

VT AJ Bell Income

As at 30 April 2019

Investment objective

The fund aims to minimise the risk of capital loss over a typical investment cycle whilst targeting an annual yield between 3% and 5%, although this is not guaranteed. The fund achieves this by investing in a broad range of assets focused on higher income generation, such as bonds and shares with higher than average dividend yields.

Investment approach

The fund looks to deliver a sustainable level of income, while at the same time minimising the level of risk and reducing the chances of capital loss over a typical market cycle (often five years or more). To do this, the portfolio invests in collective investments, such as funds and ETFs, and direct securities such as bonds and shares where appropriate, to deliver exposure to a highly diversified portfolio of assets including shares, bonds, property and cash. In this way it aims to deliver long-term returns with a more predictable investment journey by smoothing out the worst of market volatility.

The AJ Bell investment team uses in-house modelling to deliver a long-term approach that combines different assets. This aims to deliver income and capital returns efficiently, while minimising the risk required in the portfolio in order to achieve the investment objective.

To deliver income the portfolio invests in a wide range of strategies that may include both actively managed and passive strategies. This gives exposure to a variety of asset classes across a diversified range of global markets. The portfolio looks to gain exposure to high quality active managers who have the potential to outperform markets over time, but it will only use these where there is conviction that this still makes sense when considering distributed income and manager fees, otherwise low cost passive investments are utilised. Our focus on long-term investing helps minimise transaction costs, ensuring there is a minimal impact on the fund. However, the fund is actively managed and underlying holdings will be changed when appropriate.

Top 10 holdings

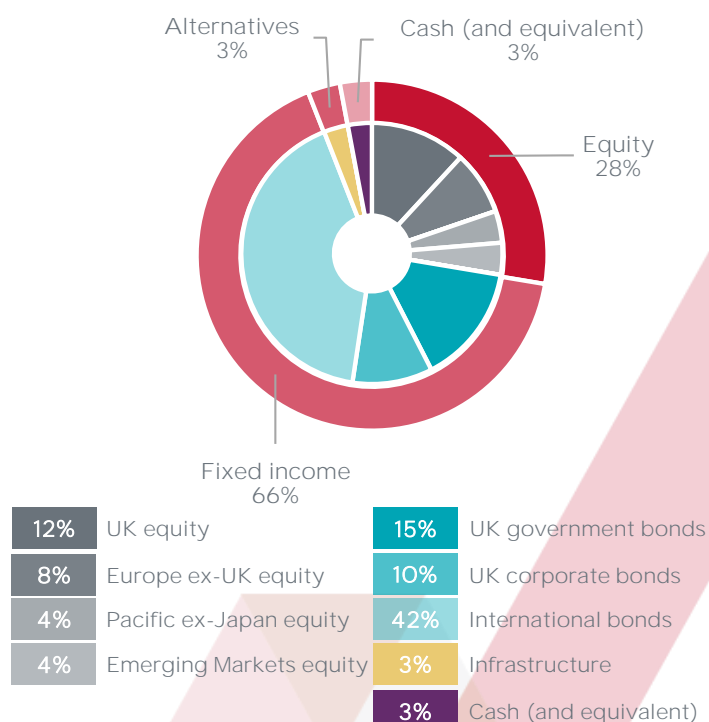
Holding	Weight (%)
Lyxor FTSE Actuaries UK Gilts 0-5 Year ETF	14.83
iShares Core FTSE 100 ETF	11.87
Vanguard USD Corporate Bond ETF	9.97
TwentyFour Corporate Bond	9.92
iShares MSCI Europe Quality Dividend ETF	7.87
SPDR Bloomberg Barclays 0-5 Year US High Yield Bond ETF	4.96
Vanguard USD Emerging Markets Government Bond ETF	4.96
Baillie Gifford High Yield Bond	4.95
BMO Barclays Global High Yield GBP Hedged ETF	4.94
Invesco US Treasury 3-7 Year ETF	3.99

Fund & share class information

Launch date	08 April 2019
Share class currency	GBP
Legal structure	UCITS
Valuation point	12:00 Midday
Dealing frequency	Daily
Dividend frequency	Monthly
ISA/SIPP eligible	Yes
Initial charge	0.00%
Ongoing charges per annum ⁽¹⁾	1.00%
Available share classes	Acc & Inc
Fund size	£5.38M
IA sector	Unclassified
ISIN	(I Acc) GBO0BH3W7446 (I Inc) GBO0BH3W7552
Fund Manager	AJ Bell Asset Management Ltd



Asset allocation⁽²⁾



(2) Totals may not sum to 100% due to rounding.

Performance

The fund launched on 08 April 2019 and therefore will not present past performance data until it has been running for a full 12-month period.

Expected Income

Based on the current composition of the portfolio and the most recent dividend and income payments made by these holdings we can estimate the likely income yield the portfolio will generate. It is important to note that historic income and dividend payments are not always a reliable indicator of future income payments, especially in periods of market stress.

Expected Income

4.1%

(1) The Investment Manager of the Fund has undertaken to absorb any costs that would otherwise cause the Fund to have ongoing charges in excess of 1.00%. This figure is as stated in the Key Investor Information Document as at 07 March 2019.

FinaMetrica risk tolerance scores were mapped to the funds' strategic asset allocations. The mappings are only for use by financial advisors licensed to use FinaMetrica Risk Profiling system, are for guidance purposes only and do not constitute financial or investment advice.

The assigned risk profiles do not indicate a promise, forecast or illustration of future volatility or returns nor represents investment advice or a recommendation to buy or sell units/shares in a fund or portfolio.



Past performance is not indicative of future performance. The value of investments may go down as well as up and the income generated by investments is not guaranteed and may fluctuate. You may receive back less than the amount that you invested.

This information is for indicative purposes only and is not intended, and should not be construed, as investment advice. The information contained in this document has been taken from the sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted or guaranteed to be wholly correct. The views and opinions expressed in this document are not forecasts or recommendations in relation to investment decisions.

The information and data presented in this document were believed to be correct at the time of writing and we are not liable for any subsequent changes.