



# VT Redlands Equity Portfolio

May 2019

## Investment Objective

The objective of the VT Redlands Equity Portfolio is to provide capital growth.

The Fund seeks to achieve its objective primarily by investing in collective investment vehicles (including for example collective investment schemes, exchange traded funds and investment trusts) which provide exposure to listed equity securities across developed and emerging markets. The Fund may also invest in other collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash.

There is no particular emphasis on any geographical area or industry sector.

## Commentary

Not many equity indices registered positive returns in May. In all honesty, for a Sterling investor, not many indices at all registered positive returns in the month. With the main US indices down 3%, Japan and the UK about 2.50% and the World (as measured by MSCI) down a similar amount, it's safe to say the month just passed was a "risk off" month. Emerging Markets were down about 4%, with many Asian markets delivering losses over 5% too. One "benefit" to be taken was the fall in the price of Oil (as measured by the Bloomberg Brent Crude Index) by over 10% as the fall might be passed onto the pump prices..... (Here's hoping.) Even accounting for that large drop, oil is still one of the best performing asset classes this year, up over 18%.

Fears are rising about the impact the US and Chinese trade wars will have on global growth. Fears are also rising that wage inflation could rear its ugly head in the US as unemployment continues to fall which could tip the economy into recession. Only 6 months ago many market watchers were suggesting the US Federal Reserve would raise interest rates 3 or 4 times this year. Ask those same forecasters today and many are suggesting the next rate move in the US could actually be down.

Volatility is rising compared to the last couple of years, but the last couple of years are the exception, not the rule and should not be considered the default option. Volatility is not just in share prices and corporate success or failure, but also driven by politics, geopolitics, currency, tax changes and myriad other factors.

Politically we will see a change of Conservative leader and Prime Minister in the UK over the next couple of months. The Brexit negotiations continue and will keep the focus firmly on the UK....

Although no new assets were purchased during the month, or existing assets entirely removed, there was portfolio activity and we continue to believe the portfolio suitable for relevant investors. During the month, exposure to the UK was increased again to 10.53% from 10.13% (up from 5.98% at year-end) and cash rose a little to 2.37% from 2.06%. Investment in recently acquired assets – Augmentum Fintech and Man GLG UK Income continued to benefit from positive cash flows and now represent 1.64% and 3.22% respectively having only entered the portfolio in the last couple of months.

## Performance Summary as at 31 May 2019

|                                     | 1 MONTH | 3 MONTHS | 6 MONTHS | 1 YEAR | SINCE INCEPTION DATE<br>7 JUNE 2017 |
|-------------------------------------|---------|----------|----------|--------|-------------------------------------|
| <b>VT Redlands Equity Portfolio</b> | -2.77%  | 3.26%    | 2.71%    | 1.50%  | 8.29%                               |
| <b>UM Equity – International</b>    | -2.10%  | 3.64%    | 3.01%    | 1.91%  | 8.11%                               |

Source: Financial Express Analytics & Valu-Trac Investment Management Limited. All figures quoted are on a total return basis with income reinvested.

Past performance is not necessarily a guide to future performance

## Holdings

|   |       |   |       |
|---|-------|---|-------|
| Artemis Global Income Inst Acc                | 2.4%  | Invesco Perpetual UK Smaller Cos Inv Tst PLC    | 1.5%  |
| Augmentum Fintech PLC                         | 1.6%  | iShares Core MSCI World UCITS ETF USD (Acc)     | 13.8% |
| AXA Framlington Health Z Acc                  | 2.5%  | iShares Core S&P 500 UCITS ETF USD (Acc)        | 7.7%  |
| Baillie Gifford Japanese B Acc                | 1.4%  | Liontrust Special Situations Fund (I)           | 5.8%  |
| BlackRock Continental European Income D Acc   | 3.3%  | M&G Global Dividend I GBP Acc                   | 4.9%  |
| Fidelity Asian Values PLC                     | 2.8%  | Man GLG Japan CoreAlpha Professional Acc C GBP  | 1.9%  |
| Fidelity China Special Situations PLC         | 1.6%  | Man GLG UK Income Professional Acc C GBP        | 3.2%  |
| Fidelity Emerging Markets W-Acc               | 1.9%  | RIT Capital Partners PLC                        | 3.8%  |
| Fidelity Index World P Acc                    | 15.0% | Schroder Asian Income Maximiser Z Acc           | 1.5%  |
| FP CRUX European Special Situations I GBP Acc | 2.5%  | Somerset Emerging Markets Dividend Growth A Acc | 1.8%  |
| Fundsmith Equity I Class Acc (ST DR)          | 3.7%  | Source JPX-Nikkei 400 ETF USD Hedged            | 5.6%  |
| Hermes Asia ex Japan Equity F GBP Acc         | 2.8%  | Stewart Invs Global Em Mkts Leaders B GBP Acc   | 1.4%  |
| HgCapital Trust PLC                           | 3.0%  | Cash  | 2.4%  |



