

Overall Rating: **BUY**
Woodhill UK Equity Strategic
 Buy Report ~ May 2024



Fund Manager:	OCF:	Yield:	ISIN	Fund Launch:
Paul Wood	1.24%	0.00%	GB00BMTRT641	2014

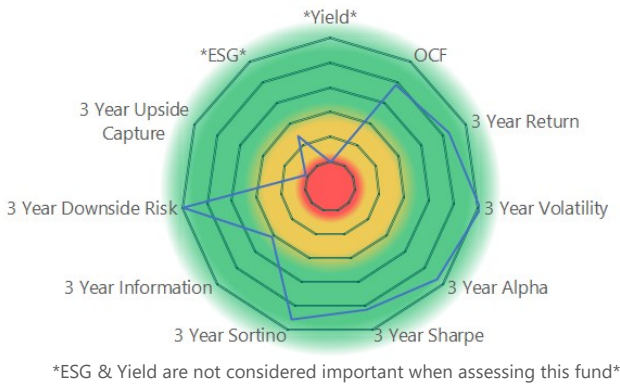
Cumulative Performance	6 months	1 year	3 years	5 years
Woodhill UK Equity Strategic	4.00	15.90	28.76	26.14
IA UK All Companies	13.96	12.35	11.47	27.82

3 Year Ratios	Alpha	Sharpe	Info	Downside Capture	Upside Capture
Woodhill UK Equity Strategic	8.77	1.08	0.48	-16.20	29.76
IA UK All Companies	0.00	0.00	0.00	100.00	100.00

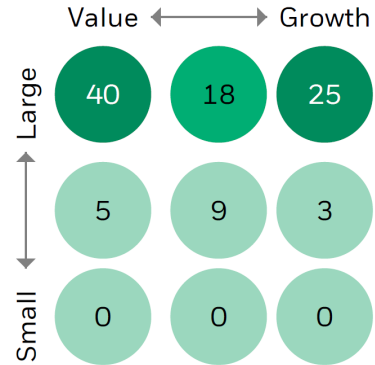
Executive Summary

The VT Woodhill UK Equity Strategic Fund aims to achieve a positive capital return over a 12-month period, regardless of market conditions, with lower volatility compared to the average UK equity markets. However, capital is at risk, and a positive return is not guaranteed over any period, including 12 months. The fund consists of an equity portfolio that can be fully hedged at times, offering significant protection against downside risk. Overall market risk is assessed using economic, fundamental, and market-related data sets. This approach is intended to protect investors' capital during market downturns and add value when markets rise. We believe the investment objectives have successfully been met and therefore we have given the fund a 'buy' rating.

