

October 2023

## 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	£9.2m
IA sector:	IA Flexible Investment
Base currency:	GBP
Valuation point: (Daily dealing)	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	-0.3%
Best month	3.6% (Jun '19)
Worst month	-3.2% (Feb '20)
Average month	-0.02%
% Positive months	50%

### 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	0.2	-0.6	4.4
2020	-1.3	-3.2	-1.9	0.3	0.3	0.7	0.1	0.4	0.3	-1.1	3.1	1.3	-1.2
2021	-1.0	-0.6	1.3	2.2	0.5	1.7	-0.3	1.5	-0.4	-0.3	-0.4	0.9	5.2
2022	-1.7	-0.2	1.6	0.5	-1.0	-1.5	0.6	0.2	-1.4	-0.1	0.5	-0.2	-2.9
2023	0.9	-2.0	1.0	0.1	-0.9	-0.6	0.2	-0.7	0.8	-0.1			-1.3

\*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

- (1) A class accumulation shares, net of fees priced at midday UK time, net dividends reinvested. Source: Valu-Trac Investment Management Ltd.
- (2) 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.
- (3) iBoxx GBP Gilts Index, source: Refinitiv.
- (4) UK Pound Sterling Overnight Index SONIA, source: Refinitiv.
- (5) A (retail) class AMC 0.9% / I (institutional) class AMC 0.7%. (I-class for sums over £1m or at manager's discretion).
- (6) This figure will reduce if the fund increases in size: £30,000 of fixed costs over £10m = 0.30% but only 0.03% over £100m, for example.
- (7) The fund normally only buys and sells positions once a month to keep trading costs as low as possible.

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 2023	2023 YTD	*Since incep.	Q4/22 - Q3/23	Q4/21 - Q3/22	Q4/20 - Q3/21	Q4/19 - Q3/20	Q4/18 - Q3/19
VT PEF GMAF <sup>(1)</sup>	-0.1	-1.3	-1.9	-1.0	-2.8	8.4	-6.8	3.4
Global Equities <sup>(2)</sup>	-2.3	6.9	71.5	-2.9	23.5	5.2	7.8	14.4
UK Bonds <sup>(3)</sup>	-0.5	-5.0	-19.3	-24.8	-7.1	3.7	14.2	0.6
Cash <sup>(4)</sup>	0.3	2.6	4.8	0.5	0.0	0.2	0.7	0.6

Past performance is not necessarily a guide to future performance. \*Date of inception of the fund was 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 (AMC):	0.9/0.7% <sup>(5)</sup>
Ongoing Charges Figure (OCF):	1.25/1.05% <sup>(6)</sup>
Estimated trading costs:	0.012% <sup>(7)</sup>

### Codes

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

## Monthly Commentary (October 2023)

As at the end of October the Global Multi Asset Fund was c.25% invested with around 75% in cash or near cash instruments. Our signals prompted two fixed income purchases, namely US corporate bonds and Emerging Market US dollar denominated debt, and one sale transaction out of European equities. During the month the fund retreated by 0.1%, compared with falls of -2.3% for global equities and -0.5% for UK bonds.

As we have discussed in previous factsheets, the overriding theme of 2023 has been the efforts of central bankers in all the major economies to bring consumer price inflation back to its 2% target, compared, for example, with the near 10% peak it reached in the USA. Bond markets have suffered during the year with 10 year government yields reaching 4.8% in the USA, 4.8% in the UK and 2.8% in Germany. The persistence of high yields perhaps reflects scepticism about the efficacy of monetary tightening in the face of huge budget deficits and the unwinding of quantitative easing. In the USA GDP has been buoyant (+4.9% annualised), perhaps inflated by purchases from pandemic-induced savings, while in the UK GDP growth has been subdued and in the Euro area negative. Amongst the major stock markets the outliers with positive performance have been the USA (S&P500 +10.4%) and Japan (Nikkei 225 +25.1%).

### Buy Position Trades

+	Fixed Income / Corporate (\$)
+	Fixed Income / Emerging (EM Government \$)

Since the end of the review period there appears to have been a change of mood amongst central bankers with all of the Federal Reserve Board, the Bank of Canada, the European Central Bank and the Bank of England keeping rates unchanged. There have been equivocal pronouncements about the future path of rates with hints that rate reductions must wait till inflation has been slain. As at least part of the recent inflation has been externally induced, it is perhaps encouraging that all items commodities are now up by only 4.8% for the year, while Brent Crude is down 7.5%. Freight costs have also fallen significantly. These factors have been sufficient to cause a bond market rally since the end of the review period.

The equanimity with which financial markets have viewed the geo-political situation is remarkable. The Israeli/Palestinian conflict has as yet not spiralled out of control with shades of 1914. The Ukrainian war continues with no sign of the belligerence of Russia abating. And 2024 will be a year of elections in the USA, UK and India. With its trend following approach the Global Multi Asset Fund retains its defensive qualities and benefits from higher interest rates when defensively positioned.

### Sell Position Trades

-	Equity / Developed Large (Europe ex UK)
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## Platform Availability

Aegon	Ascentric	FNZ	Hargreaves Lansdown	Pershing	Transact
AJ Bell	Aviva	Fusion	Novia Financial	Standard Life - Elevate	
Alliance Trust	Embark	Interactive Investor	Nucleus	Standard Life - Wrap	

## 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.  
a wide selection of Exchange Traded Funds which themselves own many hundreds of underlying assets.
  - 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  
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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