# VT Redlands Equity Portfolio

May 2019

## Fund Information

|                              |             |
|------------------------------|-------------|
| Inception Date               | 7 June 2017 |
| Number of Holdings           | 25          |
| Fund Size                    | £232.0m     |
| Ongoing Charge Figure *      | 0.64%       |
| Estimated Yield**            | 1.40%       |
| 3 Year Annualised Volatility | ----        |

\* The ongoing charges figure is based on expenses and the net asset value as at 31 December 2018. This figure may vary from year to year. It excludes portfolio transaction costs. The Funds annual report for each financial year will include detail on the exact charges made.

\*\* Based on the current portfolio weightings using the latest available data of the underlying funds. The yield is not guaranteed and may fluctuate.

## Fund Managers



**Richard Philbin** is Chief Investment Officer of Wellian Investment Solutions. He is one of the UK's best known multi-manager investors and previously AA rated by OBSR, Citywire and S&P. He is also the inventor of the highly regarded and publicised 'Traffic Light Analysis' system of assessing funds. Prior to Wellian, he was AXA Architas Multi Manager's Chief Investment Officer where he chaired the investment committee and helped the company go from a founding business to a top 5 player in the multi manager space in the UK with responsibility for assets of over £7 bn. Previously, Richard was Head of Multi Manager at F&C Investments. Whilst at F&C he launched the successful LifeStyle range of funds. Assets grew from £100m to over £1bn during his tenure.



**Alan Durrant** is Chief Executive Officer of Wellian Investment Solutions. Previous roles for Alan were Group Chief Investment Officer at The National Bank of Abu Dhabi (NBAD) and prior to NBAD, was Head of Asset Management at Gulf Finance House. Before moving to the Middle East, Alan was Chief Investment Officer at Skandia Investment Management and Chairman of the investment committee. During his tenure the firm won the Best MultiManager at the prestigious Money Marketing Awards in three consecutive years. Whilst at Skandia, Alan conceived and launched the popular Global Best Ideas and Asset Allocator ranges. Prior to Skandia, he was at Hargreaves Lansdown for 12 years, latterly as Investment Director.

## Wellian Investment Solutions

Wellian Investment Solutions is an award winning multi-manager investment management business. As a multi-manager business it specialises in identifying the very finest investment talent from around the world and then blending and combining these managers together to create robust, diversified portfolios. Wellian Investment Solutions have developed their own bespoke manager selection and asset allocation processes and also undertake extensive due diligence on all of the managers before including them in the Redlands Funds.

Wellian Investment Solutions is wholly owned by Harwood Wealth Management Group PLC (HWMG). HWMG is a business listed on the London Stock Exchange AIM market. As a listed business, HWMG is subject to the highest standards of corporate governance. At the most recent announcement (the Final Accounts of October 2018), HWMG had Assets Under Influence in excess of £4.8bn.

## Important notes

This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. It is not a personal recommendation and it should not be regarded as a solicitation or an offer to buy or sell any securities or instruments mentioned in it. This document represents the views of Wellian Investment Solutions Limited (part of Harwood Wealth Management Group PLC) at the time of writing. It should not be construed as investment advice. Full details of the Redlands Funds, including risk warnings, are published in the Key Investor Information documents, the Supplementary Information document and Prospectus, available from [www.valu-trac.com](http://www.valu-trac.com). The Redlands Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested. Investments in overseas markets may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Past performance is not a reliable indicator of future results. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. All sources are Wellian Investment Solutions Limited and Valu-Trac Investment Management Limited unless otherwise stated. The authorised corporate director of the Fund is Valu-Trac Investment Management Limited, authorised and regulated by the Financial Conduct Authority, registration number 145168.

For further information call 01604 621302 or email [contact@dwifa.co.uk](mailto:contact@dwifa.co.uk)