

Quarterly Fund Update VT PEF Global Multi-Asset

Q2 2018

For the avoidance of doubt, this update covers the period from the 1st of April, 2018 to the 30th of June (our quarterly updates correspond to calendar quarters).

Readers may recall that financial markets saw significant volatility in the first quarter of the year (January to March). Stock markets all over the world saw significant corrections from the highs in late January and all the way on through February. As a result, the fund's signals sold us out of European equities and the FTSE 100 at the beginning of March and then out of Japanese, Asian and US stock markets at the beginning of April. At the beginning of April, the signals also lead us to kick out our industrial metals exposure and buy into our UK and European property funds.

As April went on, certain markets ranged without much indication of where they were heading, whilst others bounced quite strongly (the FTSE 100 in particular had a strong April). This general direction of travel was enough for the signals to get us back into all of our equity funds in May and hold these on through June (other than our European silo - which sold out again at the beginning of June).

Outside of core developed markets, the fund sold out of eastern European equities in May and Latin America in June as emerging markets generally had a difficult quarter. As the quarter went on, we added Asian property exposure in May and bought into our US real estate fund for the first time in June.

Overall, the fund's Net Asset Value increased 0.6% in April and May before giving up 0.68% in June to end a difficult and volatile quarter essentially flat.

As a reminder, you can follow all of the precise moves in and out of our twenty-four investment silos by looking at our Fund Position document on our website (<https://plainenglishfinance.co.uk/funds>)



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