



# 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 JP Morgan, Fidelity and Invesco as well as specialist boutiques including Ruffer, Fulcrum and Gresham House. 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 Hawksmoor Investment Management, an award-winning independent specialist fund management group. Hawksmoor are then accountable to us for fund conduct and most crucially fund performance. The Hawksmoor team managing the fund was previously known as Wellian Investment Solutions, prior to their merger with Hawksmoor in March 2022.

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## What do Hawksmoor Investment Management do?

Hawksmoor 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 Hawksmoor can cherry pick the very best talent from across every fund management group.

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## Why did we choose Hawksmoor Investment Management?

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.

### 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. Hawksmoor has delivered not just strong performance, but strong risk adjusted performance over the long term.

### 2. Process

A robust, repeatable process is vital to any investment management business. SEMAFOUR is Hawksmoor’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 Hawksmoor 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. Hawksmoor conduct hundreds of manager meetings each year.

### 3. Philosophy

Hawksmoor 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. Hawksmoor Investment Management is a discretionary fund management firm, which has been authorised since 2007 and with over £2.7 bn of Assets Under Management.

### 5. People

People are the key to any successful investment solution. To measure the calibre of people at Hawksmoor we needed to look at their experience, knowledge, previous performance and how they all knitted together. Hawksmoor Investment Management is an award-winning team of Multi-Manager investors founded in 2007. The investment team has held the most senior investment roles in leading businesses such as Hargreaves Lansdown, Skandia, Foreign & Colonial and AXA Architas.



**Richard Philbin** is Chief Investment Officer of the Hawksmoor Investment Solutions division at Hawksmoor. 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 Hawksmoor and Wellian's merger, 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 Investment Officer of the Hurst Point Group, owner of Hawksmoor. 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. During his tenure the firm won the Best Multi-Manager 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 Hawksmoor Investment Management Limited 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. Fund holding percentage figures may not add up to 100 due to rounding. All sources Hawksmoor Investment Management 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. Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority, firm reference number 472929.



# VT Redlands Equity Portfolio

## August 2023

### 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	23
Fund Size	£484.1m
Ongoing Charge Figure *	0.67%
Yield	1.35%
3 Year Annualised Volatility	9.4%

\* The ongoing charges figure is based on expenses and the net asset value as at 30 June 2023. 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.

### Holdings as at 31 August 2023

Augmentum Fintech PLC	1.9%	iShares Core S&P 500 UCITS ETF USD (Acc)	10.3%
AXA Framlington Health Z Acc	4.6%	Legal & General UK Mid Cap Index C Acc	2.0%
Brown Advisory Global Leaders B Inc GBP	4.5%	LF Gresham House UK Multi Cap Inc F Sterling Acc	3.0%
Fidelity Asia Pacific Opportunities W-Acc	3.4%	LF Lightman European I Acc GBP	3.5%
Fidelity Asian Values PLC	1.7%	Man GLG Japan CoreAlpha Professional Acc C GBP	4.4%
Fidelity Index Japan P Acc	2.7%	Oakley Capital Investments Ltd	2.4%
Fidelity Index UK P Acc	4.1%	RIT Capital Partners PLC	3.3%
Fidelity Index World P Acc	14.8%	Rockwood Strategic plc	0.3%
Franklin UK Equity Income W Acc	4.5%	TB Guinness Global Eq Inc Y Acc	2.9%
FTF Martin Currie European Unconstrained EB Acc	3.3%	Vanguard Global Emerging Markets A GBP Acc	2.2%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	0.8%	WisdomTree Global Quality Div G UCITS ETF USD Acc	7.2%
iShares Core MSCI World UCITS ETF USD (Acc)	10.9%	Cash	1.2%

### Performance Summary as at 31 August 2023

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Equity Portfolio	-1.31%	1.71%	2.52%	17.76%	27.04%	40.55%	Figures quoted are on a total return basis with income reinvested.
UK Consumer Price Index <sup>1</sup>	n/a	2.35%	6.34%	20.53%	22.91%	26.72%	
UM Equity – International <sup>2</sup>	-1.17%	2.23%	3.93%	23.30%	33.03%	47.01%	

<sup>1</sup> Source: Office for National Statistics. Figures to most recently published data, being end of July 2023. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>2</sup> Source: FE fundinfo.

### Commentary

During August we sold the holding in the Amati UK Listed Smaller Companies fund and reinvested the proceeds into the Fidelity Index UK fund. The asset allocation to the UK hasn't changed overall, but the bias to larger capitalised companies has risen. The number of holdings has now fallen to twenty-three. The fund retains both direct and indirect exposure to the smaller capitalised stocks through dedicated smaller companies' funds and through multi-cap holdings.

Elsewhere in the portfolio the allocation to Asia fell whilst the US rose. The fund increased exposure to "global" managers as well.



# VT Redlands Multi-Asset Portfolio

August 2023

## 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	30
Fund Size	£119.6m
Ongoing Charge Figure *	1.29%
Yield	1.53%
3 Year Annualised Volatility	5.1%

\* The ongoing charges figure is based on expenses and the net asset value as at 30 June 2023. 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.

