



# Value and Income Trust PLC

## Monthly Factsheet August 2019

### KEY FACTS

Market Capitalisation	£113.4m
Total Assets (cum income)	£199.6m
Net Assets (cum income, debt at par)	£149.6m
Net Gearing (debt at par)	33%
Net Yield	4.7%
Five Year Average Dividend Growth	6.8%
Year End	March
Dividends Paid	Jan, Apr, Jul, Oct
Ticker	VIN.L, VIN LN
ISIN	GB0008484718
AIC Sector	UK Equity Income
Next AGM	July 2020, Edinburgh

### INVESTMENT POLICY & AIMS

Value & Income Trust's ("VIT") aim is to invest in quoted UK equities, UK commercial property and cash or near cash. VIT does not normally invest in overseas shares or unquoted companies.

VIT invests in higher-yielding, less fashionable areas of the UK commercial property and quoted equity markets, particularly in medium and smaller sized companies. VIT aims for long-term real growth in dividends and capital value without undue risk.

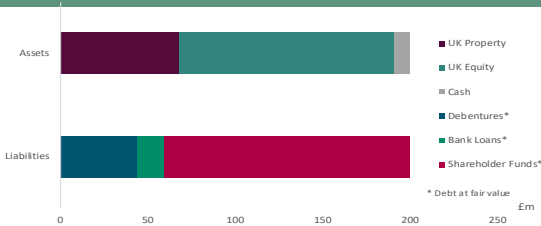
### CHARGES

Annual Management Charges	0.6%
OCR to 30/09/18	4.6%
OCR to 30/09/18 excluding debt costs	1.5%

### KEY STATISTICS

Share Price	249.0p
NAV (cum income, debt at par)	328.5p
Discount (debt at par)	24.2%
NAV (debt at fair value)	307.2p
Discount (debt at fair value)	18.9%

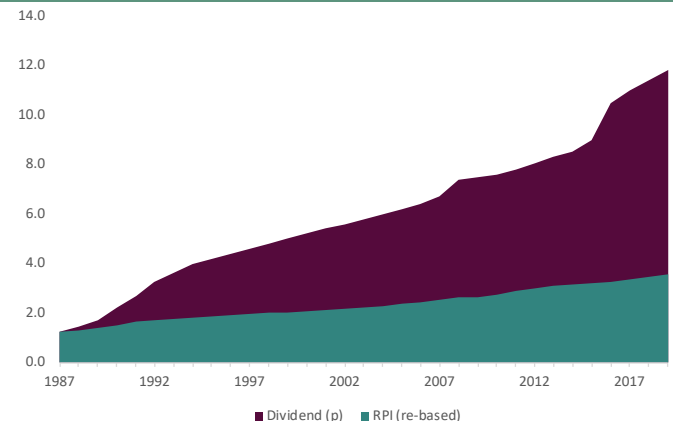
### DISTRIBUTION OF ASSETS & LIABILITIES



### SHARE PRICE / NAV PERFORMANCE



### DIVIDEND HISTORY



### CUMULATIVE PERFORMANCE

To 31/8/19	1 Yr	3 Yr	5 Yr	10 Yr
Total shareholder Return	-2.4%	14.6%	16.0%	156.3%
NAV Total Return	-2.0%	16.3%	22.7%	140.9%
FTSE All Share Index Total Return	0.4%	20.2%	38.9%	124.8%

Source: AIC, Morningstar

### DISCRETE PERFORMANCE

	Year to 31/8/15	Year to 31/8/16	Year to 31/8/17	Year to 31/8/18	Year to 31/8/19
Total shareholder Return	-5.7%	8.1%	15.0%	3.3%	-2.4%
NAV Total Return	0.8%	5.1%	12.4%	5.7%	-2.0%
FTSE All Share Index Total Return	-2.3%	11.7%	14.3%	4.7%	0.4%

Source: AIC, Morningstar



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## PROPERTY COMMENTARY

OLIM Property specialise in commercial properties with long, index-related income streams to deliver strong, long-term real returns. VIT's property portfolio produced a total return of 8.0% over the year to March 2019, against 5.5% for the MSCI (formerly IPD) Index, the main benchmark for commercial property performance. The property portfolio is valued independently by Savills every six months; the 31 March 2019 total was £68,800,000. Total returns on the property portfolio have been between 11% and 13% p.a., over 3, 5, 10, 20 and 32 years. Real returns above the RPI were 6% last year and between 8% - 9% pa over all cumulative periods from 3 to 32 years.

Purchase in Q3: Thirk - Freehold Industrial unit let to National Crime Agency at a net initial yield of 9%.

Sale in Q3: Luton - Freehold Industrial unit let to Toolspec until December 2025. Sold August 2019 at a net initial yield of 5.7%.

All 26 Properties: Let on full repairing and insuring leases, with upwards only rent reviews and a weighted average unexpired lease length of 15 years. The portfolio yields 6.4% on valuation and is fully let and income producing with 79% of the net rental income from index-related leases.

## EQUITY COMMENTARY

During August we sold the holding in Johnson Matthey, the FTSE 100 chemical company. Whilst the business is attractive in many respects it has a very large exposure to catalytic converters for diesel engines. This area is under significant pressure from both an economic and environmental perspective and we felt the money would be better deployed elsewhere. To this end we began a new holding in FDM, which is an IT consultancy business. The company has a very strong record of growth and will provide extra sector diversification for the portfolio. As well as generating a high return on capital employed, FDM has a strong balance sheet and an excellent record of dividend growth. Although its shares do not trade on a discount PE ratio, the company's attractive cash flow characteristics (it has very low capex and working capital requirements) mean that it trades on a free cash flow yield comparable to many lower PE stocks. We also topped up the holding in Phoenix after the company announced strong results.

