

VT AJ Bell Income Q2 2021 Report

Commentary

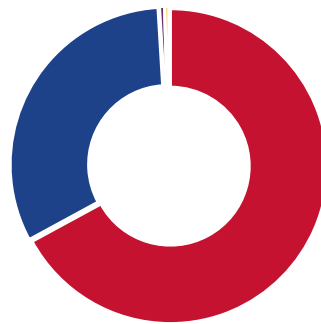
The second quarter of 2021 saw a small reversal of recent trends. In previous quarters, there was a strong return for dividend-paying stocks, as investor enthusiasm increased the value of shares expected to perform well once lockdowns were eased. However, despite stronger performance in growth areas such as technology, these so-called 'value' stocks still performed well this quarter and made a positive contribution to overall returns.

Likewise, bonds made a positive contribution as central banks and governments started to mute inflation expectations. Although the dreaded spectre of inflation still looms, this was downplayed by policymakers in recent months – leading to some stability in bond markets.

The pound sterling also continued its ascent, with modest gains this quarter and a rise against almost all major currencies over 12 months. This can be a negative, however, for domestic investors, as international holdings lose value when converted back into GBP.

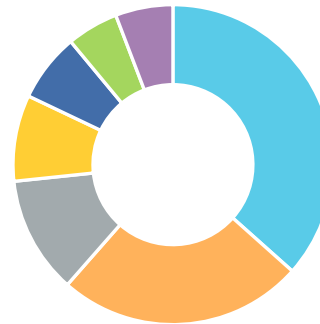
The Income fund contains more shares than bonds, with inflation-protection included in its holdings. Overall, the fund returned 2.3% this quarter, contributing to a 12-month return of 7.5%.

Asset Breakdown



Shares	67.1%
Bonds	32.0%
Cash	0.5%
Other	0.4%

Shares Regional Breakdown



North America	36.6%
United Kingdom	24.9%
Europe Developed	11.9%
Japan	8.7%
Asia Developed	6.9%
Asia Emerging	5.2%
Australasia	5.8%

Shares Sector Breakdown



Financial Services	14.5%
Consumer Defensive	13.0%
Utilities	10.6%
Industrials	10.3%
Technology	9.7%
Healthcare	9.6%
Communication Services	8.3%
Other	24.0%

Bond Maturity Breakdown

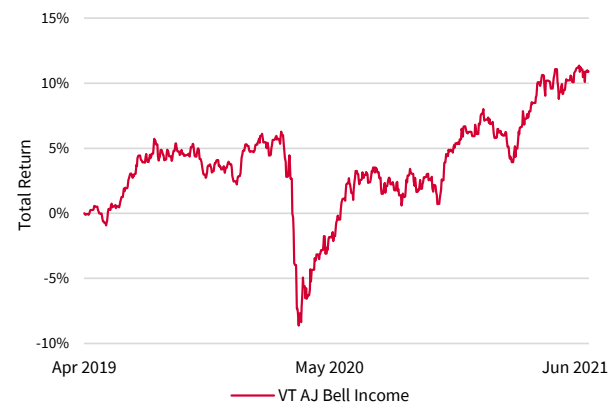


Less than 1 Year	5.9%
1-3 Years	23.8%
3-5 Years	28.0%
5-7 Years	8.8%
7-10 Years	10.9%
10-15 Years	5.4%
15-20 Years	5.7%
20-30 Years	9.4%
30+ Years	2.1%

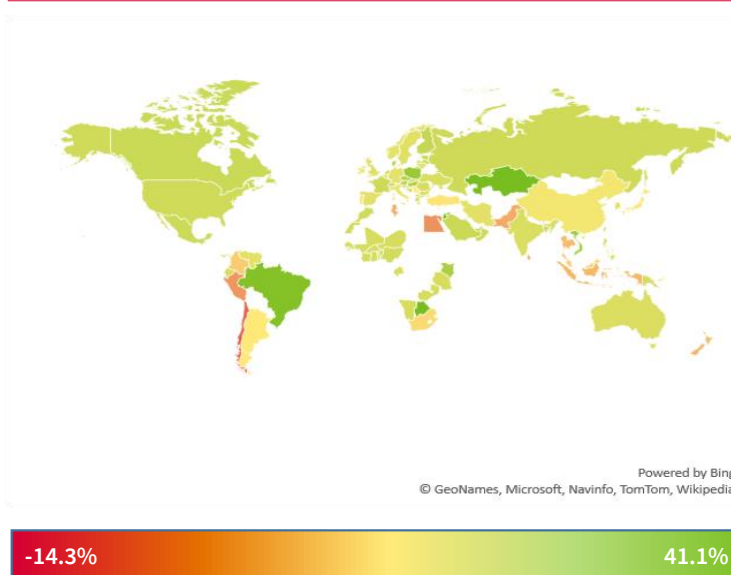
Trailing Returns (%)

Last quarter	2.3
Year to Date	4.5
1 Year	7.5

Historic Performance



Q2 2021 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
iShares MSCI World Quality Dividend ETF	9.6
iShares Core £ Corporate Bond ETF	9.1
Invesco S&P 500 High Dividend Low Volatility ETF	8.0
Fidelity US Quality Income ETF	6.1
SPDR Bloomberg Barclays 0-5 Year US High Yield Bond ETF	6.1
Legg Mason IF ClearBridge Global Infrastructure	6.0
iShares Core FTSE 100 ETF	5.2
Jupiter Japan Income	5.1
Lyxor FTSE Actuaries UK Gilts 0-5 Year ETF	5.0
iShares MSCI Europe Quality Dividend ETF	5.0

Fund Snapshot

ISIN (Distributing Class)	GB00BH3W7552
ISIN (Accumulating Class)	GB00BH3W7446
Inception Date	08/04/2019
Ongoing Charge	0.77%
Fund Size (£m)	20.77
12 Month Yield (Reinvested)	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.