

# 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 firm. Hawksmoor is part of the Hawksmoor Group which 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.**

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## 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](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. 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

June 2024

## 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	22
Fund Size	£539.1m
Ongoing Charge Figure*	0.66%
Ongoing Charge Figure (excluding IT costs)**	0.51%
Yield	1.74%
3 Year Annualised Volatility	8.7%

\* The ongoing charges figure is based on expenses and the net asset value as at 28 June 2024. 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.

\*\* Please note, this figure excludes the underlying costs of investment company securities held within the Fund, in accordance with updated regulatory guidance from November 2023.

## Holdings as at 28 June 2024

Augmentum Fintech PLC	2.1%
Brown Advisory Global Leaders B Inc GBP	4.7%
Fidelity Asia Pacific Opportunities W-Acc	2.9%
Fidelity Asian Values PLC	1.5%
Fidelity Index Japan P Acc	6.3%
Fidelity Index UK P Acc	8.3%
Fiera Atlas Global Companies I Acc GBP	2.8%
FTF Martin Currie UK Equity Income Fund W acc	3.1%
Hermes Asia ex Japan Equity F GBP Acc	5.2%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	0.7%
iShares Core S&P 500 UCITS ETF USD (Acc)	13.9%
Lazard Japanese Strategic Equity EA Acc GBP	1.9%

Legal & General UK Mid Cap Index C Acc	6.7%
M&G Japan Smaller Companies Sterling PP Acc	1.5%
Oakley Capital Investments Ltd	2.4%
Premier Miton US Opportunities B Acc	4.2%
Ranmore Global Equity Institutional GBP Acc	3.0%
RIT Capital Partners PLC	2.8%
Rockwood Strategic plc	0.3%
Vanguard S&P 500 UCITS ETF USD Acc	14.0%
WS Gresham House UK Multi Cap Inc F Sterling Acc	7.6%
WS Lightman European I Acc GBP	3.8%
Cash	0.3%

## Performance Summary as at 28 June 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Equity Portfolio	2.08%	7.85%	14.96%	11.97%	42.12%	60.11%
Composite Benchmark <sup>1</sup>	1.23%	8.28%	14.48%	14.92%	48.06%	68.73%

Past performance is not a reliable guide to future performance

Figures quoted are on a total return basis with income reinvested.

<sup>1</sup> Composite benchmark consists of 80% IA Global and 20% IA UK All Companies, rebalanced monthly. Source: FE fundinfo.

# VT Redlands Multi-Asset Portfolio

## June 2024

### 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	£122.4m
Ongoing Charge Figure*	1.25%
Ongoing Charge Figure (excluding IT costs)**	0.43%
Yield	2.38%
3 Year Annualised Volatility	5.1%

\* The ongoing charges figure is based on expenses and the net asset value as at 28 June 2024. 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.

\*\* Please note, this figure excludes the underlying costs of investment company securities held within the Fund, in accordance with updated regulatory guidance from November 2023.

### Holdings as at 28 June 2024

Atrato Onsite Energy	1.5%
BBGI SICAV SA	6.4%
BH Macro Limited GBP	6.1%
Chrysalis Investments Ltd	1.5%
Fulcrum Asset Management Income F GBP Acc	3.2%
Gore Street Energy Storage Fund PLC	1.6%
Hermes Absolute Return Credit F GBP Acc Hdg	3.0%
HICL Infrastructure Company Ltd	5.7%
IFSL Brooks Macdonald Defensive Capital C Acc	1.8%
International Public Partnerships Ltd	5.5%
iShares Physical Gold ETC	7.0%
JPM Global Macro Opportunities C Net Acc	3.8%
North Atlantic Smaller Companies Investment Trust PLC	4.9%

Oakley Capital Investments Ltd	1.0%
Pantheon Infrastructure PLC	2.4%
Renewables Infrastructure Group Ltd	2.3%
RIT Capital Partners PLC	5.4%
Ruffer Investment Company Ltd	3.7%
Schroder British Opportunities Trust PLC	1.8%
SEI Liquid Alternative Hedged GBP Wealth A Dist	5.4%
Taylor Maritime Investments Ltd	2.6%
Third Point Offshore Investors Limited USD	4.4%
Tufton Oceanic Assets Ltd	4.3%
VT Argonaut Absolute Return I GBP Acc	2.0%
WS Lancaster Absolute Return Fd Sterling Instl Acc	2.3%
Cash	10.4%

### Performance Summary as at 28 June 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Multi-Asset Portfolio	0.58%	6.02%	9.98%	1.44%	22.02%	23.18%
IA Flexible Investment <sup>2</sup>	1.35%	6.27%	11.78%	7.27%	28.57%	38.08%

Past performance is not a reliable guide to future performance

Figures quoted are on a total return basis with income reinvested.

