

# 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

## October 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	21
Fund Size	£542.1m
Ongoing Charge Figure*	0.50%
Yield	1.65%
3 Year Annualised Volatility	9.0%

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

### Holdings as at 31 October 2024

Augmentum Fintech PLC	1.7%
Brown Advisory Global Leaders B Inc GBP	2.7%
Fidelity Asia Pacific Opportunities W-Acc	3.1%
Fidelity Asian Values PLC	1.5%
Fidelity Index UK P Acc	9.3%
Fiera Atlas Global Companies I Acc GBP	3.5%
FTF Martin Currie UK Equity Income Fund W acc	3.1%
Hermes Asia ex Japan Equity F GBP Acc	4.8%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	0.5%
iShares Core S&P 500 UCITS ETF USD (Acc)	14.2%
Lazard Japanese Strategic Equity EA Acc GBP	1.9%

Legal & General UK Mid Cap Index C Acc	8.6%
M&G Japan Smaller Companies Sterling PP Acc	2.2%
Oakley Capital Investments Ltd	2.3%
Premier Miton US Opportunities B Acc	5.5%
Ranmore Global Equity Institutional GBP Acc	3.1%
RIT Capital Partners PLC	2.8%
Rockwood Strategic plc	0.3%
Vanguard S&P 500 UCITS ETF USD Acc	14.4%
WS Gresham House UK Multi Cap Inc F Sterling Acc	5.5%
WS Lightman European I Acc GBP	6.8%
Cash	2.0%

### Performance Summary as at 31 October 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Equity Portfolio	0.53%	4.41%	20.44%	11.40%	42.98%	62.92%
Composite Benchmark <sup>1</sup>	0.52%	3.99%	21.11%	11.62%	49.09%	70.61%

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

## October 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	21
Fund Size	£121.2m
Ongoing Charge Figure*	0.58%
Yield	2.90%
3 Year Annualised Volatility	5.4%

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

### Holdings as at 31 October 2024

3i Infrastructure PLC	2.8%
BBGI Global Infrastructure SA	6.6%
BH Macro Limited GBP	6.4%
Chrysalis Investments Ltd	1.6%
Gore Street Energy Storage Fund PLC	1.5%
HICL Infrastructure Company Ltd	6.2%
International Public Partnerships Ltd	6.5%
iShares Physical Gold ETC	7.2%
Lazard Rathmore Alternative S Acc GBP H	6.4%
Man GLG Absolute Value CX Professional GBP Acc	4.6%
Neuberger Berman Commodities GBP I3 Acc Unhdg	4.3%

Pantheon Infrastructure PLC	3.3%
Renewables Infrastructure Group Ltd	3.2%
RIT Capital Partners PLC	4.9%
Ruffer Investment Company Ltd	3.7%
Taylor Maritime Investments Ltd	2.6%
Third Point Offshore Investors Limited USD	4.6%
TM Tellworth UK Select A Acc	4.1%
Tufton Oceanic Assets Ltd	4.1%
VT Argonaut Absolute Return I GBP Acc	4.3%
Winton Trend Fund (UCITS) Class I GBP	8.6%
Cash	2.7%

### Performance Summary as at 31 October 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Multi-Asset Portfolio	0.91%	3.40%	14.73%	-0.60%	23.26%	26.68%
IA Flexible Investment <sup>2</sup>	0.16%	3.42%	16.15%	6.30%	29.22%	39.75%

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

October 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	29
Fund Size	£96.7m
Ongoing Charge Figure*	0.39%
Yield	4.31%
3 Year Annualised Volatility	8.1%

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

## Holdings as at 31 October 2024

abrdn European Logistics Income PLC	3.3%
abrdn Property Income Trust Limited	2.2%
AEW UK REIT PLC	2.5%
Alternative Income REIT PLC	2.5%
Aviva Investors UK Property Fund 2 Acc	0.4%
Balanced Commercial Property Trust Limited	2.5%
Care REIT PLC	4.6%
Cordiant Digital Infrastructure Ltd	4.6%
db x-track FTSE EPR NRT Dev Eur RE UCITS ETF 1C DR	5.1%
Digital 9 Infrastructure	0.3%
Downing Renewables & Infrastructure Trust PLC	2.7%
Empiric Student Property PLC	2.1%
Greencoat UK Wind PLC	4.4%
Home REIT plc	0.3%
iShares UK Property UCITS ETF GBP (Dist)	1.8%

