



# Value and Income Trust PLC

## Monthly Factsheet October 2019

### KEY FACTS

Market Capitalisation	£115.5m
Total Assets (cum income)	£201.7m
Net Assets (cum income, debt at par)	£151.7m
Net Gearing (debt at par)	31%
Net Yield	4.8%
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 securities. 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.

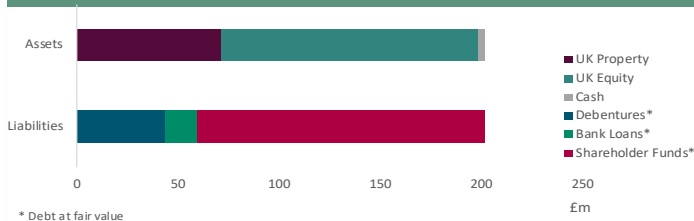
### CHARGES

Annual Management Charges	0.6%
OCR to 30/09/19	4.6%
OCR to 30/09/19 excluding debt costs	1.5%

### KEY STATISTICS

Share Price	253.5p
NAV (cum income, debt at par)	333.0p
Discount (debt at par)	23.9%
NAV (debt at fair value)	313.2p
Discount (debt at fair value)	19.1%

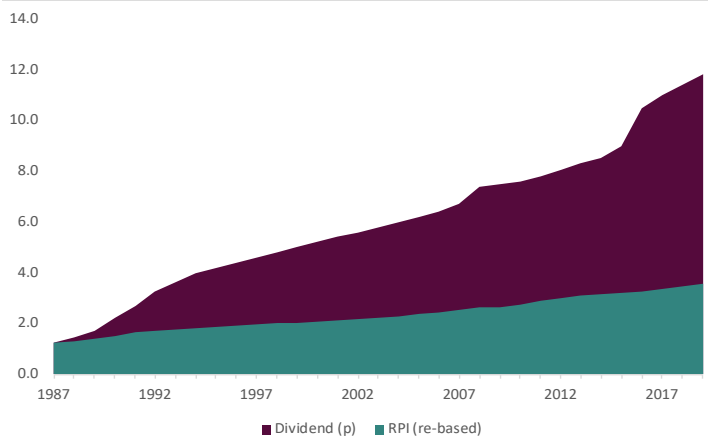
### DISTRIBUTION OF ASSETS & LIABILITIES



### SHARE PRICE / NAV PERFORMANCE



### DIVIDEND HISTORY



### CUMULATIVE PERFORMANCE

To 30/10/19	1 Yr	3 Yr	5 Yr	10 Yr
Total shareholder Return	0.3%	13.0%	19.9%	151.2%
NAV Total Return	7.1%	17.4%	28.3%	128.2%
FTSE All Share Index Total Return	6.8%	19.3%	37.9%	122.0%

Source: AIC, Morningstar

### DISCRETE PERFORMANCE

	Year to 31/10/15	Year to 31/10/16	Year to 31/10/17	Year to 31/10/18	Year to 31/10/19
Total shareholder Return	-2.4%	8.3%	11.1%	2.6%	0.3%
NAV Total Return	5.4%	4.7%	14.0%	-4.9%	7.1%
FTSE All Share Index Total Return	3.0%	12.2%	13.4%	-1.5%	6.8%

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; 30 September 2019 total was £71,350,000.

**Running yield:** 6.4% on 30 September valuation (MSCI: 4.8%).

**All 27 Properties (29 tenancies):** Fully let and income producing (MSCI void rate: 7.5%) 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).

**Total Return March to September:** 3.0% (including sales and purchases) against 0.8% MSCI Index.

**Index-related income:** 84% up from 79% end of March and 39% five years ago. 68% R.P.I.-linked increases (33% annual reviews and 35% five yearly), 15.7% fixed increases (6.3% annual reviews and 9.4% five yearly).

