



# The VT Redlands Portfolios

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## What are the VT Redlands Portfolios?

The VT Redlands Portfolio funds each invest in one of four defined “asset classes” namely the Equity, Multi-Asset, Property and Fixed Income categories. Each fund carries a prescribed Risk Profile on a scale of 1 to 7 – with for example Equity being the highest at a factor 5. Each one is used as a building block in the creation of bespoke risk rated investment portfolios for clients of David Williams IFA.

By combining the four VT Redlands funds with other asset classes such as With Profits/ Smoothed Managed and Structured Equity funds, our clients can enjoy the benefits of a very wide level of diversification within their portfolios. This reduces volatility and creates the potential for rewarding rates of return year after year.

Each Portfolio fund is constructed as a Fund of Funds providing access to the “best of the best” sector funds from a huge investment universe. The Portfolios are designed to meet their objectives as efficiently as possible whilst keeping costs to a minimum and are run according to a strict risk-control criteria.

Typically, 15 to 25 different funds are held in each portfolio, with each one in turn managed by leading investment houses such as Fundsmith, Fidelity and Invesco as well as specialist boutiques including Ruffer, Fulcrum and Somerset. Underlying funds have exposure to a great many shares, bonds and other assets, Therefore, a single investment into one of the Redlands Portfolios gives a spread across a myriad of different holdings, countries and investment styles.

To manage each fund and essentially pick the best funds to hold on a day to day basis we have selected **Wellian Investment Solutions**, an award-winning independent specialist fund management group who are then accountable to us for fund conduct and most crucially fund performance.

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## What do Wellian Investment Solutions do?

Wellian are specialist Multi-Manager investors. They are experts in choosing fund managers who are likely to perform well, allowing funds to blend together to create a cohesive portfolio. It is our belief that no single fund management group has the top fund manager in every sector and as Multi-Managers Wellian can cherry pick the very best talent from across every fund management group.

## Why did we choose Wellian Investment Solutions?

Many professional fund selectors use the “5 P” test as the basis for assessing a fund and fund manager. This analyses Performance, Process, Philosophy, Prosperity and People. Wellian scored very highly across these five key metrics.

### 1. Performance

Ultimately, performance is the most important factor for most clients. The return achieved net of charges for a given level of risk is what matters most. Wellian has delivered not just excellent performance, but excellent risk adjusted performance over the long term.

### 2. Process

A robust, repeatable process is vital to any investment management business. SEMAFOUR is Wellian’s manager selection tool that analyses over 20,000 funds every month. It assesses onshore, offshore, active, passive, open and closed ended collective funds in the same unemotional way. No other fund of fund business that we know of has a process as powerful. PORTCULLIS is their risk analysis tool which they built in-house as they couldn’t find anything robust enough in the market. PORTCULLIS allows Wellian to assess the impact that any change in the portfolio will have on overall volatility to create the ideal blend. Having used technology to narrow the field individual fund manager meetings are then essential in final selection to understand the “5 Ps” of the individual sub-funds chosen. Wellian conduct hundreds of manager meetings each year.

### 3. Philosophy

Wellian have a simple, clear philosophy. They don't believe in over-committing to any single asset class or investment. They don't believe in investing into illiquid areas or into things they don't understand. They do believe in the power of genuine diversification and go further than most managers in understanding diversification. They also spend a huge amount of time understanding the hidden risks within funds, fund managers and fund management businesses. They are believers in both passive investing (index tracking) and active investing (stock picking). They regard passive as an active choice and not just as a way of keeping costs down. In some markets, passive is not just cheaper but also better.

### 4. Prosperity

It was important that the manager we selected was established and well resourced. Wellian Investment Solutions is wholly owned by Harwood Wealth Management Group Ltd with over £5.3 bn of Assets Under Influence. HWMG is subject to the highest standards of corporate governance.

### 5. People

People are the key to any successful investment solution. To measure the calibre of people at Wellian we needed to look at their experience, knowledge, previous performance and how they all knitted together. Wellian Investment Solutions is an award-winning team of Multi-Manager investors founded in 2008. The investment team has held the most senior investment roles in leading businesses such as Hargreaves Lansdown, Skandia, Foreign & Colonial and AXA Architas and collectively have more than 100 years of investment experience.