Legal & General Global Infrastructure Index C Acc	5.4%
Life Science REIT plc	2.0%
Londonmetric Property PLC	5.3%
M&G Feeder of Property Portfolio Sterling I Acc	1.2%
M&G Global Listed Infrastructure L Acc	1.6%
Picton Property Income Ltd	2.2%
Primary Health Properties PLC	5.4%
PRS Reit PLC	2.2%
Schroder Real Estate Investment Trust Ltd	3.0%
SPDR Dow Jones Global Real Estate UCITS ETF	5.8%
Supermarket Income REIT PLC	3.3%
TR Property Investment Trust PLC	6.8%
Tritax Big Box REIT PLC	6.7%
Urban Logistics REIT PLC	3.9%
Cash	6.1%

## Performance Summary as at 31 October 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Property Portfolio	-2.73%	7.18%	9.16%	-11.68%	-7.64%	2.04%
Composite Benchmark <sup>3</sup>	-0.78%	4.75%	9.13%	-2.60%	2.02%	15.79%

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

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

# VT Redlands Fixed Income Portfolio

October 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	19
Fund Size	£72.1m
Ongoing Charge Figure*	0.54%
Yield	3.87%
3 Year Annualised Volatility	3.6%

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

## Holdings as at 31 October 2024

AEGON European ABS I GBP Acc Hgd	8.2%
Amundi Index Glob Agg 500m ETF DR H GBP D	7.2%
Amundi UK Government Bond UCITS ETF Dist	18.7%
Artemis Corporate Bond F GBP Dis	6.0%
Blackstone Loan Financing Limited	0.7%
Close Sustainable Select Fixed Income X GBP Acc	4.6%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	7.5%
iShares Core UK Gilts UCITS ETF GBP (Dist)	2.1%
JPM GBP Ultra-Short Income UCITS ETF Acc GBP	4.2%
Legal & General All Stocks Ind Link Gilt Ind C Acc	7.7%

Legal & General Global Inflation Lnkd Bd Idx C Acc	3.0%
Man GLG Sterling Corporate Bd Inst Acc F	8.3%
MSIF Emerging Markets Debt Opportunities Fd A USD A	1.8%
Premier Miton Strategic Monthly Inc Bond C Acc	5.6%
Rathbone Ethical Bond Inst Acc	3.4%
Real Estate Credit Investments Ltd	1.3%
RM Infrastructure Income PLC	1.2%
Starwood European Real Estate Finance Limited	0.8%
TwentyFour Corporate Bond GBP Acc	2.4%
Cash	5.4%

## Performance Summary as at 31 October 2024

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017
VT Redlands Fixed Income Portfolio	-0.62%	3.82%	9.81%	-1.67%	0.91%	6.52%
Composite Benchmark <sup>4</sup>	-0.58%	3.59%	9.41%	-0.83%	4.36%	11.86%

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

October 2024

## VT Redlands Equity Portfolio

The Redlands Equity Portfolio performed in line with its Performance Comparator, both gaining approximately 0.5% over the month. The move in sterling was a main driver of returns for UK-based investors. The pound weakened 3.5% against the US dollar causing positive returns in the US equity allocation. Premier Miton US Opportunities was the standout performer, up 4.9% on the month. On the other side of the coin, the pound was strong against the Japanese yen that resulted in losses from the Japan allocation. Our overweight position in Japan has been a long-term success but earlier in the month, the exposure to Japan was reduced due to the potential instability caused by the Prime Minister losing his majority following an ill-judged snap election. Fidelity Index Japan was sold in full, with some of the proceeds used to top up the actively managed Lazard Japanese Strategic Equity Fund and some to increase Lightman European where valuations remain compelling. Political events dominate the financial markets more so than usual, currently. In the UK, the uncertainty of the contents of the Budget has, for a few months now, prompted investors to sell UK listed assets ahead of possible tax rises. It was a relief for many to finally get that uncertainty out of the way on 30th October with many commentators believing its direct impact on equity markets could have been worse. It still remains unclear exactly how the US elections will impact on financial markets long term. We will respond with any changes to the asset allocation once we have digested the results and implications.

