

VT AJ Bell Cautious Q3 2020 Report

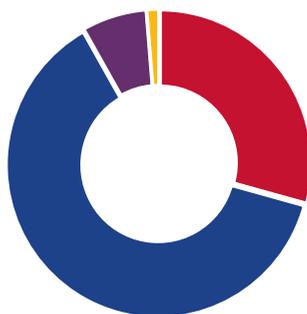
Commentary

With global interest rates at near-zero or even negative, traditionally safe investments like bonds are becoming a less attractive proposition. An expected inflation rise – following increased stimulus from central banks and governments – has seen investors look to protect themselves by flocking to alternatives and shares. Consequently, bonds have endured a flat quarter.

Shares, which typically experience larger price swings, have performed poorly in the UK but much better overseas. The disappointing performance of UK shares can be explained by the uncertainty around a Brexit trade deal and the impact of COVID-19 continuing to permeate the market.

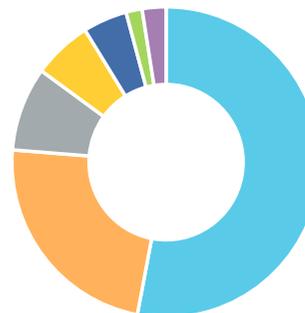
As bonds make up the majority of the Cautious fund's holdings, it is no surprise that the overall performance across the quarter has been flat at 0.0%. The fund's international holdings, which increase in value against a weak pound, have contributed to some of the upside, with the 12-month total return sitting at 1.0%.

Asset Breakdown



Shares	29.3%
Bonds	62.5%
Cash	6.9%
Other	1.3%

Shares Regional Breakdown



North America	53.0%
United Kingdom	23.3%
Asia Developed	8.7%
Asia Emerging	6.2%
Australasia	4.6%
Europe Developed	1.7%
Other	2.5%

Shares Sector Breakdown



Healthcare	26.3%
Consumer Defensive	23.0%
Financial Services	10.0%
Real Estate	8.4%
Technology	7.0%
Consumer Cyclical	6.5%
Industrials	5.5%
Other	13.5%

Bond Maturity Breakdown



Less than 1 Year	7.2%
1-3 Years	28.5%
3-5 Years	18.6%
5-7 Years	11.3%
7-10 Years	14.7%
10-15 Years	3.9%
15-20 Years	4.3%
20-30 Years	9.4%
30+ Years	2.1%

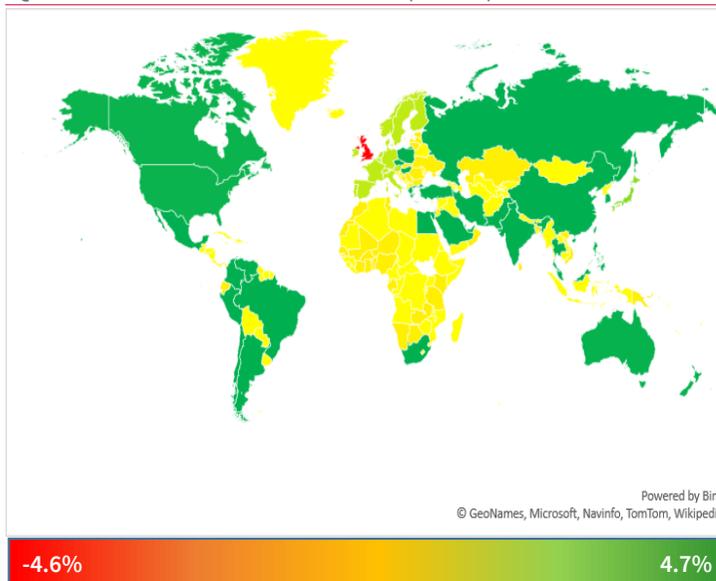
Trailing Returns (%)

Last quarter	0.0
Year to Date	0.5
1 Year	1.0

Historic Performance



Q3 2020 Stock Market Performance (in GBP)



Top 10 Holdings

Weight (%)	
Invesco USD Corporate Bond £ Hedged ETF	9.1
JPMorgan Global High Yield Corporate Bond Multi-Factor ETF	9.0
Invesco GBP Corporate Bond ETF	8.1
Insight Liquidity Fund	8.0
iShares Global Aggregate Bond ETF	7.1
Xtrackers MSCI US Health Care ETF	6.0
Vanguard USD Emerging Markets Government Bond ETF	6.0
United Kingdom of Great Britain and Northern Ireland 0%	5.5
Xtrackers MSCI US Consumer Staples ETF	5.0
iShares Core FTSE 100 ETF	5.0

Fund Snapshot

ISIN	GB00BYW8RV97
IA Sector	Mixed Investment 0-35% Shares
Inception Date	18/04/2017
Ongoing Charge	0.35%
Fund Size (£m)	31.49
12 Month Yield (Reinvested)	1.72%

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.