



# Value and Income Trust PLC

## Monthly Factsheet April 2020

### KEY FACTS

Market Capitalisation	£83.1m
Total Assets (cum income)	£190.1m
Net Assets (cum income, debt at par)	£118.1m
Net Gearing (debt at par)	40%
Net Yield	6.6%
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, Glasgow

### 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.

The Company invests in higher yielding UK commercial property and quoted equities, particularly in medium and smaller sized companies. The Company aims to achieve long term real growth in dividends and capital value without undue risk.

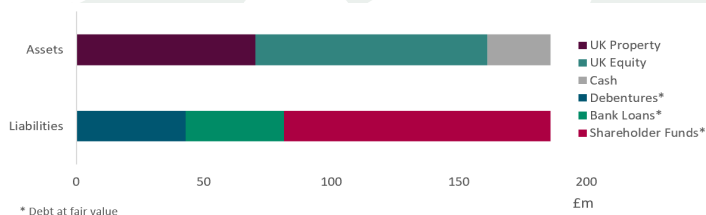
### CHARGES

Annual Management Charges	0.6%
OCR to 30/9/19	4.6%
OCR to 30/9/19 excluding debt costs	1.5%

### KEY STATISTICS

Share Price	182.5p
NAV (cum income, debt at par)	259.3p
Discount (debt at par)	29.6%
NAV (cum income, debt at fair value)	239.7p
Discount (debt at fair value)	23.9%

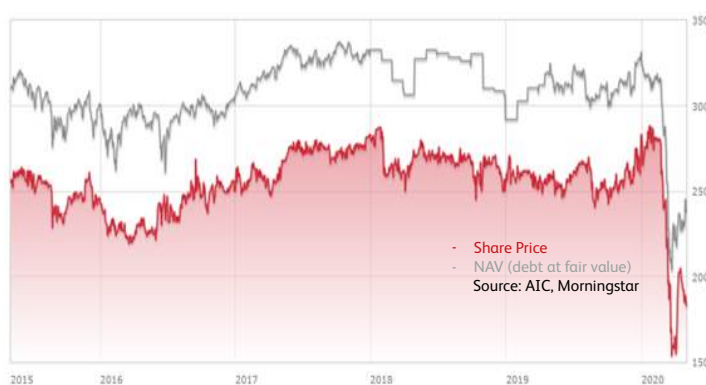
### DISTRIBUTION OF ASSETS & LIABILITIES



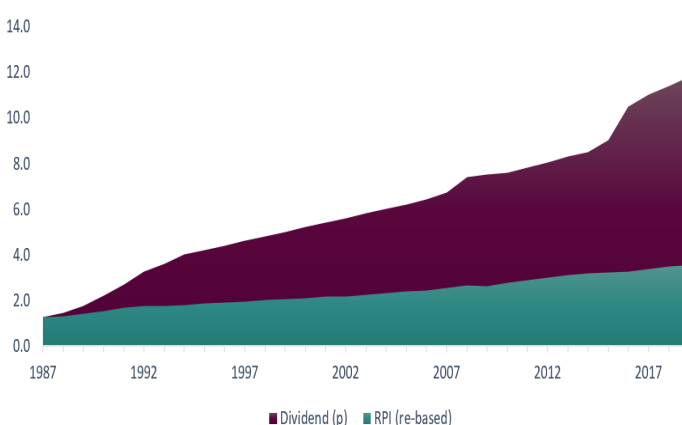
### BENCHMARK

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 30/04/20	1 Yr	3 Yr	5 Yr	10 Yr
Total Shareholder Return	-26.0%	-18.8%	-10.5%	66.7%
NAV Total Return	-23.1%	-16.4%	-6.6%	54.3%
FTSE All Share Index Total Return	-16.7%	-7.5%	4.8%	63.4%

### DISCRETE PERFORMANCE

	Year to 30/4/16	Year to 30/4/17	Year to 30/4/18	Year to 30/4/19	Year to 30/4/20
Total Shareholder Return	-8.3%	20.1%	9.0%	0.7%	-26.0%
NAV Total Return	-2.9%	15.0%	5.7%	2.9%	-23.1%
FTSE All Share Index Total Return	-5.7%	20.1%	8.2%	2.6%	-16.7%

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 independently valued by Savills at the end of March and September each year; As at 31 March 2020 the total was £70,200,000 up from 29 February 2020 £70,127,000 (All property valuations from end March 2020 until further notice are subject to a Material Uncertainty Clause due to Covid-19).