**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 OBR, 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 he 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.

### Important Investment 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 David Williams IFA Ltd, Valu-Trac Investment Management Limited and Wellian Investment Solutions Limited (part of Harwood Wealth Management Group Ltd) 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 proportion of assets held, and the typical asset mix will change over time as the Fund aims, over the medium to long term, for investment risk to be controlled in line with the agreed volatility range. The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary to stay within agreed boundaries. 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. You should regard your investment as medium-to-long term. 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 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. Wellian Investment Solutions Limited is authorised and regulated by the Financial Conduct Authority, firm reference number 476896.



# VT Redlands Equity Portfolio

## July 2020

### 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. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry sector.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	24
Fund Size	£302.4m
Ongoing Charge Figure *	0.66%
Estimated Yield**	1.20%
3 Year Annualised Volatility	10.6%

\* The ongoing charges figure is based on expenses and the net asset value as at 31 December 2019. 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.

### Holdings

Augmentum Fintech PLC	1.9%
AXA Framlington Health Z Acc	4.2%
Baillie Gifford Japanese B Acc	2.7%
Baring Global Dividend Champions F GBP Acc	3.3%
BlackRock Continental European Income D Acc	3.8%
Brown Advisory Global Leaders B Inc GBP	5.2%
Fidelity Asian Values PLC	1.5%
Fidelity China Special Situations PLC	1.7%
Fidelity Emerging Markets W-Acc	2.7%
Fidelity Index Japan P Acc	3.5%
Fidelity Index World P Acc	14.4%
Franklin UK Equity Income W Acc	2.0%
Fundsmith Equity I Class Acc (ST DR)	3.3%

HgCapital Trust PLC	3.1%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	1.0%
iShares Core MSCI World UCITS ETF USD (Acc)	14.1%
iShares Core S&P 500 UCITS ETF USD (Acc)	7.3%
Legal & General UK Mid Cap Index C Acc	2.0%
Legg Mason IF MC European Unconstrained S Acc	3.3%
Liontrust Special Situations Fund (I)	4.2%
Man GLG UK Income Professional Acc C GBP	1.5%
MS INVF Asia Opportunity ZH GBP	5.4%
RIT Capital Partners PLC	3.9%
Source JPX-Nikkei 400 ETF USD Hedged	1.7%
Cash	2.3%

### Performance Summary as at 31 July 2020

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Equity Portfolio	0.58%	7.45%	-3.67%	-3.31%	13.66%	13.91%
UM Equity – International	-0.65%	7.02%	-1.10%	-1.74%	15.15%	15.41%

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 a reliable guide to future performance

### Commentary

No new assets added to the portfolio over the month, although a long-held European fund was removed with the proceeds being spent across the other two European holdings – BlackRock Continental European Income and Legg Mason Martin Currie European Unconstrained. There are now twenty-four underlying funds held within the VT Redlands Equity Fund.

In terms of asset allocation movements during the month that accounted for greater than ½ per cent, allocation to global funds and UK were reduced and exposure to Europe increased.



# VT Redlands Multi-Asset Portfolio

## July 2020

### Investment Objective

The objective of the VT Redlands Multi-Asset 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 various different asset classes including equities, fixed income securities and assets having absolute return strategies. The Fund may also invest in other collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry or economic sector.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	25
Fund Size	£90.0m
Ongoing Charge Figure *	0.77%
Estimated Yield**	1.50%
3 Year Annualised Volatility	4.9%

\* The ongoing charges figure is based on expenses and the net asset value as at 31 December 2019. 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.

