



VT Redlands Fixed Income Portfolio

May 2019

Investment Objective

The objective of the VT Redlands Fixed Income 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 fixed income strategies and assets. The Fund may also invest in other collective investment schemes, transferable securities, bonds, money market instruments, deposits, cash and near cash.

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

Commentary

A number of long-held assets in the portfolio delivered very strong returns during May, with special mention going to Fair Oaks Income, iShares Global Corporate Bond, Vanguard Total Return Bond Index and M&G Emerging Markets Bond for instance. All registered returns higher than their peer group average. We believe the fund continues to meet the fund objectives laid down in the prospectus.

No new assets were added during the month, and no existing assets entirely removed. The portfolio contains 22 funds and contains a large number of different fixed income assets – comprising a range of durations, yields, credit qualities, sub asset-classes and manager styles. The fund also invests in assets that are actively managed as well as passively focused.

As May was a “risk-off” month, many fixed income assets performed well. Sterling weakened against the major currency blocs and this would have helped boost the returns from overseas bond funds – for example, the Xtrackers Global Aggregate Bond which is in the portfolio (and one of the largest holdings in the fund) returned just shy of 5% during the month. Returns like this from a fixed income asset is not to be expected consistently!

Performance Summary as at 31 May 2019

| | 1 MONTH | 3 MONTHS | 6 MONTHS | 1 YEAR | SINCE INCEPTION DATE 7 JUNE 2017 | Source: Financial Express Analytics & Valu-Trac Investment Management Limited. All figures quoted are on a total return basis with income reinvested. |
|-------------------------------------------|---------|----------|----------|--------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| VT Redlands Fixed Income Portfolio | 1.28% | 3.75% | 5.03% | 4.94% | 3.29% | |
| UM Fixed Interest – Global | 2.96% | 5.80% | 5.05% | 6.45% | 4.82% | |

Past performance is not necessarily a guide to future performance

Holdings

| | | | |
|----------------------------------------------------|------|----------------------------------------------------------|------|
| Artemis Strategic Bond MI Acc | 4.4% | Lyxor Core FTSE Acturs UK Gilts(DR)UCITS ETF-Dist | 3.0% |
| Baillie Gifford Corporate Bond B Acc | 4.9% | M&G Emerging Markets Bond I Acc GBP | 3.0% |
| BlackRock Corporate Bond D Acc | 4.5% | Rathbone Ethical Bond Inst Acc | 3.2% |
| Blackstone / GSO Loan Financing Ltd | 2.5% | Real Estate Credit Investments Ltd | 3.0% |
| BNP Paribas Flexi I US Mortgage Priv H GBP Cap | 1.9% | Royal London Short Duration Global High Yield Bond Z Acc | 5.1% |
| db x-track.II Barclays GIAGgBdUCITS ETF 2C USD Hgd | 7.0% | Royal London Sterling Extra Yield Bond Z | 3.0% |
| Fair Oaks Income 2017 | 2.2% | Sanlam Strategic Bond I GBP Acc | 4.5% |
| Hermes Multi Strategy Credit F GBP Acc Hedged | 3.5% | SPDR Barclays Cap Sterling Corporate Bond ETF | 6.2% |
| Invesco Perpetual GIBI Financial Cap Z Acc | 3.4% | Starwood European Real Estate Finance Limited | 2.9% |
| iShares Core Corp Bond UCITS ETF GBP (Dist) | 7.5% | Vanguard Total International Bond Index Fund | 8.2% |
| iShares Global Corp Bond UCITS ETF USD (Dist) | 8.2% | Cash | 0.7% |
| JPM GBP Ultra-Short Income UCITS ETF GBP dis | 7.1% | | |



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Fund Information

| | |
|------------------------------|-------------|
| Inception Date | 7 June 2017 |
| Number of Holdings | 22 |
| Fund Size | £47.9m |
| Ongoing Charge Figure * | 0.67% |
| Estimated Yield** | 2.99% |
| 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

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For further information call 01604 621302 or email contact@dwifa.co.uk