## VT Redlands Multi-Asset Portfolio

The Multi-Asset Portfolio gained 0.9% over the month compared to +0.2% from its comparator, the IA Flexible Sector. It was pleasing that the positive drivers of returns were broad based across the portfolio. The best performer was Atrato Onsite Energy, which rose 19% on news that the underlying portfolio of solar assets is to be sold to a private equity bidder. The jump in the share price provided us with an opportunity to sell this holding in full at a reasonable profit. Proceeds were reinvested across a range of existing infrastructure trusts that had been adversely affected by the rising bond yield environment. BBGI Global Infrastructure, HICL Infrastructure and International Public Partnerships were topped up on historically high yields of between 6% and 7%. Other top performers over the month included the Physical Gold position, which was up 8.5%, Third Point Offshore, which was up 7%, and the two shipping trusts, Tufton and Taylor Maritime, both up c.5% on good quarterly results. We were also pleased with the performance of the recently introduced absolute return strategies funds, such as Man GLG Absolute Value, Tellworth UK Select, Argonaut Absolute Return and Rathmore Alternative. These all-generated positive returns in what was a volatile month. We took profits from Physical Gold and Chrysalis after a period of strong performance.

## VT Redlands Property Portfolio

In October, the Redlands Property Portfolio gave up all its gains from September, falling 2.7% compared to a loss of 0.8% from its Performance Comparator. The listed property sector, in which this Portfolio mostly invests, is very responsive to the changes in bond yields set out in the Fixed income commentary above. As bond yields sharply rose during the month, the natural reaction is for property company share prices to fall so that their dividend yields rise in conjunction with bonds. This response inevitably causes short term volatility, and we seek to profit from moves we believe create opportunities for good long term total returns. During the month we increased the position in Primary Health Properties as its yield moved up to 7%. This property company owns a large portfolio of GP surgeries and medical centres leased almost exclusively to local authorities in the UK. We therefore believe this premium yield relative to government bonds for similar counterparty risk represents a compelling investment opportunity. The worst performer over the month were Tritax BigBox, falling 10%. We believe shareholders that inherited a position in Tritax following its recent merger with UK Commercial Property have been selling, a situation that exacerbated the weakness caused by rising bond yields. Life Science REIT was the best performer gaining 10% as its latest results offered hope that the poor leasing environment for that sector is behind us.

## VT Redlands Fixed Income Portfolio

After a relatively long period of strong capital growth, the Redlands Fixed Income Portfolio performed in line with its Performance Comparator, both losing around 0.6%. During October, the UK 10-year gilt yield moved from 4% to 4.4%, the highest level for a year, reflecting a negative view of the long-awaited budget on 30th October. A combination of higher taxes, an increase in the minimum wage, greater government borrowing and a priority on public service spending caused the market to revise down expectations of GDP growth and revise up expectations of future levels of inflation. A sharp increase in bond yields also occurred in the US with the US 10-year Treasury yield rising from 3.8% to 4.4%. President elect Trump has promised higher spending with no details on how to reduce the level of debt. In an environment of rising government bond yields, most fixed income assets will struggle to make positive returns. The few positive performers were those funds with floating rate assets such as TwentyFour Monument Bond, which was up 0.6%, or shorter duration or cash-like strategies including the JPM Ultra Short Income fund that was up 0.3%. In response to rising yields, we have been gradually adding to government bond holdings believing they offer better risk-reward characteristics than most other parts of the fixed income markets. Otherwise, the most significant transaction was to switch TwentyFour Monument Bond into the very similar but better performing and lower cost, Aegon European ABS fund.