

# VT ESPRIT TACTICAL GROWTH



JUL 2024

## INVESTMENT OBJECTIVE:

The investment objective of the VT Esprit Tactical Growth fund is to achieve a level of investment return in excess of the benchmark over the longer term (5 years+). The fund will be actively managed in order to achieve its objective by investing in a globally diversified range of asset classes including equities, fixed income, money market instruments, cash, property and commodities.

## MONTHLY COMMENTARY

### What happened in financial markets?

Global equities returned 2% in July, although relatively modest moves in headline indices masked some major rotations within equity markets. The catalyst was US inflation falling faster than forecast in June, with the headline rate coming in at 3%, down from 3.3% in May. Lower bond yields and the prospect of a Fed cut in September sparked a significant rally in US small cap stocks, with market leadership shifting from growth to value. Tech was the biggest drag on the market, with financials, utilities and real estate amongst the outperformers.

Bond yields were broadly lower over the month as positive news on inflation, combined with some evidence that global economic conditions continue to moderate, prompted markets to price in further rate cuts by the major developed market central banks before the end of the year. The US dollar also weakened in response to lower US inflation and signs that the labour market was cooling. It was a mixed picture in real assets as gold rose 4%, oil fell 4% and industrial metal prices fell 6%. Listed infrastructure and real estate enjoyed gains of 4% and 6% respectively.

Labour's comfortable victory in the UK election helped extend the recovery of UK small and mid-cap stocks, which have greater exposure to the domestic economy than their large cap counterparts. UK equities are once again seeing inflows from international and institutional investors, enticed by a relatively stable political backdrop and an improving growth and inflation mix. Sterling, the best performing major currency this year, enjoyed further gains.

### What is the outlook?

A packed economic calendar at the end of the month saw the Japanese central bank raise rates to 0.25%, the Fed all but confirmed a September rate cut, and the Bank of England reduced interest rates from 5.25% to 5% in a finely balanced decision. The Bank of England was careful not to let markets run away with the idea that this was the first in a quick succession of rate cuts, but we expect them to cut rates at least once more before the end of the year. Services inflation and wage growth remains problematic, but we expect further progress in each of these areas.

The US economy appears to be slowing, although a stronger-than-expected Q2 GDP report was at odds with recent economic data releases. However, central banks have room for manoeuvre and a further deterioration in economic data, and the labour market in particular, will put pressure on the Fed to act more decisively in September with a larger 0.50% rate cut not out of the question. The US earnings season has been mildly positive, despite some high-profile misses by Tesla and Microsoft. We now await Nvidia's results at the end of August for further evidence of the longevity, or otherwise, of the AI fuelled rally in semi-conductor stocks. Beyond the summer we have the distraction of the US presidential election, where the odds of a Trump presidency have fallen slightly in recent weeks.

## FUND INFORMATION

**Launch date:** 23/01/2018

**Size:** £271.30

**Holdings:** 24

**Share class:** Accumulation

**ISIN:** GB00BF0Q2V70  
GB00BQ2KRW00 (C)

**Sedol:** BF0Q2V7  
BQ2KRW0 (C)

**IA Sector:** IA Mixed Investment  
40-85% Shares

**Yield<sup>1</sup>:** 0% (Accumulation)

**Initial charge:** 0%

**OCF<sup>2</sup>:** 0.75% (C)  
1.00%

## WHY INVEST?

### Simplicity

A single fund to meet your investment needs

### Diversification

Access a range of asset classes, investment styles and geographies

### Actively managed

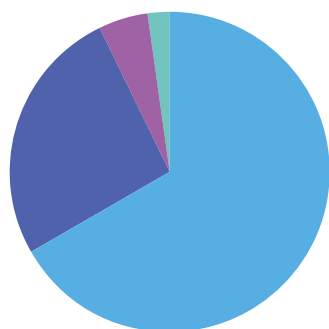
The fund will change as market conditions and the economic cycle evolves

### Expertise

The managers share 40 years investment experience

## PORTFOLIO BREAKDOWN - 31 JUL 2024

### TARGET ASSET ALLOCATION



Equities	66%
Fixed Income	27%
Alternatives	5%
Cash	2%

### TOP 10 HOLDINGS

iShares \$ Treasury Bond ETF	9%
SPDR S&P 500 ETF	9%
WisdomTree US Quality Dividend Growth ETF	7%
Amundi Prime Japan ETF	6%
L&G US Index	6%
iShares Emerging Markets Equity Index	6%
Vanguard FTSE 100 Index	6%
iShares UK Equity Index	5%
Amundi UK Government Bond ETF	5%
L&G UK Mid Cap Index	4%

## PERFORMANCE SINCE LAUNCH



Past performance is not necessarily a guide to future performance.

23/01/18 to 31/07/24 Data from Morningstar

### CUMULATIVE PERFORMANCE (%)

	3m	6m	1y	3y	5y
VT Esprit Tactical Growth	3.44	7.00	11.42	5.56	22.15
IA Mixed Investment 40-85% Shares	2.97	6.59	10.49	7.30	22.99

### DISCRETE CALENDAR YEAR

	YTD	2023	2022	2021	2020
VT Esprit Tactical Growth	7.22	8.84	-12.95	10.97	6.27
IA Mixed Investment 40-85% Shares	6.56	8.09	-10.29	10.84	4.99

## HOW TO INVEST

HARGREAVES  
LANSDOWN

AJBell  
Investcentre

Hubwise  
YOUR PLATFORM SOLUTION

abrdrn

ascentric

AEGON

transact  
take control

AVIVA

fusion

Quilter

M&G wealth

### IMPORTANT NOTICE

Valu-Trac Administration Services, a trading name of Valu-Trac Investment Management Limited, is the authorised corporate director (ACD) and is authorised and regulated by the Financial Conduct Authority. Financial Services Register Number 145168. Skerritt Consultants Limited is the investment manager for the VT Esprit range of funds. Skerritt Consultants Limited is authorised and regulated by the Financial Conduct Authority (FCA). Financial Services Register Number 163291.

Past performance is not a guide to future returns. The value of an investment and any income from it can go down as well as up, so you may not get back the original amount invested. This document has been produced for information purposes only and does not constitute investment advice. You should read the Key Investor Information Document (KIID) before investing.

While considerable care has been taken to ensure the information contained within this document is accurate and up to date, no warranty is given as to the accuracy or completeness of any information and no liability is accepted for any errors or omissions in such information or any action taken on the basis of this information.

<sup>1</sup>Yield: The amount of income generated by a fund's investments in relation to the price shown as an annual percentage.

<sup>2</sup>OCF: The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC), the underlying fund charges, and other operating costs.

Esprit Tactical Growth: 032 - 0824