### Holdings

AQR Global Risk Parity UCITS C1 GBP	5.6%
AXA Global Distribution Z Acc	4.1%
BH Global Limited GBX	3.4%
Fulcrum Asset Management Income F GBP Acc	3.2%
Goldman Sachs Abs Return Tracker Pf I Acc GBP-H	5.0%
H2O MultiReturns Fund I/A (GBP)	3.9%
Hermes Absolute Return Credit F GBP Acc Hdg	4.0%
Hipgnosis Songs Fund Ltd	5.4%
IFSL Brooks Macdonald Defensive Capital C Acc	5.5%
iShares Physical Gold ETC	2.1%
JPM Global Macro Opportunities C Net Acc	5.5%
Kames Diversified Monthly Inc B Acc	4.6%
Latitude Horizon Fund GBP Acc	4.5%

LF Ruffer Total Return C Acc	5.1%
Liontrust Sustainable Future Managed 6 Acc	5.1%
North Atlantic Smaller Companies Investment Trust PLC	3.0%
Oakley Capital Investments Ltd	2.9%
RIT Capital Partners PLC	5.3%
Royal London Sustainable Diversified Trust A Inc	5.1%
Ruffer Investment Company Ltd	1.5%
SEI Liquid Alternt Hdg GBP Wealth A Dist	0.3%
Third Point Offshore Investors Limited USD	3.6%
Troy Trojan O Acc	5.0%
Tufton Oceanic Assets Ltd	3.2%
UBS ETFs plc HFRX GIHdgFd Idx SF UCITS ETF GBP Aa	2.2%
Cash	1.0%

### Performance Summary as at 31 July 2020

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Multi-Asset Portfolio	0.76%	4.66%	-3.42%	-0.73%	2.01%	1.72%
UM Mixed Asset – Balanced	0.02%	4.99%	-2.09%	-2.34%	5.75%	5.84%
UT Targeted Absolute Return	0.56%	2.37%	-1.75%	-0.62%	0.09%	-0.08%

Past performance is not a reliable guide to future performance

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

### Commentary

Two new holdings were introduced to the fund over the month of July. iShares Physical Gold fund joined the portfolio at c2% and the SEI Liquid Alternative fund was introduced towards the end of the month. As at 31 July, the VT Redlands Multi Asset fund contained twenty-five holdings.

Most of the funds used for the new holdings came from cash already in the portfolio as well as new monies introduced over the month. On top of that a little trimming of a number of holdings in the portfolio aided in the reallocation.



# VT Redlands Property Portfolio

## July 2020

### Investment Objective

The investment objective of VT Redlands Property Portfolio is to generate capital growth over the long term. The Fund seeks to achieve its objective primarily by investing in collective investment vehicles which have exposure to physical property and property related assets. The Fund may also invest in other collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry or economic sector, other than to hold a minimum of 70% in UK real property assets to maintain qualification for the UK Direct Property sector.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	22
Fund Size	£97.0m
Ongoing Charge Figure *	0.92%
Estimated Yield**	3.08%
3 Year Annualised Volatility	5.5%

\* The ongoing charges figure is based on expenses and the net asset value as at 31 December 2019. 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.

### Holdings

3i Infrastructure PLC	2.7%
Alternative Income REIT PLC	1.7%
Amundi Luxembourg AM FTSE EPRA Europe Real Estate	2.5%
Aviva Investors UK Property 2 GBP Acc	4.6%
BMO UK Property Feeder 2 Acc	7.5%
BNY Mellon Global Infrastructure F Acc	1.7%
db x-track FTSE EPR/NRT Dev Eur RE UCITS ETF 1C DR	3.4%
GCP Student Living PLC	3.2%
iShares UK Property UCITS ETF GBP (Dist)	2.0%
iSharesDevelopedMkts PropYield UCITS ETF USD (Dist)	3.5%
Janus Henderson UK Property PAIF Feeder I Acc GBP	12.8%
Legal & General UK Property I Acc (PAIF)	8.8%

LF Miton Global Infrastructure Income F Acc	2.9%
M&G Feeder of Property Portfolio Sterling I Acc	8.9%
Primary Health Properties PLC	2.2%
Schroder Real Estate Investment Trust Ltd	2.0%
SLI UK Real Estate Acc Feeder Inst Acc	10.1%
SPDR Dow Jones Global Real Estate UCITS ETF	3.4%
Supermarket Income REIT PLC	0.5%
Time Investments Commercial Long Income PAIF	9.6%
TR Property Investment Trust PLC	2.0%
Urban Logistics REIT PLC	2.9%
Cash	1.2%

### Performance Summary as at 31 July 2020

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Property Portfolio	-0.25%	-0.78%	-10.02%	-8.66%	0.47%	0.66%
UT UK Direct Property*	-0.10%	-1.24%	-3.14%	-3.83%	3.62%	5.03%
UT Property Other*	-0.18%	2.29%	-12.80%	-8.36%	4.19%	4.73%

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 a reliable guide to future performance

\* The UT Property sector previously shown has been separated into the UT UK Direct Property & UT Property Other sectors as of September 2018

### Commentary

Please note this fund is suspended from trading following the suspension of underlying funds. For more information please click [here](#).