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

# VT Redlands Property Portfolio

June 2024

## 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	30
Fund Size	£91.3m
Ongoing Charge Figure*	1.36%
Ongoing Charge Figure (excluding IT costs)**	0.43%
Yield	4.35%
3 Year Annualised Volatility	7.6%

\* The ongoing charges figure is based on expenses and the net asset value as at 28 June 2024. 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.

\*\* Please note, this figure excludes the underlying costs of investment company securities held within the Fund, in accordance with updated regulatory guidance from November 2023.

## Holdings as at 28 June 2024

abrdn European Logistics Income PLC	3.6%
abrdn Property Income Trust Limited	1.9%
AEW UK REIT PLC	2.3%
Alternative Income REIT PLC	2.5%
Amundi FTSE EPRA Europe Real Estate UCITS ETF-E(C)	2.6%
Aviva Investors UK Property Fund 2 Acc	0.4%
Balanced Commercial Property Trust Limited	3.0%
Cordiant Digital Infrastructure Ltd	4.5%
db x-track FTSE EPR NRT Dev Eur RE UCITS ETF 1C DR	3.4%
Digital 9 Infrastructure	0.4%
Downing Renewables & Infrastructure Trust PLC	2.7%
Empiric Student Property PLC	2.2%
Greencoat UK Wind PLC	3.7%
Home REIT plc	0.3%
Impact Healthcare REIT PLC	3.8%
iShares Developed Markets Property Yield UCITS ETF USD	1.8%

iShares UK Property UCITS ETF GBP (Dist)	2.0%
Legal & General Global Infrastructure Index C Acc	5.3%
Life Science REIT plc	1.7%
Londonmetric Property PLC	5.6%
M&G Feeder of Property Portfolio Sterling I Acc	1.3%
M&G Global Listed Infrastructure L Acc	1.6%
Picton Property Income Ltd	2.2%
Primary Health Properties PLC	4.9%
Schroder Real Estate Investment Trust Ltd	2.8%
SPDR Dow Jones Global Real Estate UCITS ETF	3.9%
Supermarket Income REIT PLC	3.6%
TR Property Investment Trust PLC	6.8%
Tritax Big Box REIT PLC	7.7%
Urban Logistics REIT PLC	4.1%
Cash	7.4%

## Performance Summary as at 28 June 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Property Portfolio	-0.44%	-3.06%	-0.34%	-11.25%	-11.36%	-3.21%
Composite Benchmark <sup>3</sup>	-0.07%	-1.36%	3.04%	-2.41%	0.43%	11.59%

Past performance is not a reliable guide to future performance

Figures quoted are on a total return basis with income reinvested.

<sup>3</sup> Composite benchmark consists of 60% IA UK Direct Property and 40% IA Property Other, rebalanced monthly. Source: FE fundinfo.

# VT Redlands Fixed Income Portfolio

June 2024

## 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	17
Fund Size	£63.5m
Ongoing Charge Figure*	0.67%
Ongoing Charge Figure (excluding IT costs)**	0.56%
Yield	4.76%
3 Year Annualised Volatility	3.6%

\* The ongoing charges figure is based on expenses and the net asset value as at 28 June 2024. 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.

\*\* Please note, this figure excludes the underlying costs of investment company securities held within the Fund, in accordance with updated regulatory guidance from November 2023.

## Holdings as at 28 June 2024

Amundi Index Glob Agg 500m ETF DR H GBP D	8.0%
Amundi UK Government Bond UCITS ETF Dist	17.5%
Artemis Corporate Bond F GBP Dis	5.7%
Blackstone Loan Financing Limited	0.8%
Close Sustainable Select Fixed Income X GBP Acc	5.1%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	6.4%
JPM GBP Ultra-Short Income UCITS ETF Acc GBP	4.6%
Legal & General All Stocks Ind Link Gilt Ind C Acc	7.6%
Legal & General Global Inflation Lnkd Bd Idx C Acc	3.3%

Man GLG Sterling Corporate Bd Inst Acc F	8.0%
MI TwentyFour - Monument Bond I Acc	9.0%
Premier Miton Strategic Monthly Inc Bond C Acc	5.2%
Rathbone Ethical Bond Inst Acc	3.8%
Real Estate Credit Investments Ltd	1.4%
RM Infrastructure Income PLC	1.8%
Starwood European Real Estate Finance Limited	1.3%
TwentyFour Corporate Bond GBP Acc	2.6%
Cash	7.9%

## Performance Summary as at 28 June 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Fixed Income Portfolio	1.50%	1.02%	8.83%	-3.31%	0.09%	4.48%
Composite Benchmark <sup>4</sup>	0.94%	0.79%	6.90%	-3.20%	3.43%	9.52%

Past performance is not a reliable guide to future performance

Figures quoted are on a total return basis with income reinvested.