**Running yield:** 6.4%

**All 26 Properties (28 tenancies):** 100% let and on full repairing and insuring leases, with upwards only rent reviews and a weighted average unexpired lease length of 17 years (15 years if the tenants' break options are exercised).

**Contracted Index-related income:** 86% as at April 2020 up from 79% end of March 2019 (RPI-Linked increases 70%, Fixed increases 16%, open market reviews 14%)

**Since the end of December:** One new purchase completed for £1,427,000 at yield of 8.8% net of purchase costs and one sale completed for £1,375,000 at a yield of 8.3% net of sale costs.

**Sub Sectors:** Due to a strategic sales program over the last 10 years the property Fund is now no longer invested in high street shops or retail warehouses. Despite the impact of the Covid-19 pandemic we are in close contact with our tenants as they deal with this crisis.

## EQUITY COMMENTARY

**In April equity markets** were invigorated by huge injections of central bank stimulus and promising early results from social distancing measures. The UK stock market rose by 5.0% on the month, although high Oil and Bank weightings held the index back. Unfortunately for UK income investors, dividends continued to bear the brunt of economic uncertainty and it is likely that dividends will fall by around 50% in 2020 as companies take the difficult decision to preserve cash resources.

**Early data points** have highlighted the draconian and far-reaching impact of a global economic shutdown; the UK was no exception, a services PMI reading of 12.3 in April was the lowest on record, albeit a bounce back in May is expected.

**VIT's equity portfolio** rose with the market, slightly lagging the 4.9% total return recorded by the FTSE All Share Index due to another poor relative month for higher yielding equities. Stock selection was positive, but partially offset by asset allocation. Underweight positions in Housebuilders and Tobacco detracted from performance. M&G (18%), Go-Ahead (62%) and PayPoint (23%) all delivered good performances after a challenging previous month. BP (-9%), Shell (-5%) and HSBC (-10%) were the laggards in April.

**Responding to the potentially long-term difficulties** faced by the Leisure sector, we sold the holding in Marston's and we added a position in UK grocer Wm Morrison Supermarkets, which is trading well in the current conditions.

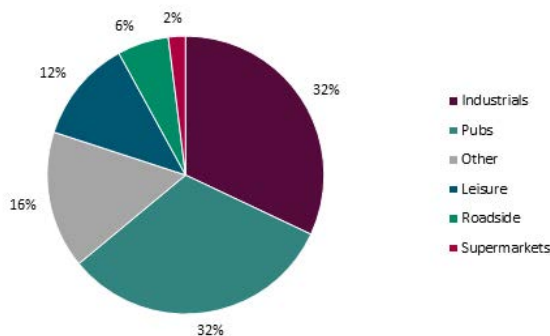
## TOP 10 HOLDINGS - PROPERTY PORTFOLIO

Holiday Park, Dover (Caravan Park)	13%
Aylesford (Industrial)	8%
Milton Keynes (Industrial)	7%
Fareham (Industrial)	7%
London (Pub)	5%
Aberdeen (Industrial)	5%
Stafford (Leisure)	4%
Doncaster (Leisure)	4%
Bournemouth (Pub)	4%
Oxted (Pub)	3%

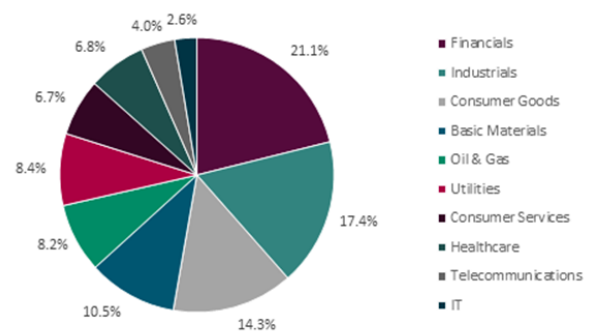
## TOP 10 HOLDINGS - EQUITY PORTFOLIO

Unilever	6.9%
GlaxoSmithKline	6.8%
Croda International	4.9%
Pennon	4.7%
Spectris	4.5%
BP	4.1%
Royal Dutch Shell	4.1%
Vodafone	4.0%
DS Smith	3.8%
United Utilities	3.7%

## PROPERTY SECTOR ALLOCATION



## EQUITY SECTOR ALLOCATION



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