

VT REDLANDS FUND RANGE

What are the VT Redlands Funds?

The VT Redlands Funds invest in one of four defined “asset classes” namely Equity, Multi-Asset, Property and Fixed Income. Each fund carries a prescribed Risk Profile, measured on a scale of 1 to 7 – with for example Equity being the highest at a factor 5. Each fund is used as a building block, creating 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 broad diversification within their portfolios. This reduces volatility and creates the potential for better, more consistent returns.

Each fund is constructed as a “Fund of Funds” providing access to the “best of the best” sector funds from a huge investment universe. The funds 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 30 different funds are held in each portfolio, with each one in turn managed by leading investment houses.

To manage each fund, David Williams IFA has appointed Hawksmoor Investment Management Limited (Hawksmoor), an award-winning, independent, and specialist fund management group that manages over £4bn for individual private clients, charities and intermediaries.

What do Hawksmoor do?

Hawksmoor are specialist Multi-Manager investors, they are experts in choosing fund managers who are likely to perform well, building portfolios that blend together to create a cohesive whole. No single asset 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. Alongside these active managers Hawksmoor also identifies the best value passive funds to include in portfolios, providing low-cost access to core investment markets.

Why did we choose Hawksmoor?

Hawksmoor Fund Managers (HFM), the specific team within Hawksmoor that manage the Redlands Portfolios, have built a strong and proven performance track record of over 14 years. Like David Williams IFA, HFM believe that 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. HFM has delivered not just strong performance, but strong risk-adjusted performance over the long term.

HFM have a simple and clear philosophy, to deliver the very best returns within the confines of a given risk framework. Their investment process is built around dynamic management of portfolios and excellent fund selection driven by both quantitative and importantly fundamental qualitative resources. The team's own research is complimented by other research resources across Hawksmoor, including the proprietary fund research tool SEMAFOUR and output from over 40 investment professionals and analysts.



Hawksmoor Fund Managers Daniel Lockyer and Ben Conway have worked together at Hawksmoor for over ten years. They are supported by Ben Mackie and Dan Cartridge. The strong track records of the Funds since their respective launch dates have resulted in the team winning many industry Awards.

Important Information

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. 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. David Williams IFA Limited is authorised and regulated by the Financial Conduct Authority, firm reference number 530750. Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority, firm reference number 472929.

VT Redlands Equity Portfolio

December 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	£506.2m
Ongoing Charge Figure*	0.68%
Yield	1.33%
3 Year Annualised Volatility	9.1%

** The ongoing charges figure is based on expenses and the net asset value as at 29 December 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 29 December 2023

Augmentum Fintech PLC	2.1%	Legal & General UK Mid Cap Index C Acc	6.9%
AXA Framlington Health Z Acc	2.0%	M&G Japan Smaller Companies Sterling PP Acc	1.5%
Brown Advisory Global Leaders B Inc GBP	4.5%	Man GLG Japan CoreAlpha Professional Acc C GBP	4.2%
Fidelity Asia Pacific Opportunities W-Acc	3.2%	Oakley Capital Investments Ltd	2.7%
Fidelity Asian Values PLC	1.6%	Premier Miton US Opporntns B Acc	3.0%
Fidelity Index Japan P Acc	6.3%	RIT Capital Partners PLC	3.1%
Fidelity Index UK P Acc	8.2%	Rockwood Strategic plc	0.3%
FTF Martin Currie European Unconstrained EB Acc	2.0%	Vanguard S&P 500 UCITS ETF USD Acc	12.8%
FTF Martin Currie UK Equity Income Fund W acc	5.0%	WS Gresham House UK Multi Cap Inc F Sterling Acc	7.7%
Hermes Asia ex Japan Equity F GBP Acc	3.0%	WS Guinness Global Equity Income Y Acc	3.2%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	0.8%	WS Lightman European I Acc GBP	4.0%
iShares Core S&P 500 UCITS ETF USD (Acc)	10.5%	Cash	1.6%

Performance Summary as at 29 December 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	4.88%	6.60%	11.62%	13.71%	49.64%	48.46%	
UK Consumer Price Index ¹	n/a	0.15%	3.54%	20.60%	22.97%	27.49%	Figures quoted are on a total return basis with income reinvested.
UM Equity—International ²	4.44%	5.72%	11.64%	18.83%	57.16%	54.27%	

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

2 Source: FE fundinfo.

Commentary

There were a number of changes to the Equity portfolio. The majority of the passively managed global equity funds were switched into a combination of actively managed and passively managed regional equity funds. The resulting effect on asset allocation was a reduction in the US weighting, a market we think is very highly priced, and an increase in UK, Japan and Asia, markets which we are particularly enthusiastic about, in terms of their prospective returns. The active funds introduced were M&G Japan Smaller Companies, Federated Hermes Asia ex Japan, while the existing holding in Gresham House UK Multi Cap Income was materially increased.