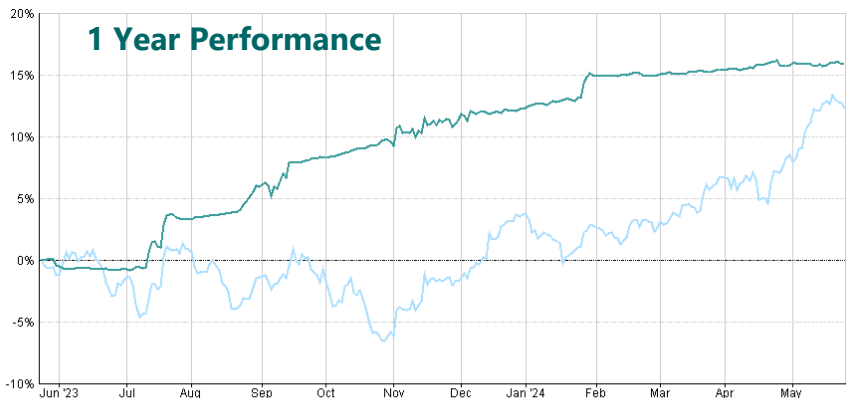
Spider Chart



Equity Style Chart



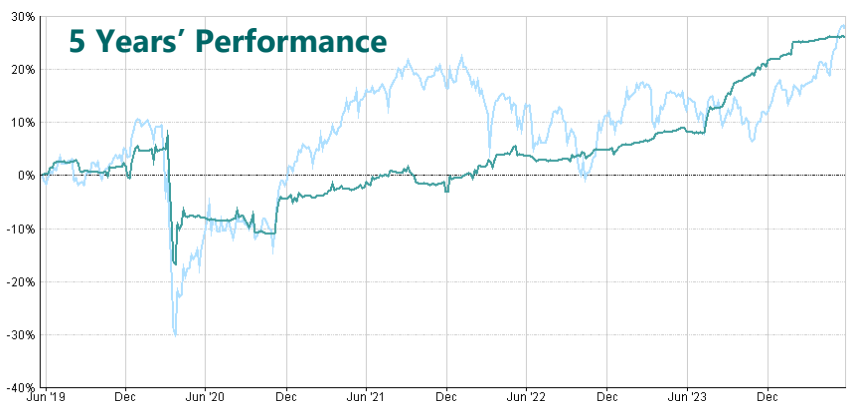
1 Year Performance



A - VT - Woodhill UK Equity Strategic Inc TR in GB (15.90%)
 B - IA UK All Companies TR in GB (12.35%)

24/05/2023 - 24/05/2024 Data from FE fundinfo 2024

5 Years' Performance



A - IA UK All Companies TR in GB (27.82%)
 B - VT - Woodhill UK Equity Strategic Inc TR in GB (28.14%)

24/05/2019 - 24/05/2024 Data from FE fundinfo 2024

Why is Now a Good Time to Invest?

There is significant uncertainty in investment markets, especially with a highly active year ahead due to upcoming elections in both the US and the UK. These political events can create volatility and unpredictability, influencing market performance and investor sentiment.

Despite this uncertainty, the VT Woodhill UK Equity Strategic Fund offers a steady return with a significantly reduced risk profile compared to other UK equity funds. The fund has consistently achieved steady and positive returns even during periods when the sector as a whole has experienced downturns. This performance demonstrates the fund's effective stewardship and its ability to navigate challenging market conditions.

Who is this Suitable for?

- Investors with a long term view (5 years or more) looking for consistency of performance and steady returns.
- We feel the Fund is useful to hold as part of a diversified portfolio to reduce the overall volatility within the UK Equity exposure
- Those investors seeking growth over income, and wishing to reduce volatility

Who is this not Suitable for?

- Short term investors (sub 5 years).
- Investors who like to time the market. This is not a high conviction, high octane fund led by a manager who does not allow the portfolio to become concentrated to factors in specific areas.
- Investors should be aware that the Ongoing Charges Figure (OCF) for this fund is among the highest. However, the downside protection and the overall returns, even after accounting for fees and charges, lead us to consider the fund as offering fair value.
- Investors with a very low attitude to risk.

Why Now?

We do not anticipate a return to a low interest rate, low inflation environment supported by unprecedented levels of quantitative easing. Now is the time to seek truly diversified investments. An actively managed and pragmatic approach to asset and stock selection is essential to navigate the ever-changing environment. This is particularly important as we foresee numerous challenges for markets and investors in the short to medium term. The VT Woodhill UK Equity Strategic Fund offers an alternative approach to UK equity investing and should be considered to complement other UK equity funds within the UK allocation.

What to Expect?

We anticipate that investors can rely on the Fund's consistent performance throughout various market cycles. However, it is essential to note that the fund can experience adverse returns, such as March 2020.

As with all investments that experience such situations, it remains essential to exercise patience, as the quality of stewardship will prevail over time and performance will recover.

Quant Screen Process (QSP)

Our initial research consists of running each available fund within each risk profile through a Quant Screen.

Key attributes that are assessed during the QSP:

OCF; Manager Tenure; Cumulative returns (1 month, 3 months, 6 months, 1 year, 2 years, 3 years & 5 years); Positive monthly returns over 3 years; negative monthly returns over 3 years; Alpha; Sharpe; Sortino; Information ratios; Volatility (over 1 month, 3 months, 6 months, 1 year, 2 years, 3 years & 5 years); Downside Risk; Downside Capture; and Upside Capture.

Important note: We consider the QSP merely the beginning of the research process. It helps us identify consistent funds that have posted superior data to contemporaries within the risk profile. The limitations to the QSP, as with any Quant Screen, is that it is a very backwards looking way to assess an investment.

Therefore, we spend the majority of our time conducting the qualitative research, which involves a number of meetings with each fund manager,

Disclaimer

When recommending a buy, sell, or hold, quants should be of secondary concern as they only provide past information, providing no guarantee of future performance. However, they are not all we have to go on. We use the data purely as a guide to try and help understand what is next. While we carefully and methodically assess each investment before we label it with a buy, sell, or hold rating, we cannot guarantee future performance. The industry can sometimes move quickly, with fund managers and analysts moving on, mergers, and takeovers. There are also market risks, such as geopolitical risks and natural disasters that have the potential to surprise and may affect one portfolio to a greater degree than another.