## Holdings as at 31 August 2023

Aegon Diversified Monthly Inc B Acc	2.0%	North Atlantic Smaller Companies Investment Trust PLC	4.3%
AQR Global Risk Parity UCITS C1 GBP	4.0%	Oakley Capital Investments Ltd	5.0%
AXA Global Distribution Z Acc	4.6%	Pershing Square Holdings Ltd	3.0%
BH Macro Limited GBP	2.6%	RIT Capital Partners PLC	5.8%
Chrysalis Investments Ltd	0.5%	Round Hill Music Royalty Fund Limited	0.4%
Fulcrum Asset Management Income F GBP Acc	3.0%	Royal London Sustainable Diversified Trust D Acc	4.6%
Gore Street Energy Storage Fund PLC	1.8%	Ruffer Investment Company Ltd	2.0%
Hermes Absolute Return Credit F GBP Acc Hdg	3.1%	Schroder British Opportunities Trust PLC	1.8%
Hipgnosis Songs Fund Ltd	4.4%	SEI Liquid Alternt Hdg GBP Wealth A Dist	6.3%
IFSL Brooks Macdonald Defensive Capital C Acc	1.8%	Third Point Offshore Investors Limited USD	5.6%
iShares Physical Gold ETC	2.8%	ThomasLloyd Energy Impact Trust PLC	1.2%
JPM Global Macro Opportunities C Net Acc	4.1%	Troy Trojan O Acc	2.0%
Latitude Horizon Fund GBP Acc	4.8%	Tufton Oceanic Assets Ltd	3.5%
LF Brook Absolute Return GBP Inst Acc	2.1%	VT Argonaut Absolute Return I GBP Acc	1.0%
LF Ruffer Diversified Return I Acc	5.4%		
Liontrust Sustainable Future Managed 6 Acc	3.6%	Cash	2.8%

## Performance Summary as at 31 August 2023

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Multi-Asset Portfolio	-0.75%	-3.43%	-6.46%	9.28%	11.35%	12.52%	
UK Consumer Price Index <sup>3</sup>	n/a	2.35%	6.34%	20.53%	22.91%	26.72%	
Multi Asset Composite Benchmark <sup>4</sup>	-0.53%	-0.42%	-0.08%	5.89%	8.46%	10.83%	Figures quoted are on a total return basis with income reinvested

<sup>3</sup> Source: Office for National Statistics. Figures to most recently published data, being end of July 2023. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>4</sup> Source: FE fundinfo. The Multi Asset Composite Benchmark is a composite benchmark of sectors that includes 60% FE fundinfo UM Mixed Asset - Balanced and 40% Investment Association UT Targeted Absolute Return.

## Commentary

We are taking a patient long term view with respect to the portfolio and did not make significant changes in August for the sake of 'appearing to be busy'. The portfolio remains consistent with 30 holdings, having thirty holdings designed to add value over the medium to longer-term. They have been included to provide diversification to the whole through the asset classes they invest in, the management styles, geographical focus and correlations to each other.

Strong (absolute and relative) performance was seen from Argonaut Absolute Return, Schroder British Opportunities and Brook Absolute Return amongst others.



# VT Redlands Property Portfolio

## August 2023

### 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.

VT Redlands Property Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the prospectus and key investor information document.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	29
Fund Size	£92.1m
Ongoing Charge Figure *	1.27%
Yield	3.69%
3 Year Annualised Volatility	6.6%

\* The ongoing charges figure is based on expenses and the net asset value as at 30 June 2023. 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.

### Holdings as at 31 August 2023

Aberdeen Standard European Logistics Income PLC	4.0%	iShares UK Property UCITS ETF GBP (Dist)	1.8%
AEW UK REIT PLC	2.5%	iShares Developed Mkts Prop Yield UCITS ETF USD (Dist)	2.1%
Alternative Income REIT PLC	2.2%	Legal & General Global Infrastructure Index C Acc	4.7%
Amundi FTSE EPRA Europe Real Estate UCITS ETF-E(C)	2.3%	Legal & General UK Property I Acc (PAIF)	8.4%
ARC TIME Commercial Long Income PAIF N Acc	10.1%	Life Science REIT plc	2.8%
Aviva Investors UK Property Fund 2 Acc	0.4%	M&G Feeder of Property Portfolio Sterling I Acc	1.7%
Balanced Commercial Property Trust Limited	2.4%	Premier Miton Gbl Infrastructure Inc F Acc	1.6%
BNY Mellon Global Infrastructure F Acc	4.5%	Schroder Real Estate Investment Trust Ltd	2.6%
Cordiant Digital Infrastructure Ltd	3.9%	SLI UK Real Estate Acc Feeder Inst Acc	8.2%
CT UK Property Feeder 2 Acc	7.6%	SPDR Dow Jones Global Real Estate UCITS ETF	3.8%
db x-track FTSE EPR NRT Dev Eur RE UCITS ETF 1C DR	3.0%	Supermarket Income REIT PLC	1.5%
Digital 9 Infrastructure	1.0%	ThomasLloyd Energy Impact Trust PLC	1.9%
Downing Renewables & Infrastructure Trust PLC	2.0%	TR Property Investment Trust PLC	0.9%
Empiric Student Property PLC	2.0%	Urban Logistics REIT PLC	3.3%
Home REIT plc	0.7%	Cash	6.0%

