels than previously thought, and the gilt market felt the wind of weaker sentiment towards the UK.

On a brighter note, in contrast to the previous decade, income is no longer a scarce financial commodity. UK base rates hit 5%, and are forecast to move towards 6% by year end. It's important to weigh this, however, against the stubborn inflation which the Bank of England is hoping to combat. This is why the fund allocates to stocks on global basis. US stocks ended the quarter strongly, although returns were dominated by a selection of what may be characterised as growth companies with a foot in the AI technology camp.

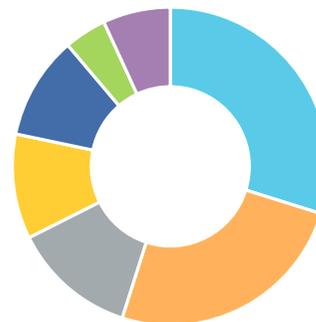
Income-biased stocks notably underperformed the broader market, meaning the fund didn't enjoy the full extent of the rally in the US. This, in conjunction with poor returns from bonds, led the fund 1.0% lower over the quarter.

## Asset Breakdown



Shares	55.0%
Bonds	34.0%
Cash	6.1%
Other	5.0%

## Shares Regional Breakdown



United Kingdom	29.8%
North America	25.1%
Asia Emerging	12.7%
Japan	10.7%
Asia Developed	10.5%
Africa	4.3%
Latin America	6.9%

## Shares Sector Breakdown



Financial Services	16.6%
Technology	11.3%
Consumer Defensive	9.9%
Industrials	9.8%
Consumer Cyclical	9.8%
Real Estate	9.3%
Healthcare	8.7%
Other	24.7%

## Bond Maturity Breakdown

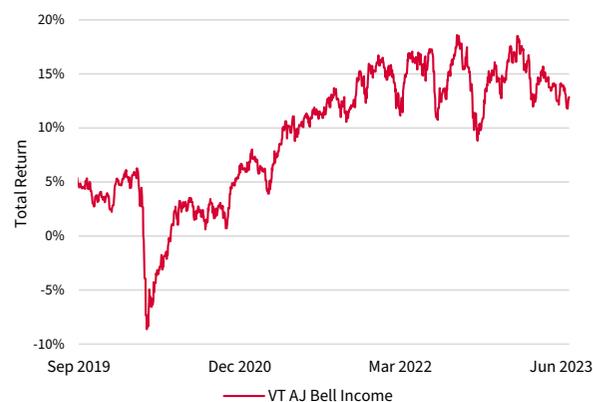


Less than 1 Year	0.9%
1-3 Years	19.7%
3-5 Years	22.0%
5-7 Years	18.5%
7-10 Years	17.9%
10-15 Years	7.9%
15-20 Years	5.0%
20-30 Years	5.9%
30+ Years	2.2%

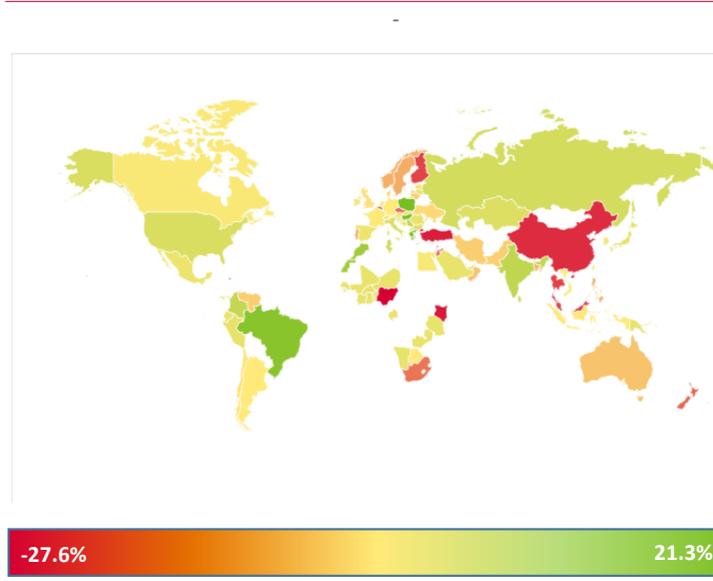
## Trailing Returns (%)

Last quarter	-1.0
Year to Date	-1.4
1 Year	0.4

## Historic Performance



## Q2 2023 Stock Market Performance (in GBP)



## Top 10 Holdings

	Weight (%)
Fidelity Emerging Markets Quality Income ETF	14.3
iShares Core FTSE 100 ETF	13.9
iShares Core £ Corporate Bond ETF	10.2
iShares ESG Overseas Corporate Bond Index	9.0
Invesco S&P 500 High Dividend Low Volatility ETF	8.2
Vanguard FTSE Japan ETF	6.1
Fidelity US Quality Income ETF	6.1
Cash	5.8
State Street Global High Yield Bond Screened Index	5.3
iShares UK Property ETF	3.2

## Fund Snapshot

ISIN (Distributing Class)	GB00BH3W7522
ISIN (Accumulating Class)	GB00BH3W7446
Inception Date	08/04/2019
Ongoing Charge	0.65%
Fund Size (£m)	39.82
12 Month Yield (Reinvested)	2.91%

⚠ 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. Totals may not sum to 100% due to rounding.