

VT AJ Bell Income & Growth Q2 2020 Report

Commentary

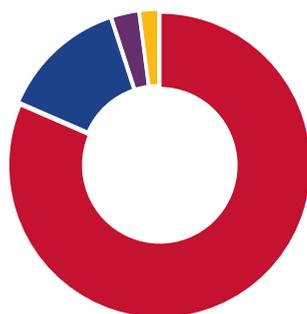
This quarter, global stock markets have been rising on this wave of optimism following their falls last quarter due to the COVID-19 pandemic. Share prices in the US and emerging markets did particularly well – helped by the pound weakening against other currencies. When the pound drops in value relative to global currencies, the value of international stocks increases when converted back into sterling.

Bond markets also performed strongly during the quarter, seeing an increase in prices as people sought less risky ways to invest – protecting their money from the uncertainty prevailing in the stock market.

We decided to add bonds to the Income & Growth fund in April this year. Earning income is an important part of the mandate for this fund, and we consider that bonds provide more reliable cash flows for our investors in periods of market uncertainty.

The majority of the fund's holdings remain in shares, with an allocation to property and infrastructure as well. A strong performance across all these areas contributed to an overall return of 12.4% over the quarter, offsetting some of the losses seen earlier in the year and bringing the 12-month total return to -8.6%.

Asset Breakdown



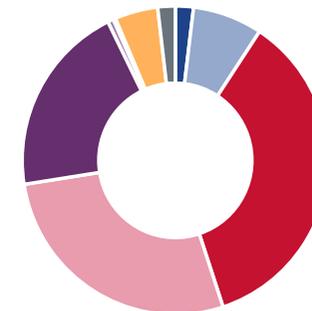
Shares Regional Breakdown



Shares Sector Breakdown



Bond Maturity Breakdown



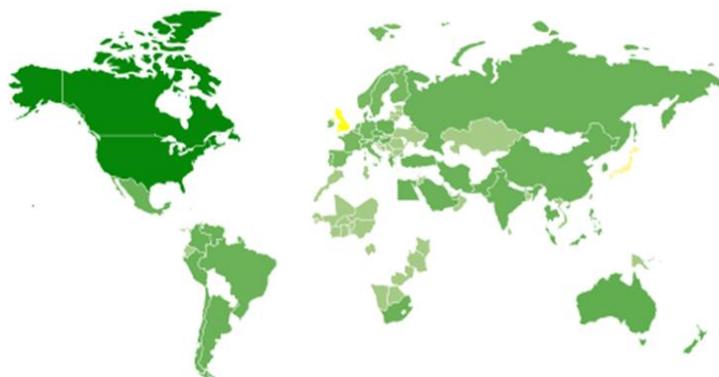
Trailing Returns (%)

| | |
|--------------|-------|
| Last quarter | 12.4 |
| Year to Date | -13.1 |
| 1 Year | -8.6 |

Historic Performance



Q2 2020 Stock Market Performance (in GBP)



Top 10 Holdings

| | Weight (%) |
|--|------------|
| iShares Core FTSE 100 ETF | 11.0 |
| Jupiter Asian Income | 10.3 |
| Baillie Gifford High Yield Bond | 10.1 |
| iShares MSCI Europe Quality Dividend ETF | 10.1 |
| iShares MSCI World Quality Dividend ETF | 10.0 |
| iShares MSCI Target UK Real Estate ETF | 9.8 |
| L&G Global Real Estate Dividend Index | 9.7 |
| JPM Emerging Markets Income | 7.1 |
| Invesco S&P 500 High Dividend Low Volatility ETF | 6.7 |
| Legg Mason IF ClearBridge Global Infrastructure Income | 5.0 |

Fund Snapshot

| | |
|---------------------------|--------------|
| ISIN (Distributing Class) | GB00BH3W7990 |
| ISIN (Accumulating Class) | GB00BH3W7883 |
| Inception Date | 08/04/2019 |
| Ongoing Charge | 0.84% |
| Fund Size (£m) | 19.28 |
| 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.