VT Redlands Multi-Asset Portfolio

December 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	29
Fund Size	£121.3m
Ongoing Charge Figure*	1.33%
Yield	2.00%
3 Year Annualised Volatility	5.1%

* The ongoing charges figure is based on expenses and the net asset value as at 29 December 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 29 December 2023

Aegon Diversified Monthly Inc B Acc	2.0%	North Atlantic Smaller Companies Investment Trust PLC	5.0%
AQR Global Risk Parity UCITS C1 GBP	3.8%	Oakley Capital Investments Ltd	5.4%
Asian Energy Impact Trust PLC	0.5%	Pershing Square Holdings Ltd	3.6%
AXA Global Distribution Z Acc	4.7%	RIT Capital Partners PLC	5.6%
BH Macro Limited GBP	3.0%	Royal London Sustainable Diversified Trust D Acc	4.6%
Chrysalis Investments Ltd	1.1%	Ruffer Investment Company Ltd	2.0%
Fulcrum Asset Management - Income F GBP ACC	3.0%	Schroder British Opportunities Trust PLC	1.8%
Gore Street Energy Storage Fund PLC	2.2%	SEI Liquid Alternat Hdg GBP Wealth A Dist	5.2%
Hermes Absolute Return Credit F GBP Acc Hdg	3.0%	Third Point Offshore Investors Limited USD	5.5%
Hipgnosis Songs Fund Ltd	4.2%	Troy Trojan O Acc	2.0%
IFSL Brooks Macdonald Defensive Capital C Acc	1.8%	Tufton Oceanic Assets Ltd	3.4%
iShares Physical Gold ETC	3.5%	VT Argonaut Absolute Return I GBP Acc	1.8%
JPM Global Macro Opportunities C Net Acc	3.8%	WS Lancaster Absolute Return Fd Sterling Instl Acc	2.1%
Latitude Horizon Fund - GBP Acc	4.8%	WS Ruffer Diversified Return I Acc	5.5%
Liontrust Sustainable Future Managed 6 Acc	3.7%	Cash	1.5%

Performance Summary as at 29 December 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	3.27%	3.73%	0.58%	4.16%	19.03%	16.18%	
UK Consumer Price Index ³	n/a	0.15%	3.54%	20.60%	22.97%	27.49%	Figures quoted are on a total return basis with income reinvested.
MA Composite Benchmark ⁴	3.09%	4.92%	5.53%	5.03%	18.62%	15.66%	

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

4 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

During the month, the exposure to Chrysalis Investments, a private equity investment trust, was increased. This holding was trading on an anomalously wide 50% discount to net asset value. In common with most investment trusts trading on wide discounts, we believe this extreme discount reflects poor sentiment towards the trust because of issues of the past rather than the reality of the future. We think the prospects for the underlying portfolio are very attractive from this point in time and a combination of a rising net asset value and narrowing discount would produce a significant share price return.

VT Redlands Property Portfolio

December 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	£93.9m
Ongoing Charge Figure*	1.25%
Yield	3.92%
3 Year Annualised Volatility	6.9%

* The ongoing charges figure is based on expenses and the net asset value as at 29 December 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 29 December 2023

Abrdn European Logistics Income PLC	3.5%	Home REIT plc	0.3%
AEW UK REIT PLC	2.6%	iShares UK Property UCITS ETF GBP (Dist)	2.0%
Alternative Income REIT PLC	2.6%	iShares Developed Mkts Prop Yield UCITS ETF USD (Dist)	1.9%
Amundi FTSE EPRA Europe Real Estate UCITS ETF-E(C)	2.7%	Legal & General Global Infrastructure Index C Acc	5.1%
ARC TIME Commercial Long Income PAIF N Acc	9.5%	Life Science REIT plc	2.7%
Asian Energy Impact Trust PLC	0.8%	LXi REIT PLC	5.3%
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	2.5%	M&G Global Listed Infrastructure L Acc	1.5%
BNY Mellon Global Infrastructure F Acc	4.6%	Schroder Real Estate Investment Trust Ltd	2.7%
Cordiant Digital Infrastructure Ltd	3.9%	SPDR Dow Jones Global Real Estate UCITS ETF	4.0%
db x-track FTSE EPR NRT Dev Eur RE UCITS ETF 1C DR	3.5%	Supermarket Income REIT PLC	4.2%
Digital 9 Infrastructure	0.5%	TR Property Investment Trust PLC	2.4%
Downing Renewables & Infrastructure Trust PLC	2.3%	Tritax Big Box REIT PLC	3.6%
Empiric Student Property PLC	2.2%	Urban Logistics REIT PLC	3.9%
Greencoat UK Wind PLC	4.1%	Cash	13.0%

