VT Cantab Moderate Fund 'A' Class

Factsheet - December 2018

Cantab
ASSET MANAGEMENT

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Fund Information

Sector	IA Mixed Investment 40-85% Shares
Number of holdings	19
ACD	Valu-Trac Investment Management Limited
Fund structure	Open-Ended Investment Company
Launch date	September 2018

Share Class Information

Share Class	**Accumulation, Income**
Annual Yield*	1.82% (historic)
Initial Charge	0.00%
Cantab IM Fee	0.50%
Ongoing Charge**	1.49%
Payment Dates	31 March 30 September
ISA Eligible	YES
ISIN	GB00BG210G87 (Acc) GB00BG210F70 (Inc)
SEDOL	BG210G8 (Acc) BG210F7 (Inc)

Investment Objective & Policy

Cantab's investment performance has been achieved through shrewd asset allocation and independent selection of fund managers.

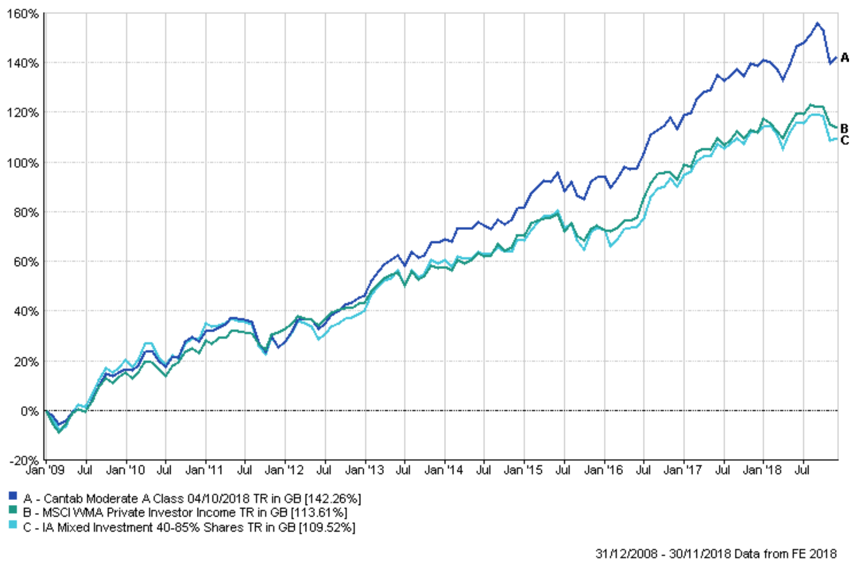
The investment objective of the Fund is to provide income and capital growth over the medium term by gaining exposure to a diversified portfolio of investments which include equities, bonds and alternative assets (such as property and infrastructure), principally through investment in collective investment schemes (including those managed or operated by the Authorised Corporate Director).

The Fund may also invest in other transferable securities, money market instruments, bonds, deposits, cash and near cash.

The Fund has access to all geographical areas and any industrial or economic sector.

The Moderate fund includes a substantial holding in UK and overseas equities, in addition to a significant proportion of loans to governments and companies. Typical long term asset allocation is 60% equities, 40% in assets such as fixed interest, property and alternatives.

Cumulative Performance



Discrete Performance (%)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
Moderate Fund* (%)	16.6	13.1	-3.1	14.4	15.5	7.7	6.8	12.7	10.3	0.5
IA Mixed Investment 40-85% Shares (%)	20.1	12.3	-5.5	10.0	14.5	4.9	2.7	12.9	10.0	-2.3
MSCI WMA Income (%)	15.0	11.5	3.5	8.3	10.0	7.7	1.5	15.3	9.2	-1.8

*Performance of VT Cantab Balanced Fund shown is taken from the segregated Balanced model portfolio run by Cantab since Jan 2009 as verified by ARC.
**Includes Cantab IM, Depositary, Custody and ACD fees.

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Market Commentary

November saw strong recoveries in Emerging and Asian markets with the MSCI EM and MSCI Asia (ex Japan) up 4.3% and 5.5% respectively. Performance in the US improved slightly with the MSCI USA up 2%. The Japanese market remained flat throughout November with the MSCI Japan slightly up 0.54%. The European and UK markets remain subdued, with the MSCI Europe and MSCI UK down 0.67%. and 1.5% respectively, with market and currency volatility influenced by Brexit negotiations.

