



# Value and Income Trust PLC

## Monthly Factsheet August 2020

### KEY FACTS

Market Capitalisation	£82.0m
Total Assets (cum income)	£189.1m
Net Assets (cum income, debt at par)	£117.1m
Net Gearing (debt at par)	38%
Net Yield	6.7%
Five Year Average Annual Dividend Growth	6.1%
Year End	March
Dividends Paid	Jan, Apr, Jul, Oct
Ticker	VIN.L, VIN LN
ISIN	GB0008484718
AIC Sector	UK Equity Income
Next AGM	July 2021

### INVESTMENT POLICY & AIMS

Value & Income Trust's ("VIT") policy 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 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 24/4/20

5.1%

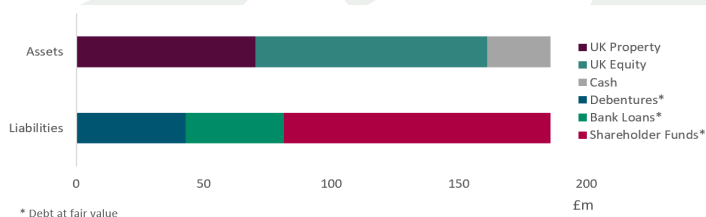
OCR to 24/4/20 excluding debt costs

2.1%

### KEY STATISTICS

Share Price	180.0p
NAV (cum income, debt at par)	257.2p
Discount (debt at par)	30.0%
NAV (cum income, debt at fair value)	240.1p
Discount (debt at fair value)	25.0%

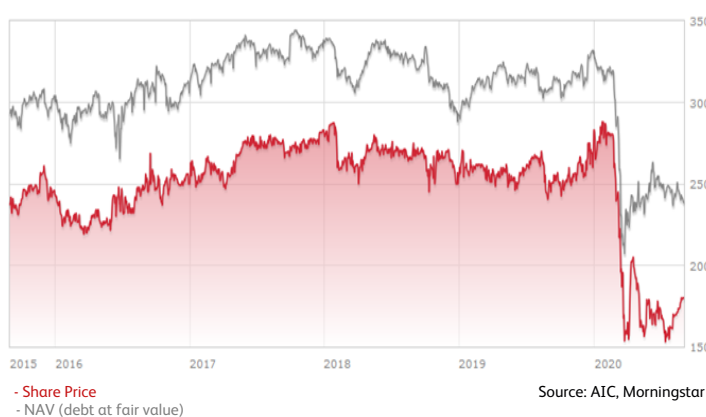
### DISTRIBUTION OF ASSETS & LIABILITIES



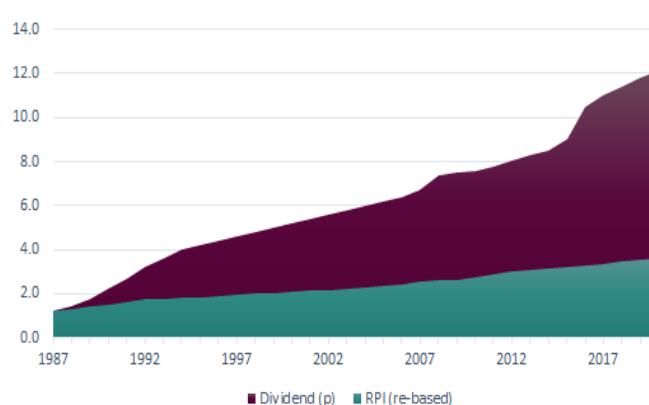
### BENCHMARK

The fund is actively managed and is benchmarked against the FTSE All Share Index. The benchmark is a target that the fund seeks to outperform. The index has been chosen as the fund's target benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

### SHARE PRICE / NAV PERFORMANCE



### DIVIDEND HISTORY



### CUMULATIVE PERFORMANCE

To 31/08/2020	1 Yr	3 Yr	5 Yr	10 Yr
Total Shareholder Return	-23.2%	-24.3%	-5.5%	77.6%
NAV Total Return	-18.3%	-17.5%	-1.3%	68.1%
FTSE All Share Index Total Return	-12.6%	-8.2%	17.3%	77.6%

Source: AIC, Morningstar

### DISCRETE PERFORMANCE

	Year to 31/8/16	Year to 31/8/17	Year to 31/8/18	Year to 31/8/19	Year to 31/8/20
Share Price Total Return	7.4%	16.2%	1.1%	-2.4%	-23.2%
NAV Total Return	4.3%	14.7%	3.3%	-2.2%	-18.3%
FTSE All Share Index Total Return	11.7%	14.3%	4.7%	0.4%	-12.6%

Source: AIC, Morningstar



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## PROPERTY COMMENTARY

**VIT Property Portfolio:** Specialises in commercial properties with long, index-related income streams to deliver strong, long-term real returns.

