



VT Redlands Fixed Income Portfolio

July 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 growing unease seems to be emanating from the capital markets surrounding fixed income assets. July saw a research paper suggesting \$14 TRILLION of global government bonds offering negative yields, some out as far as 30 years. This suggests that if you buy this government backed paper, you will GUARANTEE a capital loss in nominal terms (which could be even higher if you look at "real" returns and take inflation into consideration. The question remains "why" and the only answer that comes back is that certain investors (\$14trn at least!) are comfortable accepting a known loss for an unknown loss, even taking into consideration the interest earned on the investment.

A couple of months ago, the focus was on the composition of a well-known fixed income index overseen by Barclays and that over 50% of the issues were only one grade away from being not considered "investment grade" anymore. We are certainly entering the late cycle of this economic recovery; expect volatility to rise.

During July EVERY one of the 22 holdings in the VT Redlands Fixed Income fund registered a positive return in July, with varying degrees of success, but special note would go to the following funds for strong absolute as well as relative (to their peers) numbers – Blackstone / GSO Loan Financing, M&G Emerging Markets Bond, Vanguard Total International Bond, iShares Global Corporate Bond, xTrackers Global Aggregate Bond.

We continue to believe the fund remains suitable and true to the objectives of the prospectus. With no new investments introduced to the portfolio, and no existing assets entirely removed, the portfolio didn't change shape too much over the month, although a couple of changes were implemented. The allocation to the aforementioned xTrackers fund was increased and weightings in the Invesco Global Financial Capital and Royal London Sterling Extra Yield Bond reduced.

Performance Summary as at 31 July 2019

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Fixed Income Portfolio	2.38%	4.79%	7.87%	7.90%	8.00%	6.86%
UM Fixed Interest – Global	3.19%	7.67%	9.77%	9.83%	9.82%	9.61%

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 Strategic Bond MI Acc	4.0%
Baillie Gifford Corporate Bond B Acc	5.5%
BlackRock Corporate Bond D Acc	4.5%
Blackstone / GSO Loan Financing Ltd	2.4%
BNP Paribas Flexi I US Mortgage Priv H GBP Cap	1.8%
db x-track.II Barclays GI AggBdUCITS ETF 2C USD Hgd	7.7%
Fair Oaks Income 2017	2.1%
Hermes Multi Strategy Credit F GBP Acc Hedged	4.0%
Invesco Perpetual Gbl Financial Cap Z Acc	2.2%
iShares Core Corp Bond UCITS ETF GBP (Dist)	7.5%
iShares Global Corp Bond UCITS ETF USD (Dist)	8.3%
JPM GBP Ultra-Short Income UCITS ETF GBP dis	6.8%

Lyxor Core FTSE Acturs UK Gilts(DR)UCITS ETF-Dist	3.9%
M&G Emerging Markets Bond I Acc GBP	3.2%
Rathbone Ethical Bond Inst Acc	3.5%
Real Estate Credit Investments Ltd	2.8%
Royal London Short Duration Global High Yield Bond Z Acc	5.4%
Royal London Sterling Extra Yield Bond Z	2.0%
Sanlam Strategic Bond I GBP Acc	4.5%
SPDR Barclays Cap Sterling Corporate Bond ETF	6.4%
Starwood European Real Estate Finance Limited	2.8%
Vanguard Total International Bond Index Fund	8.3%
Cash	0.5%



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Fund Information

Inception Date	7 June 2017
Number of Holdings	22
Fund Size	£50.5m
Ongoing Charge Figure *	0.67%
Estimated Yield**	2.85%
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 Interim Accounts of April 2019), HWMG had Assets Under Influence in excess of £5.3bn.

Important notes

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