<sup>4</sup> Composite benchmark consists of 50% IA Global Mixed Bond and 50% IA Sterling Strategic Bond, rebalanced monthly. Source: FE fundinfo.

# Commentaries

June 2024

## VT Redlands Equity Portfolio

The Fund performed relatively well in June thanks to strong performance from private equity positions, with Augustum Fintech and Oakley Capital gaining 15.5% and 3.5% respectively during the month. The Fund's large exposure to US equities was a positive driver of absolute returns. The strong performance of the US equity market is remarkable as it has been primarily driven by a handful of very large and dominant index constituents that are benefitting from the Artificial Intelligence theme. Elsewhere in the Fund, there were positive returns from the Japanese allocation but negative returns from the UK and European focused funds. The UK and European equity markets have been temporarily unsettled by the snap elections called in the UK and across The Channel in France. It is usually a fool's errand to attempt to guess the outcome of elections let alone the investment implications of that result. We remain focussed on ensuring the portfolio consists of a blend of funds invested in diverse and attractively valued markets that we believe will perform well over the long term regardless of any short-term political issues.

## VT Redlands Multi-Asset Portfolio

Activity continued the theme of recent months of increasing the allocation to 'Real Assets' which included further top ups in the core infrastructure trust holdings via increases in HICL Infrastructure, INPP Infrastructure, BBGI Global Infrastructure and Pantheon Infrastructure. The position in physical gold was increased. There was a new investment in Taylor Maritime, a shipping company trading on a 33% discount that is complementary to the existing position in Tufton Oceanic Assets. The demand for this type of bulk carrier ships is high, with supply constrained by environmental issues, route disruptions caused by conflicts in the Middle East and a lack of new builds. Taylor Maritime offers an attractive starting yield of 8% and prospects for capital gains as shipping rates increase. These investments were funded by sales of multi-asset funds that mostly own equities and bonds and therefore don't offer the uncorrelated type of returns we are seeking for this portfolio. Ruffer Diversified Return, Latitude Horizon and Troy Trojan were all sold. The position in Oakley Capital was reduced, benefiting from recent rises in Oakley's share price.

## VT Redlands Property Portfolio

Despite relatively stable interest rates during the month and continued corporate activity, the listed property sector remains unloved. Share prices dipped slightly over June, resulting in widening discounts to net asset values. According to stockbrokers Winterflood Securities, the Property Investment Companies sector ended the month on an average 31% discount and average yield of 8.4% - both at historically high levels. Reasons for the weakness are likely to be linked to the uncertainty on the UK economy and interest rate environment with the imminent General Election and the fact that competing investments such as gilts or savings accounts have offered tempting switching opportunities. Whilst those competing yields may be higher than in previous years, we believe the prospects for capital growth from carefully selected funds and companies within the property asset class are superior to those traditional lower risk investments, albeit the property sector does come with short term volatility. In this weaker environment we introduced a new name to the Fund in June, Picton Property. It owns high quality assets with a skew towards the in-demand industrial/logistics sector but traded at an unusually wide 33% discount at the time of purchase. The dividend yield of 5.5% is fully covered by earnings and the company's debt profile is good, with a low loan to value ratio of 25% and low cost of debt of just 3.7%. There are other examples like that within the portfolio that provides confidence in the outlook for the Fund.

## VT Redlands Fixed Income Portfolio

The Fund performed well driven by its holdings in specialist credit investment trusts, such as RM Infrastructure Income (+6.3%), Blackstone Loan Financing (+5.1%) and Real Estate Credit Investments (+3.8%). The discounts to net asset values on these trusts have started to narrow in response to respective corporate developments, having previously languished on wide discounts for some time. More mainstream corporate bond funds managed by Man GLG, Artemis and Close all performed well during the month and there were no significant detractors to performance. Despite the political noise, government bond yields in the US and UK broadly finished the month where they started which is some comfort for investors hoping for signs of a peak in the interest rate cycle. Generally, a falling or stable rate environment will be positive for bond markets, and indeed most asset classes. Dealing activity was light during June with inflows allocated to existing positions of Man GLG Sterling Corporate Bond, TwentyFour Monument Bond and Amundi Global Aggregate Bond funds.