

# VT Esprit Tactical Balanced

March 2025



## Investment Objective:

The investment objective of the VT Esprit Tactical Balanced fund is to achieve a level of investment return in excess of the benchmark over the longer term (5 years+). The fund will be actively managed in order to achieve its objective by investing in a globally diversified range of asset classes including equities, fixed income, money market instruments, cash, property and commodities.

## Monthly Commentary

### What happened in financial markets?

The US market underperformed again in March as the prospect of tariffs and a potential trade war came to the fore, alongside softer US economic data. The S&P 500 returned -8%, while US smaller companies fell -8.5%. Other regional markets were more insulated but also fell, with Europe, Japan, and the UK falling between 2-3%. Global infrastructure, a traditionally defensive sector, fell by less than 1%.

Very few assets rose over the month as investors digested the implications of a tariff-induced global slowdown and the prospect of inflation rearing its head once again. Even government bonds, which usually provide a safe haven during periods of uncertainty, struggled to offset the weakness encountered in equity markets. The FTSE World Government Bond Index fell 0.5% and UK gilts fell 1%. The only bright spots were US treasuries which delivered a modestly positive return of 0.6%, and gold prices which rose 7.2%. All returns in GBP with bonds hedged to GBP.

### What is the outlook?

It's too early to fully know the scope and impact of Trump's policy agenda, and in particular his strategy on tariffs and trade. If the US administration delivers tariffs on imports from its major trading partners, it's likely there will be negative effects on global growth and the odds of a global slowdown or recession will rise. Tariffs also have implications for inflation and interest rates, but at this stage we remain unconvinced that tariffs will be as inflationary as some economists suggest.

Tariffs aside, US growth forecasts have been revised lower as softer economic data has exacerbated concerns around AI spending and the de-rating in the Mag-7. We've also witnessed a rotation out of US assets to Europe and other regions with relatively more attractive valuations. Whilst we do not expect a US recession, we feel there are good reasons to add to government bonds and other defensive asset classes.

## Fund Information

Launch date:	23/01/2018
Size:	£370.6m
Holdings:	30
Share class:	Accumulation & Income
ISIN:	GB00BF0Q2T58 (Acc) GB00BN94M181 (Inc) GB00BQ2KRT70 (C Acc) GB00BQ2KRV92 (C Inc)
SEDOL:	BF0Q2T5 (Acc) BN94M18 (Inc) BQ2KRT7 (C Acc) BQ2KRV9 (C Inc)
IA Sector:	IA Mixed Investment 20-60% Shares
Yield <sup>1</sup> :	0.00% (Accumulation) 2.72% (Income)
Initial charge:	0%
OCF <sup>2</sup> :	0.68% (C) 0.93%

## Why Invest?

### Simplicity

A single fund to meet your investment needs

### Diversification

Access a range of asset classes, investment styles and geographies

### Actively managed

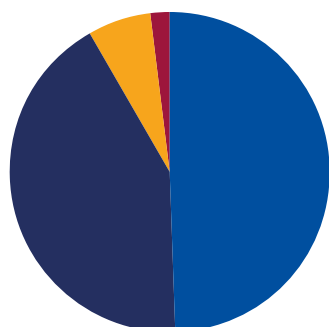
The fund will change as market conditions and the economic cycle evolves

### Expertise

The managers share 40 years investment experience

## Portfolio Breakdown – 31 Mar 2025

### Target Asset Allocation



Equities	50.00%
Fixed Income	42.35%
Alternatives	6.40%
Cash	1.25%

### Top 10 Holdings

Vanguard U.S. Government Bond Index	11%
Amundi UK Government Bon ETF	9%
SPDR S&P 500 ETF	9%
WisdomTree US Quality Dividend Growth ETF	4%
Legal & General Global Emerging Markets Index	4%
HSBC European Index	4%
Artemis Short-Duration Strategic Bond	4%
Invesco MSCI USA ETF	4%
Vanguard FTSE 100 Index	4%
BCIF Corporate Bond Tracker	3%

## Performance Since Launch



Past performance is not necessarily a guide to future performance.

23/01/18 to 31/03/25 Data from Morningstar

## Cumulative Performance (%)

	3m	6m	1y	3y	5y
VT Esprit Tactical Balanced	-0.55	-0.63	3.79	5.71	33.28
IA Mixed Investment 20-60% Shares	0.20	0.26	3.79	6.29	29.89

## Discrete Calendar Year

	YTD	2024	2023	2022	2021
VT Esprit Tactical Balanced	-0.55	7.16	6.11	-11.24	8.08
IA Mixed Investment 20-60% Shares	0.18	6.18	6.86	-9.67	6.31

## How To Invest

HARGREAVES  
LANSDOWN

AJBell  
Investcentre

Hubwise  
YOUR PLATFORM SOLUTION

abrdrn

ascentric

AEGON

transact  
take control

AVIVA

fusion

Quilter

M&G wealth

## Important Notice

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Past performance is not a guide to future returns. The value of an investment and any income from it can go down as well as up, so you may not get back the original amount invested. This document has been produced for information purposes only and does not constitute investment advice. You should read the Key Investor Information Document (KIID) before investing.

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1Yield: The amount of income generated by a fund's investments in relation to the price shown as an annual percentage.

2OCF: The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC), the underlying fund charges, and other operating costs.

Esprit Tactical Balanced: 031 - 0425