

October 2019

VT PEF Global Multi-Asset Fund (VT PEF GMAF)

Key Facts

| | |
|-----------------------|----------------------------------|
| Fund launch date: | 25/09/17 |
| Fund type: | UCITS |
| Fund managers: | Andrew Craig & Roderick Collins |
| Fund size | £11.3m |
| IA sector: | IA Flexible Investment |
| Base currency: | GBP |
| Valuation point: | 12:00 midday London time |
| Accounting dates: | Final – 31/12 Interim – 30/06 |
| UCITS: | Yes |
| SIPP & ISA eligible: | Yes |
| 7-day Fund liquidity: | 100% |
| Minimum Investment: | A Class – £100 |

Performance Analysis Since 25/09/17

| | |
|---------------------------|-----------------|
| Annualised rate of return | -0.6% |
| Best month | 3.6% (Jun '19) |
| Worst month | -2.2% (Oct '19) |
| Average month | -0.04% |
| % Positive months | 46% |

Monthly Performance (% return)

| | Jan | Feb | Mar | Apr | May | Jun | July | Aug | Sept | Oct | Nov | Dec | Total |
|------|-----|------|------|-----|-----|------|------|------|-------|------|------|------|-------|
| 2017 | - | - | - | - | - | - | - | - | -0.5* | 1.6 | -0.8 | 0.4 | 0.7 |
| 2018 | 1.2 | -1.5 | -1.9 | 0.4 | 0.1 | -0.7 | 0.2 | -0.4 | -0.5 | -1.8 | -0.4 | -1.3 | -6.4 |
| 2019 | 0.9 | -1.1 | 1.2 | 0.8 | 0.2 | 3.6 | 3.0 | -1.3 | -0.2 | -2.2 | | | 4.8 |

*September 2017 was only a partial month, as the fund was launched on the 25th September 2017. Past performance is not necessarily a guide to future performance. Source: Valu-Trac Investment Management Limited

Notes

[0] A class accumulation shares, net of fees priced at midday UK time, net dividends reinvested. Source: Valu-Trac Investment Management Ltd

[1] MSCI World Index in Sterling, net dividends reinvested, priced at close of business US time, source: MSCI Inc. The MSCI World Index is a generic portfolio of global equities across all sectors and, as such, is a fair comparison given the Fund is also global and sector agnostic.

[2] iBoxx GBP Gilts Index, source: Refinitiv

[3] UK Pound Sterling ICE LIBOR 12 Month Interest Rate, source: Refinitiv

[4] This figure will reduce if the fund increases in size: £50,000 of fixed costs over £10m = 0.50% but only 0.05% over £100m. We are targeting total cost of ownership of the fund as close as possible to 1%.

[5] The fund normally only buys and sells positions once a month to keep trading costs as low as possible. This figure was calculated in collaboration with Cantor Fitzgerald and significantly lower than many UK platforms assume.

The investment objective of the Fund is to provide capital growth over the medium to long term. The Fund will aim to meet its objectives by employing two primary investment techniques:

1. True diversification which may include exposure to equities, fixed income, commodities, real estate and infrastructure in different jurisdictions throughout the world, primarily using Exchange Traded Funds.
2. Formula-based trend following.

Performance (% return)

| | Oct 2019 | 2019 YTD | *Since incep. | Q4/18 - Q3/19 | Q4/17 - Q3/18 | Q4/16 - Q3/17 | Q4/15 - Q3/16 | Q4/14 - Q3/15 |
|--------------------------------|----------|----------|---------------|---------------|---------------|---------------|---------------|---------------|
| VT PEF GMAF ^[0] | -2.2 | 4.8 | -1.2 | 3.4 | -1.8 | No data | No data | No data |
| Global Equities ^[1] | -2.3 | 18.7 | 21.9 | 7.8 | 14.4 | - | - | - |
| UK Bonds ^[2] | -1.9 | 9.7 | 12.5 | 14.2 | 0.6 | - | - | - |
| Cash ^[3] | 0.1 | 0.6 | 1.5 | 0.7 | 0.6 | - | - | - |

Past performance is not necessarily a guide to future performance. *Date of inception of the fund is 25/09/17 and the initial investment in the fund was made on this date.