### Performance Summary as at 31 August 2023

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Property Portfolio	-1.03%	-5.06%	-17.54%	-4.03%	-9.10%	-2.87%	Figures quoted are on a total return basis with income reinvested
UK Consumer Price Index <sup>5</sup>	n/a	2.35%	6.34%	20.53%	22.91%	26.72%	
Property Composite Benchmark <sup>6</sup>	-0.31%	-1.80%	-13.07%	4.90%	-1.02%	5.86%	

<sup>5</sup> Source: Office for National Statistics. Figures to most recently published data, being end of July 2023. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>6</sup> Source: FE fundinfo. The Property Composite Benchmark is a composite benchmark of sectors that includes 75% Investment Association UT Direct Property, 20% AIC IT Commercial Property and 5% FE fundinfo UM Property International.

### Commentary

High interest rates and persistent inflation, along with a reticence to return to the office and the shift to purchasing goods online means the landscape is changing for the asset class. In response, the performance of many property funds are becoming more volatile than history would suggest which is causing challenges. The twenty-nine funds in the portfolio at the beginning of the month were the same twenty-nine that were in the portfolio at the end.

The fund is constructed to gain exposure to the diverse nature of property assets with allocations to bricks and mortar funds as well as property securities and the increasingly present "infrastructure." Not all property is the same; attaining exposure to it through different structures means managing the varying risk and reward characteristics. But, property is different to other traditional asset classes and does add diversification benefits.





# VT Redlands Fixed Income Portfolio

## August 2023

### 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	22
Fund Size	£42.6m
Ongoing Charge Figure *	0.85%
Yield	4.02%
3 Year Annualised Volatility	3.5%

\* The ongoing charges figure is based on expenses and the net asset value as at 30 June 2023. 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.

### Holdings as at 31 August 2023

Allianz Strategic Bond I Acc GBP	2.5%	Man GLG Sterling Corporate Bd Inst Acc F	8.5%
Artemis Corporate Bond F GBP Dis	7.9%	Nomura Funds Ireland-Global Dynamic Bond I GBPH	3.9%
Blackstone / GSO Loan Financing Ltd	1.1%	Premier Milton Strategic Monthly Inc Bond C Acc	5.5%
Close Sustainable Select Fixed Income X GBP Acc	4.7%	Rathbone Ethical Bond Inst Acc	4.5%
db x-track. II Barclays GIAGgBd UCITS ETF 2C USD Hgd	3.5%	Real Estate Credit Investments Ltd	3.8%
Hermes Unconstrained Credit F GBP Acc Hgd	2.7%	RM Infrastructure Income PLC	2.4%
HSBC Sterling Corporate Bond Index C Acc	7.0%	Royal London Short Duration Global High Yield Bond Z Acc	5.7%
iShares Global Corp Bond UCITS ETF USD (Dist)	3.2%	Starwood European Real Estate Finance Limited	2.3%
JPM GBP Ultra-Short Income UCITS ETF Acc GBP	2.3%	TwentyFour Corporate Bond GBP Acc	3.5%
L&G ESG GBP Corporate Bond UCITS ETF	6.8%	Vanguard Total International Bond Index Fund	7.9%
Legal & General Global Inflation Lnkd Bd Idx C Acc	4.4%		
Lyxor Core FTSE Acturs UK Gilts(DR)UCITS ETF-Dist	4.9%	Cash	1.1%

### Performance Summary as at 31 August 2023

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Fixed Income Portfolio	0.18%	-0.93%	-2.85%	-9.02%	-2.73%	-3.26%	
UK Consumer Price Index <sup>7</sup>	n/a	2.35%	6.34%	20.53%	22.91%	26.72%	
UM Fixed Interest – Global <sup>8</sup>	-0.17%	0.10%	0.03%	-6.12%	3.83%	3.84%	
UT Global Bonds <sup>8</sup>	-0.17%	-0.21%	-2.51%	-9.22%	-0.92%	-1.01%	Figures quoted are on a total return basis with income reinvested.

<sup>7</sup> Source: Office for National Statistics. Figures to most recently published data, being end of July 2023. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>8</sup> Source: FE fundinfo.

### Commentary

There were no changes to the number of holdings over the month, so the portfolio remains constant with twenty-two diversified positions. High Interest rates and stubborn inflation means investing in fixed income assets remains challenging and over the month the exposure to cash rose, partly due to a return of capital from long-held Starwood European Real Estate Finance which is winding itself down. Exposure to domestic corporate bonds was increased at the expense of international bonds, and in particular international sovereign issues, although the allocation to index-linked bonds was topped up as a bit of relative value has emerged.