Relations between the US and China have warmed following their meeting at the G20 summit in Buenos Aires. Both parties agreed to halt new trade tariffs for 90 days to allow for further negotiations. President Trump announced that China had agreed to reduce tariffs on the imports of US cars and would also commit to the purchase of a "very substantial" amount of farm, energy and industrial goods in order to reduce the current trade deficit. The trade tariff truce, combined with dovish interest rate remarks by the Federal Reserve Chairman, Jay Powell, supported market recovery at the end of the month. However, several unresolved issues remain that might challenge the thaw in rhetoric as negotiations move forward.

The US PMI declined slightly from 54.9 to 54.4 in November but remains well above the neutral manufacturing growth threshold of 50.0. US GDP is predicted to expand at an annualised rate of 2.7% this quarter, down from 4.2% in Q1 and 3.5% in Q2. The US faces several headwinds, including the lagged effects of interest rate hikes, uncertainty from protectionism and fading benefits from 'one off' tax cuts. Growth is forecast to slow further in 2019 to between 2% and 2.5%. It is also expected to further decline towards 1.8% by mid-2020. Labour markets remain tight with unemployment at 3.7%, the lowest level since 1969. Markets expect the Federal Reserve to increase rates further in December.

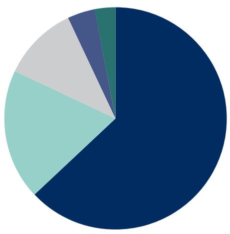
Eurozone economic growth continued to slow in November with the IHS Markit Purchasers Managers Index (PMI) declining to 52.7, down from 53.1 in October. The Bank of England released results from their Brexit stress test analysis, highlighting possible difficulties of a no-deal outcome. However, Mark Carney announced that the UK banking system is strong enough to support households and businesses during a disorderly Brexit scenario with all UK lenders passing the annual stress test. Inflation in the UK remains steady at 2.4%.

The November PMI in China of 50.0 indicates that manufacturing confidence declined to neutral levels for the first time since July 2016. However, Chinese markets recovered strongly with the MSCI China All Shares up 5.4%. Favourable trade negotiations would provide support for improved market confidence.

Manufacturing PMI in Japan declined slightly from 52.9 to 52.2 in November, with growth prospects subdued due to a significant increase in imports relative to exports.

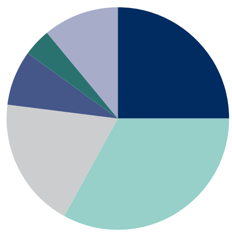
Strong global expansion was reiterated by the International Monetary Fund, which expects growth to remain steady at 3.7% in 2018 and 2019. The headwinds, detailed in our Autumn Outlook article (21/09/18), are causing volatility in markets around the world and we expect this volatility to continue for some months pending resolution of the issues. We continue to advise our clients on the importance of holding a well-diversified portfolio and to direct their focus beyond short-term volatility. We continue to see attractive opportunities across global markets.

Asset Class Allocation



- Equities - 62.6%
- Fixed Interest - 18.8%
- Property - 11.2%
- Money Market - 3.9%
- Other - 3.0%

Geographical Allocation of Equity Component



- UK - 23.7%
- North America - 33.7%
- Europe - 18.5%
- Japan - 8.5%
- Asia Pacific - 3.9%
- Emerging Markets - 11.7%

Platform Availability

AJBell | BNY MELLON | PERSHING | Standard Life | transact

Important Information

Risks: As with all equity-based and bond-based investments, the value and the income therefrom can fall as well as rise and you may not get back all the money that you invested. The value of overseas securities will be influenced by the rate of exchange which is used to convert these to sterling. This should therefore be viewed as a medium to long-term investment. Past performance is not a guide to the future. Please be aware that if you decide to cancel, and in the meantime the value of your investment has fallen, you may not receive back the full amount you invested.

While recommended investment transactions remain pending, investment markets may rise or fall so there is potential for loss of income or growth. Further, if you cancel your application during a cooling off period, you will receive back the lesser of your application amount and its market value.