Charges

| | |
|---------------------------|-----------------------|
| Entry & exit charges: | 0.00% |
| Performance charges: | 0.00% |
| Annual management charge: | 0.9% |
| Ongoing charges figure: | 1.41% ^[4] |
| Estimated trading costs: | 0.012% ^[5] |

Codes

| | |
|-------------------|--------------|
| ISIN: | GB00BDZZSM84 |
| SEDOL: | BDZZSM8 |
| MEXID: | WLJKH |
| CITICODE: | O42K |
| Bloomberg Ticker: | VTGMAAG |
| Lipper: | LP68439582 |

Monthly Commentary (October 2019)

There were only two changes indicated by our signals when we traded at the beginning of October: To buy back into our Latin America Emerging Markets fund and Agricultural Commodities. This was moderately interesting given these were our only two sell trades the previous month. That having been said, LATAM Emerging Markets and Agricultural Commodities are two of our more volatile 'silos' so this can happen from time to time when markets are choppy.

Having completed those purchases, the fund was positioned in no less than 23 of our 24 "risk" assets. This was the most aggressively long the fund had been since inception. The only silo we did not own through October was energy commodities. A key feature of October was that the pound rallied no less than 5% against the dollar and the euro as markets priced in a lower risk of a no-deal Brexit. This sterling appreciation can be a real headwind for our fund given how many overseas assets we own. When the pound strengthens 5% - our holdings in dollar and euro assets are worth 5% less in sterling terms. This is in large part why our fund was -2.2% in the month of October - but denominated in pounds which were worth 5% more on the world stage - something very important to bear in mind and understand. As I have said before - currency is not something that we particularly focus on. Over time, we will sometimes win and sometimes lose based on such movements. My view is that we are very nicely balanced in this regard given we always have broad exposure to lots of currencies all over the world. In a month with as extreme a move as 5% in our home currency (a huge one month move for any large currency), our performance can be impacted, however.

Buy Position Trades

- + Equities / Emerging Markets - Latin America
- + Alternatives / Commodities - Agriculture

Sell Position Trades

Key Risks

- Counterparty risk: The Fund can conclude various transactions with contractual partners. If a contractual partner becomes insolvent, it can no longer or can only partly settle unpaid debts owed to the Fund.
- Market Risk: External factors can cause an entire asset class to decline in value which would result in a decrease in the value of investments. The Fund aims to mitigate this risk by investing in all major asset classes in many geographic regions and owning assets which are often negatively correlated.
- Concentration Risk: The Fund seeks to minimise concentration risk by owning a wide selection of Exchange Traded

Funds which themselves own many hundreds of underlying assets.

- Liquidity Risk: adverse market conditions may affect the ability to sell certain assets when necessary. The Fund invests nearly exclusively in large, liquid ETFs so liquidity risk should be significantly lower than in a more conventional actively managed fund investing in single assets.

For full details of the Fund's risks, please see the [prospectus](#) which may be obtained from the Fund's [website](#).

Links and further reading

[Application Form](#)

[Prospectus](#)

[Fund Overview](#)

[KIID](#)

Important Information

Plain English Finance Limited has used all reasonable efforts to ensure the accuracy of the information contained in this communication at the date of publication. An English language Prospectus for the VT PEF Global Multi-Asset Fund (the "Fund") and the Fund's Key Investor Information Document is available on request and via <https://www.plainenglishfinance.co.uk/funds>. Investors should read the Prospectus in conjunction with the Key Investor Information Document and the relevant application form before purchasing shares in the Fund.

Full details of each of the risks and aims for the fund can be found in the Prospectus and the Key Investor Information Document. Past performance is not a reliable indicator of future returns. The value of investments and any income from them may fall as well as rise, and the return may increase or decrease as a result of currency fluctuations. You may not get back the amount of your original investment. Plain English Finance Ltd. does not make any recommendations regarding the suitability of this product for you and the information provided should not be considered as investment or other advice or a recommendation to buy, sell or hold a particular investment. If you are in any doubt about the information in this brochure or our website please consult your financial or other professional adviser.

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