

# VT AJ Bell Moderately Cautious Q1 2021 Report

## Commentary

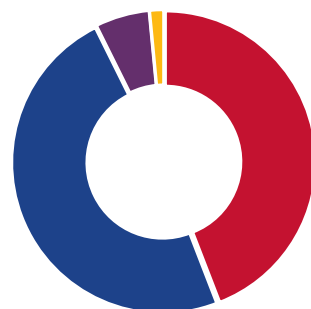
The spectre of inflation reared its head in the first quarter of 2021, following large government stimulus packages – particularly in the US – and plans to reopen the world economy. Higher inflation is bad for bond prices because it often leads to higher interest rates, which make bonds' fixed coupon rates less attractive. As a result of these fears, bonds suffered their worst quarter in over 30 years.

On the other hand, global stock markets performed well. Sectors and countries that are expected to benefit from reopening of the economy post-lockdown largely outperformed the broader markets.

Sterling retained its recent gains against the US dollar and strengthened against other currencies, particularly the euro and Japanese yen. This led to many foreign holdings losing value for domestic investors when converted back into pounds.

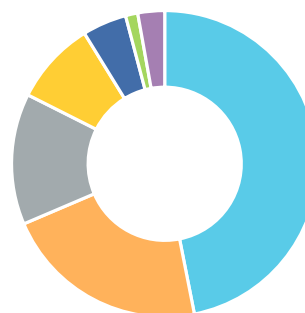
In the Moderately Cautious fund, holdings are split between shares and bonds, and between UK and international assets. Q1 2021 also saw us add new holdings we feel could perform relatively well if inflation does pick up. The fund returned -0.1% across the quarter, making a 12-month return of 15.4%.

## Asset Breakdown



|        |       |
|--------|-------|
| Shares | 44.1% |
| Bonds  | 48.5% |
| Cash   | 5.8%  |
| Other  | 1.5%  |

## Shares Regional Breakdown



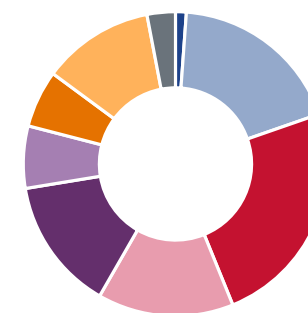
|                |       |
|----------------|-------|
| North America  | 46.9% |
| United Kingdom | 21.7% |
| Japan          | 13.8% |
| Asia Emerging  | 8.8%  |
| Asia Developed | 4.7%  |
| Latin America  | 1.3%  |
| Other          | 2.8%  |

## Shares Sector Breakdown



|                    |       |
|--------------------|-------|
| Healthcare         | 13.9% |
| Consumer Defensive | 13.7% |
| Utilities          | 11.8% |
| Technology         | 11.1% |
| Financial Services | 11.0% |
| Industrials        | 10.0% |
| Consumer Cyclical  | 9.6%  |
| Other              | 8.9%  |

## Bond Maturity Breakdown

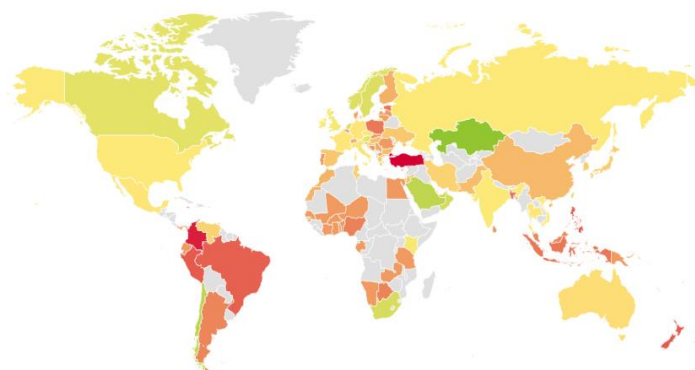


|                  |       |
|------------------|-------|
| Less than 1 Year | 1.1%  |
| 1-3 Years        | 18.5% |
| 3-5 Years        | 24.2% |
| 5-7 Years        | 14.5% |
| 7-10 Years       | 14.1% |
| 10-15 Years      | 6.6%  |
| 15-20 Years      | 6.1%  |
| 20-30 Years      | 11.9% |
| 30+ Years        | 3.0%  |

## Trailing Returns (%)

|              |      |
|--------------|------|
| Last quarter | -0.1 |
| Year to Date | -0.1 |
| 1 Year       | 15.4 |

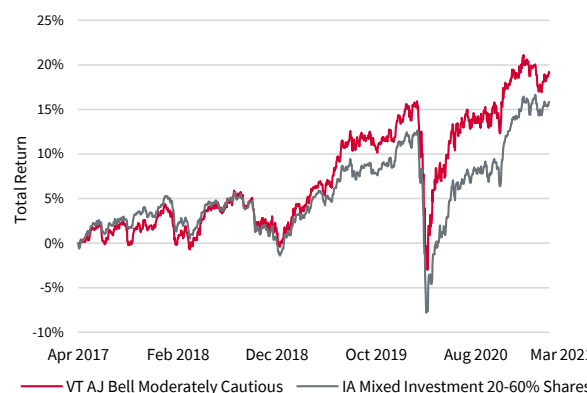
## Q1 2021 Stock Market Performance (in GBP)



## Top 10 Holdings

|  | Weight (%) |
|--|------------|
| Invesco GBP Corporate Bond ETF                             | 12.9       |
| Vanguard S&P 500 ETF                                       | 9.0        |
| iShares Core FTSE 100 ETF                                  | 7.6        |
| HSBC MSCI Emerging Markets ETF                             | 7.0        |
| JPMorgan Global High Yield Corporate Bond Multi-Factor ETF | 7.0        |
| Insight Liquidity Fund                                     | 6.7        |
| Lyxor Core MSCI Japan ETF                                  | 5.9        |
| Vanguard USD Emerging Markets Government Bond ETF          | 5.0        |
| iShares Global Aggregate Bond ETF                          | 5.0        |
| Lyxor US TIPS ETF  | 4.0        |

## Historic Performance



## Fund Snapshot

|                             |                                |
|-----------------------------|--------------------------------|
| ISIN                        | GB00BYW8VJ55                   |
| IA Sector                   | Mixed Investment 20-60% Shares |
| Inception Date              | 18/04/2017                     |
| Ongoing Charge              | 0.34%                          |
| Fund Size (£m)              | 78.45                          |
| 12 Month Yield (Reinvested) | 1.68%                          |

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.