**VIT Property Portfolio Total Returns:** Between 8% and 12% a year over the past 3, 5, 10, 20 and 33 years and are above the MSCI averages over all these periods.

**VIT Property Portfolio Value:** £75,700,000 (£70,200,000 as at 31 March 2020 plus 3 new purchases). To be independently valued end September 2020.

**Purchases:** 3 freehold supermarkets completed in August for £5,500,000 excluding costs @ net initial purchase yield 6.2% let to the Co-op, weighted average unexpired lease term (WAULT) 13 years, all with index-related rent reviews.

**All 29 Properties (31 tenancies):** Let on full repairing and insuring leases (tenants are responsible for repair, maintenance and outgoing), with upwards only rent reviews and a WAULT of 15 years if the tenants' break options are exercised.

**Rent Reviews:** 5 rent reviews completed since March 2020 (4 Index-related and 1 with a fixed increase).

**Contracted Index-related income:** 87% as at August 2020.

**Sub Sectors:** Due to a strategic sales programme over the last 10 years the Property Fund is now no longer invested in high street shops or retail warehouses.

**COVID-19:** Despite the impact of the pandemic we continue to be in close contact with our tenants as they deal with this crisis. For the March quarter to 24th June - 87% of contracted rents have been received. For the June quarter to 29th September - 74% of the quarter's rent has so far been received with 26% on Agreed Payment Plans.

## EQUITY COMMENTARY

**World stock markets** made strong progress in August, once again led by large US technology stocks. The FTSE World Index rose by 6.2% in August (measured in \$), but the FTSE All Share Index, which has underperformed throughout the recovery phase, lagged again, rising by only 1.8%, held back by its relatively high weighting in banks and oil stocks. High yielding shares have been especially poor in the recovery phase and underperformed once more in August. Economic activity has continued to recover, but there is some evidence that the pace of recovery is stalling. Worryingly, virus infections are growing in Europe once more, triggering fears of a second wave. In the UK easing measures have entered a critical phase; children must return safely to school to enable their parents to return to work.

**VIT's equity portfolio** was a little behind the index in August, reflecting the continued struggles of higher yielding equities. Although the fund benefited from strong performances from some of its mid-cap and smaller company holdings including Devro (+7%) and FDM (+12%), the asset allocation between sectors was negative in the month, with the overweight position in utilities and underweight position in general retailers being costly. Overseas earners such as these tended to be weak as the pound strengthened against the dollar.

There were no transactions during the month but several companies have reported their interim results with both Spectris and Rotork restoring their dividends, which is good news for shareholders' income.

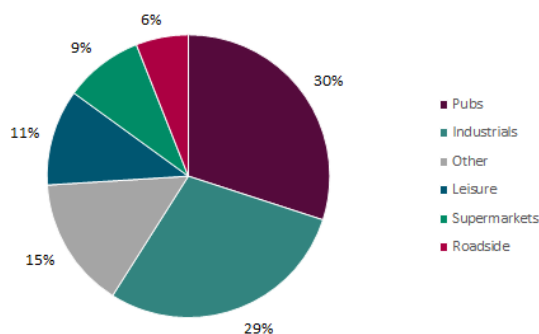
## TOP 10 HOLDINGS - PROPERTY PORTFOLIO

Holiday Park, Dover (Caravan Park)	12%
Aylesford (Industrial)	8%
Milton Keynes (Industrial)	7%
Fareham (Industrial)	6%
London (Pub)	5%
Aberdeen (Industrial)	5%
Stafford (Leisure)	4%
Bournemouth (Pub)	4%
Thetford (Industrial)	3%
Doncaster (Leisure)	3%

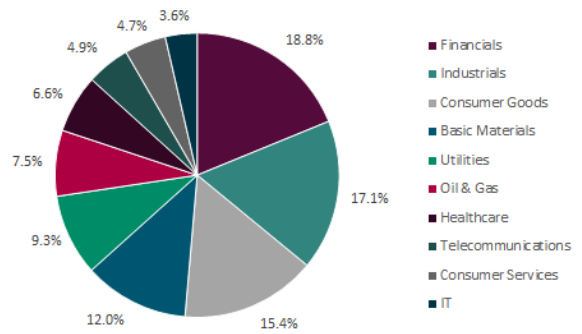
## TOP 10 HOLDINGS - EQUITY PORTFOLIO

Unilever	7.2%
GlaxoSmithKline	6.6%
Vodafone	4.4%
BHP Group	4.4%
Legal & General	4.3%
Spectris	4.2%
Croda International	4.1%
Rotork	4.0%
BP	3.8%
United Utilities	3.8%

## PROPERTY SECTOR ALLOCATION



## EQUITY SECTOR ALLOCATION



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