**Since the end of March:** Sales of three properties completed for £6,575,000 at a yield of 7.2% net of sale costs. There were four purchases for £8,800,000 at an initial yield of 6.6% net of acquisition costs (three industrial and one bowling alley). All with index-related leases and a long weighted average unexpired lease of 21 years (14 years if a break option is exercised). These four have just been valued at end September at 5.2% above their total purchase price excluding costs.

## TOP 10 HOLDINGS - PROPERTY PORTFOLIO

Holiday Park, Dover (Caravan Park)	12%
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)	4%

## EQUITY COMMENTARY

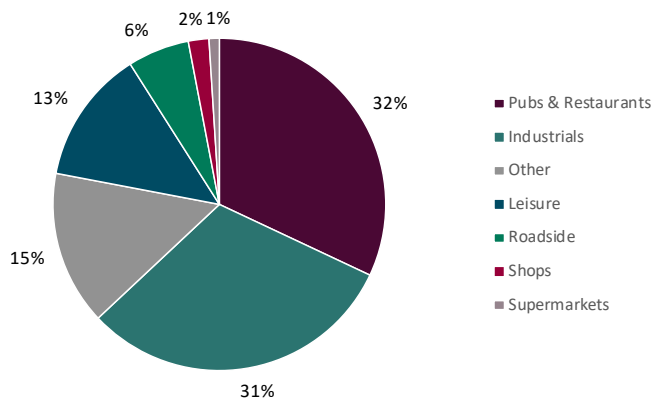
The UK stock market underperformed other world markets as the Brexit parliamentary deadlock finally enabled the Prime Minister to call a General Election in December. The FTSE All Share Index fell by 1.7% versus a 2.6% rise (measured in dollars) in the FTSE World Index, which was driven higher by strong performances in Europe and Japan. The FTSE 250 outperformed, benefitting from further corporate activity. Somewhat surprisingly, the pound held on to its recent gains and this also helped the more domestically focused mid-cap index. VIT's equity portfolio was aided by these trends and modestly outperformed in the month. The fund's large position in Life Insurance was beneficial as was the zero holding in Tobacco. Strong stock performances came from BT and Pennon, partially offset by weakness in the Devro and Informa share prices.

During the month several of the portfolio's larger holdings had third quarter results, including GlaxoSmithKline, BP and Royal Dutch Shell. Although the overall tone was mixed, reflecting the more subdued economic conditions, there were no untoward dividend announcements. M&G also demerged from Prudential. Whilst the company's near-term growth prospects appear limited, the M&G is very cash generative and is likely to pay an attractive dividend. The portfolio has a small cash balance that we will look to invest in due course.

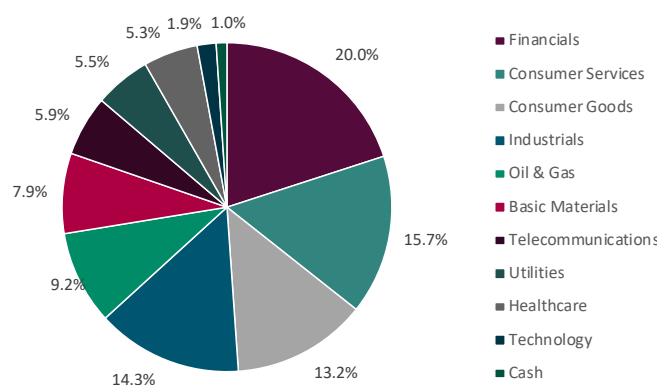
## TOP 10 HOLDINGS - EQUITY PORTFOLIO

Unilever	5.7%
GlaxoSmithKline	5.3%
BP	4.7%
Royal Dutch Shell	4.5%
Vodafone	4.2%
Beazley	3.8%
HSBC	3.6%
Croda International	3.6%
Legal & General	3.5%
Informa	3.3%

## PROPERTY SECTOR ALLOCATION



## EQUITY SECTOR ALLOCATION



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