

# 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

July 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	£540.7m
Ongoing Charge Figure*	0.66%
Ongoing Charge Figure (excluding IT costs)**	0.51%
Yield	1.73%
3 Year Annualised Volatility	8.8%

\* 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 31 July 2024

Augmentum Fintech PLC	2.0%
Brown Advisory Global Leaders B Inc GBP	4.6%
Fidelity Asia Pacific Opportunities W-Acc	2.9%
Fidelity Asian Values PLC	1.4%
Fidelity Index Japan P Acc	5.5%
Fidelity Index UK P Acc	8.4%
Fiera Atlas Global Companies I Acc GBP	2.7%
FTF Martin Currie UK Equity Income Fund W acc	3.2%
Hermes Asia ex Japan Equity F GBP Acc	5.1%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	0.7%
iShares Core S&P 500 UCITS ETF USD (Acc)	13.6%
Lazard Japanese Strategic Equity EA Acc GBP	1.9%

Legal & General UK Mid Cap Index C Acc	7.2%
M&G Japan Smaller Companies Sterling PP Acc	1.5%
Oakley Capital Investments Ltd	2.4%
Premier Miton US Opportunities B Acc	4.4%
Ranmore Global Equity Institutional GBP Acc	3.0%
RIT Capital Partners PLC	2.9%
Rockwood Strategic plc	0.3%
Vanguard S&P 500 UCITS ETF USD Acc	13.8%
WS Gresham House UK Multi Cap Inc F Sterling Acc	7.9%
WS Lightman European I Acc GBP	3.8%
Cash	0.7%

## Performance Summary as at 31 July 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Equity Portfolio	0.73%	8.69%	13.25%	12.71%	36.91%	61.29%
Composite Benchmark <sup>1</sup>	0.67%	8.83%	12.94%	14.86%	43.19%	69.86%

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

## July 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	23
Fund Size	£124.2m
Ongoing Charge Figure*	1.25%
Ongoing Charge Figure (excluding IT costs)**	0.43%
Yield	2.32%
3 Year Annualised Volatility	5.2%

\* 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 31 July 2024

3i Infrastructure PLC	3.0%
Atrato Onsite Energy	1.5%
BBGI SICAV SA	6.6%
BH Macro Limited GBP	6.2%
Chrysalis Investments Ltd	1.6%
Fulcrum Asset Management Income F GBP Acc	3.1%
Gore Street Energy Storage Fund PLC	1.5%
HICL Infrastructure Company Ltd	5.7%
IFSL Brooks Macdonald Defensive Capital C Acc	1.8%
International Public Partnerships Ltd	5.9%
iShares Physical Gold ETC	7.1%
Man GLG Absolute Value CX Professional GBP Acc	4.4%

Pantheon Infrastructure PLC	2.4%
Renewables Infrastructure Group Ltd	3.3%
RIT Capital Partners PLC	5.6%
Ruffer Investment Company Ltd	3.7%
Schroder British Opportunities Trust PLC	1.9%
SEI Liquid Alternative Hedged GBP Wealth A Dist	5.2%
Taylor Maritime Investments Ltd	2.7%
Third Point Offshore Investors Limited USD	4.2%
Tufton Oceanic Assets Ltd	4.4%
VT Argonaut Absolute Return I GBP Acc	4.3%
Winton Trend Fund (UCITS) Class I GBP	8.8%
Cash	4.8%

### Performance Summary as at 31 July 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Multi-Asset Portfolio	2.57%	9.29%	11.45%	3.36%	23.30%	26.35%
IA Flexible Investment <sup>2</sup>	0.30%	6.61%	10.15%	7.44%	25.17%	38.50%

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

July 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	£95.9m
Ongoing Charge Figure*	1.36%
Ongoing Charge Figure (excluding IT costs)**	0.43%
Yield	4.14%
3 Year Annualised Volatility	7.7%

\* 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 31 July 2024

abrdn European Logistics Income PLC	3.6%
abrdn Property Income Trust Limited	2.0%
AEW UK REIT PLC	2.4%
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	3.1%
Cordiant Digital Infrastructure Ltd	4.3%
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	2.5%
Empiric Student Property PLC	2.2%
Greencoat UK Wind PLC	4.8%
Home REIT plc	0.2%
Impact Healthcare REIT PLC	3.7%
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	5.5%
M&G Feeder of Property Portfolio Sterling I Acc	1.2%
M&G Global Listed Infrastructure L Acc	1.6%
Picton Property Income Ltd	2.3%
Primary Health Properties PLC	4.7%
Schroder Real Estate Investment Trust Ltd	2.9%
SPDR Dow Jones Global Real Estate UCITS ETF	3.9%
Supermarket Income REIT PLC	3.5%
TR Property Investment Trust PLC	7.0%
Tritax Big Box REIT PLC	7.8%
Urban Logistics REIT PLC	4.1%
Cash	6.6%

## Performance Summary as at 31 July 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Property Portfolio	5.04%	3.88%	3.59%	-9.66%	-7.74%	1.67%
Composite Benchmark <sup>3</sup>	2.14%	2.51%	3.80%	-2.08%	1.02%	13.97%

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

July 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	18
Fund Size	£65.5m
Ongoing Charge Figure*	0.67%
Ongoing Charge Figure (excluding IT costs)**	0.56%
Yield	4.70%
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 31 July 2024