The UK stock market continues to underperform other world markets, in large part due to the ongoing political turmoil. Although a "no-deal" Brexit may lead to some economic weakness in the short-term, it would at least provide clarity with regards to our relationship with the EU and allow businesses to plan for the future. Once Brexit is resolved there is scope for a re-rating of UK shares. The undervaluation of UK listed shares has been highlighted by three substantial recent bids for UK mid-cap stocks of which two were in the depressed pubs and restaurants sector. The portfolio's holdings in Marston's and Restaurant Group have seen some share price strength as a result but plenty of upside remains.

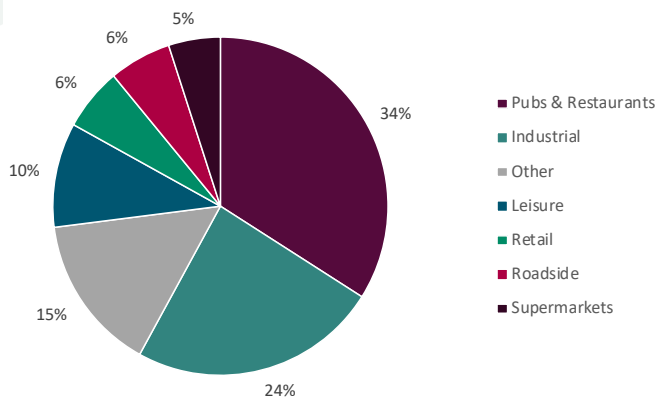
## TOP 10 HOLDINGS - PROPERTY PORTFOLIO

Holiday Park, Dover (Other)	12%
Aylesford (Industrial)	8%
Milton Keynes (Industrial)	8%
Fareham (Industrial)	7%
Bishop's Finger, London (Pubs & Restaurants)	5%
Stafford (Leisure)	4%
Bournemouth (Pubs & Restaurants)	4%
Oxted (Pubs & Restaurants)	4%
Bedford (Pubs & Restaurants)	4%
Lymington (Retail)	4%

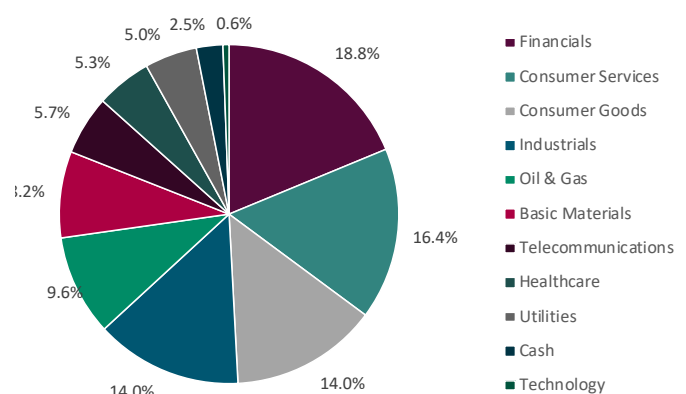
## TOP 10 HOLDINGS - EQUITY PORTFOLIO

Unilever	6.6%
GlaxoSmithKline	5.3%
BP	4.9%
Royal Dutch Shell	4.7%
Vodafone	4.2%
Beazley	3.8%
Informa	3.8%
HSBC	3.7%
Croda International	3.5%
Marston's	3.2%

## PROPERTY SECTOR ALLOCATION



## EQUITY SECTOR ALLOCATION



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Please remember past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest. Before any investment in Value and Income Trust plc (the "Company"), you should obtain and review the current Key Information Document (KID) and Investor Disclosure Document for the Company which is available at: <https://www.olimproperty.co.uk/services.html> and <https://www.olim.co.uk/investment-products/value-and-income-trust/>. Nothing in this factsheet should be considered to be or relied upon as constituting investment advice or an investment recommendation. If you are unsure about the suitability of an investment, you should contact your financial advisor. Certain risks: External factors may cause an entire asset class to decline in value and values of all shares or property may decline at the same time, or fluctuate in response to general market conditions. The Company may utilise gearing (borrowing) which will exaggerate market movements both up and down and so may magnify gains or losses. The Company may have investments concentrated in a limited number of companies and/or properties which can be more risky than holding a wider range of investments. The Company has significant exposure to property investments. These assets may be difficult to buy or sell, so changes in their price may be greater. The Company can buy-back its own shares, which can have the effect of increasing gearing. The information and opinions in this factsheet are subject to change. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions or projections contained herein. To the fullest extent permitted by law the Company, Value and Income Services Limited and their respective representatives shall not have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this factsheet or its contents or otherwise arising in connection with this document. Company information, including performance calculations and other data is provided by BNP Paribas Securities Services unless otherwise stated. The ongoing charges ratio (OCR) includes the annual management charge and all other operating expenses. Issued and approved by Value and Income Services Limited (No: 467598), registered in Scotland with registered office at Kintyre House, 205 West George Street, Glasgow G2 2LW. Authorised and regulated by the Financial Conduct Authority.