

VT AJ Bell Income & Growth Q2 2021 Report

Commentary

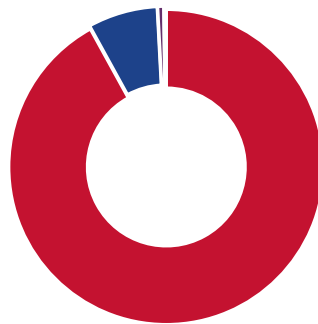
The second quarter of 2021 saw a small reversal of recent trends. In previous quarters, there was a strong return for dividend-paying stocks, as investor enthusiasm increased the value of shares expected to perform well once lockdowns were eased. However, despite stronger performance in growth areas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

Well-run companies with strong earnings, known as 'quality' stocks, had a very good quarter. Investors seek stability in times of uncertainty and – despite an anticipated economic recovery post-lockdown – the future remains far from certain.

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 for domestic investors, however, as international holdings lose value when converted back into GBP.

The Income & Growth fund contains mostly shares, with a concentration of high-quality and high-dividend-paying companies. Overall, the fund returned 2.5% this quarter, contributing to a 12-month return of 16.9%.

Asset Breakdown



Shares	92.0%
Bonds	7.2%
Cash	0.6%
Other	0.2%

Shares Regional Breakdown



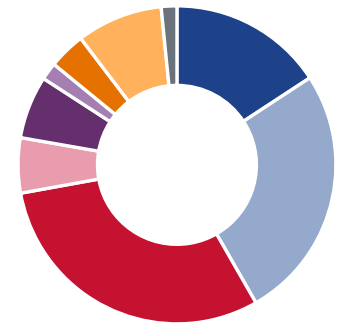
North America	28.7%
United Kingdom	24.6%
Asia Emerging	11.6%
Asia Developed	11.1%
Japan	9.4%
Europe Developed	7.6%
Australasia	7.0%

Shares Sector Breakdown



Financial Services	16.0%
Technology	11.9%
Consumer Defensive	11.0%
Communication Services	9.0%
Industrials	8.7%
Consumer Cyclical	8.7%
Healthcare	8.4%
Other	26.4%

Bond Maturity Breakdown

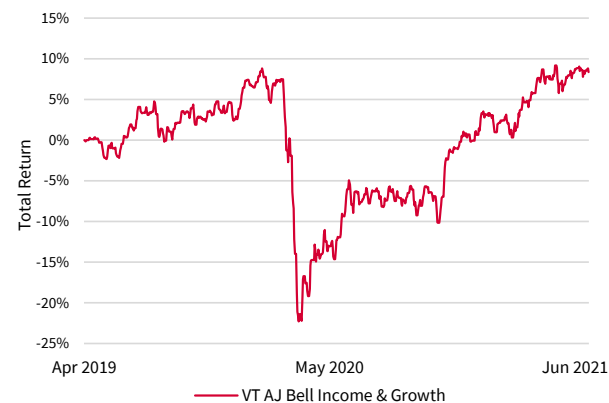


Less than 1 Year	15.8%
1-3 Years	25.9%
3-5 Years	30.4%
5-7 Years	5.6%
7-10 Years	6.4%
10-15 Years	1.8%
15-20 Years	3.7%
20-30 Years	8.8%
30+ Years	1.6%

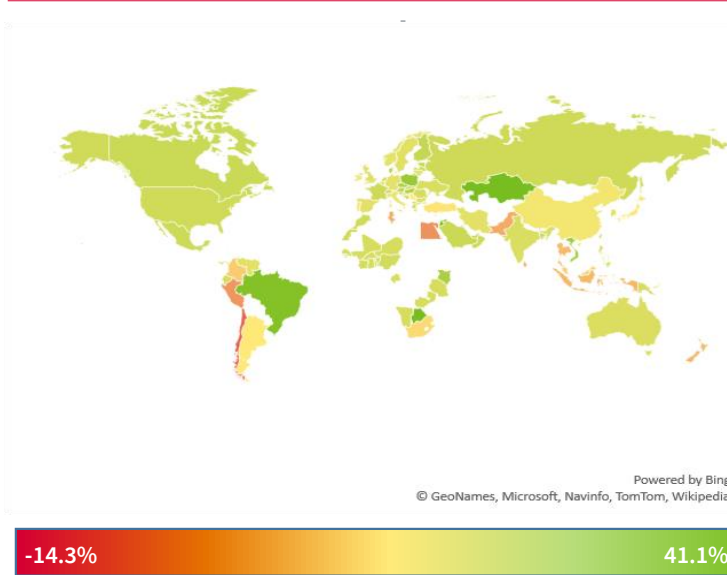
Trailing Returns (%)

Last quarter	2.5
Year to Date	7.6
1 Year	16.9

Historic Performance



Q2 2021 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
iShares Core FTSE 100 ETF	10.8
Fidelity US Quality Income ETF	9.7
Invesco S&P 500 High Dividend Low Volatility ETF	9.4
Fidelity Emerging Markets Quality Income ETF	8.6
Invesco FTSE Emerging Markets High Dividend Low Volatility ETF	8.4
Jupiter Japan Income	8.1
Schroder Oriental Income Trust	8.1
iShares MSCI World Quality Dividend ETF	6.4
City of London Investment Trust	5.3
iShares MSCI Europe Quality Dividend ETF	5.0

Fund Snapshot

ISIN (Distributing Class)	GB00BH3W7990
ISIN (Accumulating Class)	GB00BH3W7883
Inception Date	08/04/2019
Ongoing Charge	0.76%
Fund Size (£m)	33.98
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.