With twenty-two holdings in the portfolio at the end of July, no new assets were introduced or removed during the month. In terms of activity, exposure to Urban Logistics was increased, as was iShares UK Property. Allocation to iShares Developed Markets Property Yield was trimmed, as was 3i Infrastructure, Amundi FTSE EPRA Europe Real Estate and BNY Mellon Global Infrastructure Income. Cash within the portfolio rose a little over the month.





# VT Redlands Fixed Income Portfolio

July 2020

## 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. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry sector.

## Fund Information

Inception Date	7 June 2017
Number of Holdings	24
Fund Size	£55.5m
Ongoing Charge Figure *	0.60%
Estimated Yield**	2.28%
3 Year Annualised Volatility	3.6%

\* The ongoing charges figure is based on expenses and the net asset value as at 31 December 2019. 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.

## Holdings

Allianz Strategic Bond I Acc GBP	6.0%
Artemis Corporate Bond F GBP DIS	6.5%
Baillie Gifford Strategic Bond B Acc	5.0%
BlackRock Corporate Bond D Acc	3.0%
Blackstone /GSO Loan Financing Ltd	1.2%
BNP Paribas Flexi I US Mortgage Priv H GBP Cap	1.9%
db x-track. II Barclays GIAGgBd UCITS ETF 2C USD Hgd	7.3%
Fair Oaks Income 2017	0.4%
Hermes Unconstrained Credit F GBP Acc Hgd	5.2%
iShare Core Corp Bond UCITS ETF GBP (Dist)	5.0%
iShares Global Corp Bond UCITS ETF USD (Dist)	7.6%
Janus Henderson Strategic Bond I Acc	4.3%
JPM GBP Ultra-Short Income UCITS ETF GBP dis	6.8%

Jupiter Strategic Bond Z Acc	1.2%
Lyxor Core FTSE Acturs UK Gilts (DR)UCITS ETF-Dist	5.4%
M&G Emerging Markets Bond I Acc GBP	1.5%
Man GLG Strategic Bond Class I GBP	3.0%
Rathbone Ethical Bond Inst Acc	4.0%
Real Estate Credit Investments Ltd	1.8%
RM Secured Direct Lending PLC	1.0%
Royal London Short Duration Global High Yield Bond Z Acc	4.4%
SPDR Barclays Cap Sterling Corporate Bond ETF	6.9%
Starwood European Real Estate Finance Limited	2.1%
Vanguard Total International Bond Index Fund	7.9%
Cash	0.5%

## Performance Summary as at 31 July 2020

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Fixed Income Portfolio	-0.03%	3.43%	-0.33%	0.25%	8.27%	7.13%
UM Fixed Interest – Global	-1.75%	3.15%	3.49%	-0.08%	9.73%	9.52%
IA Global Bond	-0.69%	4.37%	3.97%	1.30%	10.06%	10.64%

Past performance is not a reliable guide to future performance

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

## Commentary

In July the number of holdings in the VT Redlands Fixed Income fund fell by one to twenty-four as the Artemis Strategic Bond fund was removed with proceeds broadly split between the Allianz Strategic Bond and Artemis Corporate Bond funds. Recently introduced funds (Janus Henderson Strategic Bond and Jupiter Strategic Bond) continued to be topped up with cash flows and rebalancing as the allocation to Vanguard Total International Bond and Man GLG Strategic Bond were reduced.

At a higher level of asset allocation, allocation to “strategic” bonds was reduced by almost 1.50%, sovereign bond funds by ½% and the allocation to investment grade debt products increased by almost 2%.