

VT AJ Bell Balanced Q3 2020 Report

Commentary

It's been a tough quarter for UK shares. The COVID-19 pandemic saw the UK suffer the worst economic hit of any developed nation, followed by a perfect storm of localised lockdowns and the political uncertainty of ongoing Brexit negotiations. On top of that, a large part of the UK market is made up of so-called 'legacy' industries – such as parts of the energy sector – that have been around for a long time and are vulnerable to changes accelerated by the pandemic.

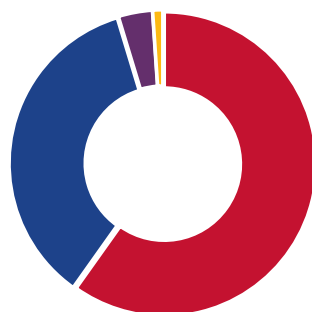
In the US, uncertainty around the presidential elections and a sell-off in technology shares has tempered otherwise good performance. In the Asia region, shares have also performed well: China is on the ascendency, with rising economic growth levels putting it back on track, and Japanese shares have also had a boost.

Meanwhile, bonds have been fairly flat both domestically and internationally as interest rates remain negative or near-zero.

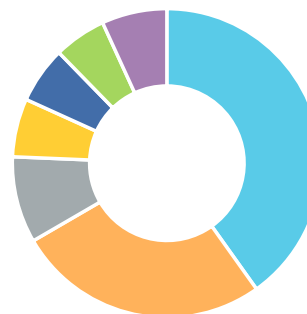
In the Balanced fund, we hold diversified positions. The idea is that when one sector, or region, performs poorly, other areas often move in the opposite direction – which we've seen happen this quarter.

Falls in the fund's UK exposures have been offset by its international holdings, leading to a total return of 1.0% over the quarter and a 12-month return of 1.7%.

Asset Breakdown



Shares Regional Breakdown



Shares Sector Breakdown



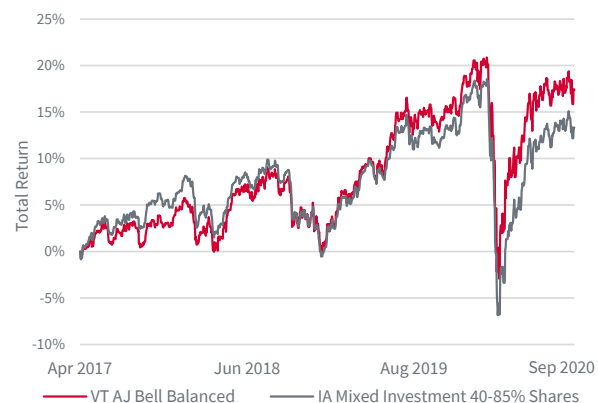
Bond Maturity Breakdown



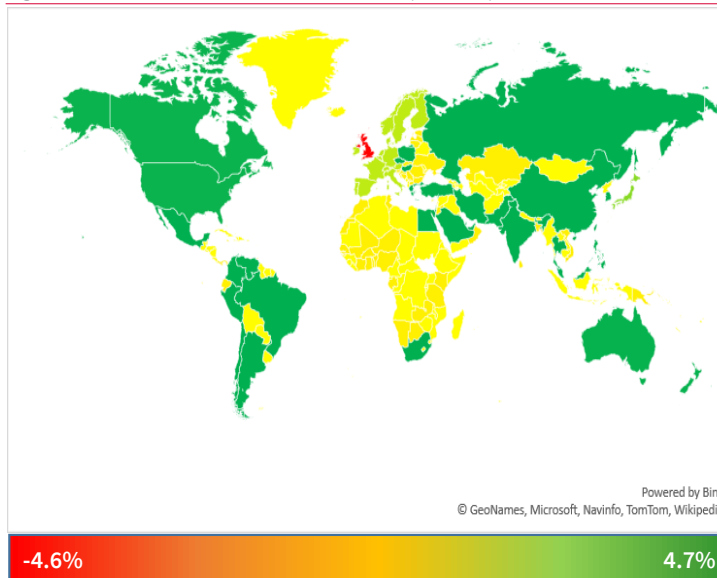
Trailing Returns (%)

Last quarter	1.0
Year to Date	-0.3
1 Year	1.7

Historic Performance



Q3 2020 Stock Market Performance (in GBP)



Top 10 Holdings

Weight (%)	Weight (%)
14.9	iShares Core FTSE 100 ETF
11.0	Invesco GBP Corporate Bond ETF
8.0	JPMorgan Global High Yield Corporate Bond Multi-Factor ETF
7.0	Xtrackers MSCI US Health Care ETF
7.0	Vanguard FTSE Asia Pacific ex-Japan ETF
6.0	HSBC MSCI Emerging Markets ETF
5.1	iShares S&P 500 Information Technology Sector ETF
5.0	Vanguard USD Emerging Markets Government Bond ETF
5.0	Xtrackers MSCI US Consumer Staples ETF
4.9	Vanguard S&P 500 ETF

Fund Snapshot

ISIN	GB00BYW8RX12
IA Sector	Mixed Investment 40-85% Shares
Inception Date	18/04/2017
Ongoing Charge	0.34%
Fund Size (£m)	165.71
12 Month Yield (Reinvested)	1.83%

⚠ 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.