Performance Summary as at 29 December 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	3.03%	2.80%	-1.24%	-3.30%	-4.91%	-0.16%	
UK Consumer Price Index ⁵	n/a	0.15%	3.54%	20.60%	22.97%	27.49%	Figures quoted are on a total return basis with income reinvested.
Property Composite Benchmark ⁶	1.67%	1.88%	-0.95%	4.20%	0.88%	7.06%	

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

6 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

The Property portfolio underwent material change, the prime motivation being a strategic shift to reduce the exposure to open-ended property funds. These have outperformed their listed closed-ended peers, as the latter's discounts to net asset value have widened last year offering an attractive entry point. Abrdn UK Real Estate, CT UK Commercial Property and L&G UK Property funds were all sold in full, with the majority of the proceeds invested in Supermarket Income REIT, a significant increase to our holding in TR Property Trust, plus positions in three new holdings: Tritax Big Box REIT, LXi REIT and Greencoat UK Wind. We are optimistic on the outlook for the REITs (Real Estate Investment Trusts) as they offer scope for rising asset values and a narrowing of the current discounts. This should prove to be a powerful combination.

VT Redlands Fixed Income Portfolio

December 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	20
Fund Size	£47.7m
Ongoing Charge Figure*	0.70%
Yield	4.11%
3 Year Annualised Volatility	3.5%

* The ongoing charges figure is based on expenses and the net asset value as at 29 December 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 29 December 2023

Allianz Strategic Bond I Acc GBP	2.3%
Artemis Corporate Bond F GBP DIS	7.8%
Blackstone / GSO Loan Financing Ltd	1.0%
Close Sustainable Select Fixed Income X GBP Acc	5.4%
db x-track.II Barclays GIAGbDUCITS ETF 2C USD Hgd	3.4%
Hermes Unconstrained Credit F GBP Acc Hgd	2.7%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	6.3%
JPM GBP Ultra-Short Income UCITS ETF Acc GBP	2.1%
Legal & General All Stocks Ind Link Gilt Ind C Acc	10.6%
Legal & General Global Inflation LnkD Bd Idx C Acc	4.4%
Lyxor Core FTSE Acturs UK Gilts(DR)UCITS ETF-Dist	11.1%

Man GLG Sterling Corporate Bd Inst Acc F	8.5%
Premier Miton Strategic monthly income bond fund C Acc	6.1%
Rathbone Ethical Bond Inst Acc	3.7%
Real Estate Credit Investments Ltd	2.0%
RM Infrastructure Income PLC	2.3%
Royal London Short Duration Global High Yield Bond Z Acc	2.4%
Starwood European Real Estate Finance Limited	1.9%
TwentyFour Corporate Bond GBP Acc	3.4%
Vanguard Total International Bond Index Fund	7.6%
Cash	5.0%

Performance Summary as at 29 December 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	3.71%	7.73%	7.52%	-5.08%	5.41%	3.43%	
UK Consumer Price Index ⁷	n/a	0.15%	3.54%	20.60%	22.97%	27.49%	Figures quoted are on a total return basis with income reinvested.
UM Fixed Interest—Global ⁸	3.65%	7.15%	7.51%	-4.15%	11.73%	10.16%	
UT Global Bonds ⁸	3.11%	4.93%	4.68%	-7.04%	4.06%	3.56%	

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

⁸ Source: FE fundinfo.

Commentary

There was an unusually high turnover in the Fixed Income portfolio as part of a broad realignment of the portfolio. We exited passive credit funds given our preference for active managers in this part of the market and the relatively low additional returns now available from these funds in comparison to low risk government bonds. The majority of the proceeds were invested in government bond funds where the yield in this asset class is more attractive than it has been for decades. We introduced the Lyxor Core UK Government Bond and L&G All Stocks Index Linked Gilt Index for the UK exposure, and the iShares US TIPS ETF. The net effect of these changes was to reduce corporate bond exposure, increase government bonds and increase the duration (sensitivity to interest rates) as we believe the interest rate cycles in the UK and US are at or near their respective peaks.