Amundi Index Glob Agg 500m ETF DR H GBP D	7.8%
Amundi UK Government Bond UCITS ETF Dist	17.2%
Artemis Corporate Bond F GBP Dis	5.6%
Blackstone Loan Financing Limited	0.8%
Close Sustainable Select Fixed Income X GBP Acc	5.0%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	6.2%
JPM GBP Ultra-Short Income UCITS ETF Acc GBP	4.5%
Legal & General All Stocks Ind Link Gilt Ind C Acc	7.4%
Legal & General Global Inflation Lnkd Bd Idx C Acc	3.2%
Man GLG Sterling Corporate Bd Inst Acc F	7.9%

MI TwentyFour - Monument Bond I Acc	8.8%
MSIF Emerging Markets Debt Opportunities Fd A USD A	2.0%
Premier Miton Strategic Monthly Inc Bond C Acc	5.1%
Rathbone Ethical Bond Inst Acc	3.7%
Real Estate Credit Investments Ltd	1.4%
RM Infrastructure Income PLC	1.7%
Starwood European Real Estate Finance Limited	0.9%
TwentyFour Corporate Bond GBP Acc	2.6%
Cash	8.3%

## Performance Summary as at 31 July 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Fixed Income Portfolio	1.10%	3.23%	9.38%	-3.25%	-1.16%	5.62%
Composite Benchmark <sup>4</sup>	1.32%	2.36%	7.50%	-2.33%	3.21%	10.97%

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

July was an extraordinary month in global equity markets, as many of the established trends of recent years were upended. Equity markets recently have been dominated by three trends: the US, larger companies, and so-called “growth style” firms. These companies have enjoyed significantly higher returns than shares in markets away from the US, in smaller companies and in more “value style” businesses. The “elastic band” of valuations had become incredibly stretched and July witnessed a material snap-back effect. However, our portfolio positioning avoided any stung fingers from the snap-back, and it was a positive month for Redlands Equity in absolute and relative terms. The best performing holdings were Invesco Perpetual UK Smaller Companies (+10.1%) and L&G UK Mid Cap Index (+7.1%), both benefiting from improved sentiment towards UK small and medium sized companies post Labour’s landslide election victory. The biggest laggards were Augmentum Fintech (-7.6%) which gave up some of the impressive recent gains on no news, and Fiera Atlas Global Companies (-2.4%) which was modestly lower. During the month, we took some profits in Japan after a very strong run over the past 18 months through reducing the Fidelity Index Japan fund.

## VT Redlands Multi-Asset Portfolio

July was a very strong month for the Redlands Multi Asset portfolio, which rose +2.6%, and comfortably outperformed the return of its performance comparator which rose +0.3%. The best performing positions were The Renewables Infrastructure Group (+9.2%) and 3i Infrastructure (+9.0%). Both are relatively new holdings to the fund (3i introduced at the start of July, and we added to TRIG at the start of July ahead of the bounce in their share prices). They are sensitive to the direction of interest rates due to the long-dated nature of their cash flows and moderate use of borrowing. As with property, infrastructure holdings benefited from positive news on inflation and anticipated cuts in interest rates. The biggest laggards during the month were Gore Street Energy Storage (-3.9%) which gave up some recent gains, and Argonaut Absolute Return (-3.8%). It was a busy period for activity. Oakley Capital and North Atlantic Smaller Companies were sold completely at a significant profit as the portfolio refocuses into real assets such as the above-mentioned infrastructure, and uncorrelated diversifiers. Both Federated Hermes Absolute Return Credit and Lancaster Absolute Return were exited, in favour of increasing Argonaut Absolute Return and introducing Winton Trend and Man GLG UK Absolute Value. All have impressive track records offering return profiles that complement other areas of the portfolio.

## VT Redlands Property Portfolio

July was a very strong month for the Redlands Property portfolio, which rose by 5.0%, and comfortably outperformed its performance comparator (up 2.1%). The property sector is an interest rate sensitive asset class, due to the long stream of future cash flows expected from rental contracts and the use of leverage in buying properties. The asset class was a beneficiary of inflation data trending towards global central bank’s 2% targets, and the increased expectation of interest rate cuts. Despite the strong month for the portfolio, investment trust discounts remain wide. Transaction activity is beginning to pick up which will help improve confidence in property valuations, and will provide companies with ammunition to boost returns to shareholders through share buybacks, corporate mergers, and rising dividends. The best performing positions were Greencoat UK Wind (+10.4%) and TR Property (+10.0%). Pleasingly, we topped up Greencoat UK Wind at the start of July ahead of the bounce in its share price. The biggest laggards were the small remaining holding in M&G Feeder of Property Portfolio (-1.2%) which is winding up, and Downing Renewables & Infrastructure Trust (-1.0%) which drifted on no news.

## VT Redlands Fixed Income Portfolio

July ended up being a positive month for most areas of fixed income markets. Global government bonds (both nominal and inflation-linked), investment grade corporate bonds and high yield corporate bonds all produced positive returns. Fixed income markets were buoyed by inflation data continuing to trend towards global central bank targets of 2%. This opens up the possibility for rate cuts. Indeed, the European Central Bank has already moved first, cutting rates in June, with the Federal Reserve in the US expected to cut in September. On the 1st August, the Bank of England cut rates for the first time since 2020. Against this backdrop it was a good month in absolute terms for the Redlands Fixed Income fund, rising 1.1%. The best performing positions were both investment trusts that invest in private credit. Blackstone Loan Financing is in managed wind down and returned +7.7% during the month, and Real Estate Credit Investments rose +3.3%. The only position to deliver a negative return during the month was RM Infrastructure Income (-2.1%), another investment trust in managed wind down which drifted slightly lower during the period. One new holding was introduced in July, Morgan Stanley Emerging Market Debt Opportunities, providing active, diversified exposure to debt issued in the emerging markets.