



# Value and Income Trust PLC

## Monthly Factsheet October 2020

PLEASE NOTE - OLIM Limited has given notice on its contract to manage the Company's equity portfolio due to a decision by OLIM Limited's parent company, Albion Capital Group LLP, to wind down OLIM Limited's operations early next year. The Board is making alternative arrangements for the management of the portion of the portfolio currently managed by OLIM Limited.

### KEY FACTS

|  |                       |
|--|-----------------------|
| Market Capitalisation                    | £67.6m                |
| Total Assets (cum income)                | £178.1m               |
| Net Assets (cum income, debt at par)     | £106.1m               |
| Net Gearing (debt at par)                | 42%                   |
| Net Yield                                | 8.2%                  |
| Five Year Average Annual Dividend Growth | 6.1%                  |
| Year End                                 | March                 |
| Dividends Paid                           | Jan, April, July, 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%

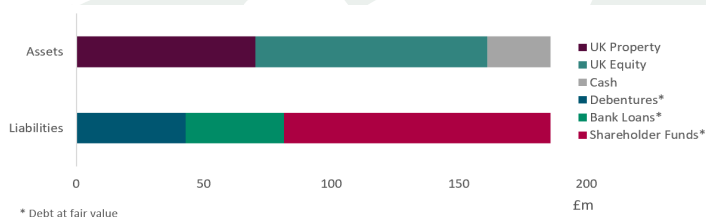
OCR to 24/4/20 excluding debt costs

2.1%

### KEY STATISTICS

|                                      |        |
|--------------------------------------|--------|
| Share Price                          | 148.5p |
| NAV (cum income, debt at par)        | 232.8p |
| Discount (debt at par)               | 36.2%  |
| NAV (cum income, debt at fair value) | 216.7p |
| Discount (debt at fair value)        | 31.5%  |

### DISTRIBUTION OF ASSETS & LIABILITIES



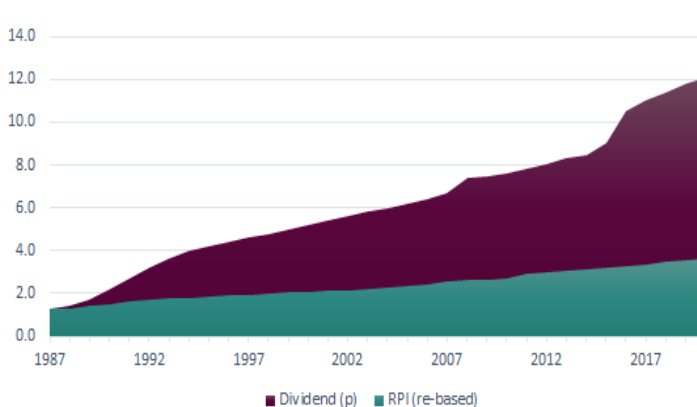
### BENCHMARK

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 31/10/2020                     | 1 Yr   | 3 Yr   | 5 Yr   | 10 Yr |
|-----------------------------------|--------|--------|--------|-------|
| Total Shareholder Return          | -37.4% | -35.7% | -22.6% | 33.1% |
| NAV Total Return                  | -27.4% | -26.7% | -12.1% | 38.7% |
| FTSE All Share Index Total Return | -18.6% | -14.4% | 8.9%   | 53.7% |

### DISCRETE PERFORMANCE

|                                   | Year to 31/10/16 | Year to 31/10/17 | Year to 31/10/18 | Year to 31/10/19 | Year to 31/10/20 |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Share Price Total Return          | 8.3%             | 11.1%            | 2.6%             | 0.2%             | -37.4%           |
| NAV Total Return                  | 3.4%             | 16.1%            | -3.8%            | 4.9%             | -27.4%           |
| FTSE All Share Index Total Return | 12.2%            | 13.4%            | -1.5%            | 6.8%             | -18.6%           |

Source: AIC, Morningstar



**Louise Cleary**  
 louise.cleary@olimproperty.co.uk  
 +44 (0) 20 7647 6701

**OLIM**  
 Property



**Patrick Harrington**  
 patrick.harrington@olim.co.uk  
 +44 (0) 20 7367 5660

**OLIM**  
 Investment Managers

## PROPERTY COMMENTARY

**VIT Property Portfolio:** Specialises in commercial properties with long, index-linked 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. Over the six months to 30 September the Property Portfolio gave a Total Return of -1.9%, in line with the MSCI Quarterly Index, after all costs.

**VIT Property Portfolio Value:** £72,825,000 as at 30 September 2020 (£70,200,000 as at 31 March 2020). The "material uncertainty" clause attached to Savills' 31 March valuation has now been removed for all properties in the 30 September valuation. The Running Yield on valuation is 6.7%.

**Purchases:** Since the end of March, the purchases of 3 Co-op convenience stores completed for £5.5m plus costs at a net initial yield of 6.1%, all having index-linked leases and a weighted average unexpired lease term of 13 years.

**Assignment:** Milton Keynes, Adelle Foods lease assigned with an increased unexpired term to 2035.

**Rent Reviews:** 6 index-linked reviews completed since March.

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

**Contracted Index-related income:** 87%.

**COVID-19 and Rent Collection:** While it has been a challenging period for rent collection in some property sectors, VIT Property benefitted from owning no shops, retail, warehouses, or shopping centres and by continuing close contact with all the tenants. For the six months to 30 September, 96% of contracted rent roll has been collected - 93% of contracted rents collected in Q2 April-June and 100% collected for Q3 July-September.

Please see Interim Report for fuller information.

## EQUITY COMMENTARY

**World stock markets** fell further in October, as concerns about a second virus wave intensified. Markets generally declined around the world and the FTSE World Index fell by 2.8% in the month (measured in \$). Economic activity has continued to recover, with the third quarter recovery looking strong. However, governments around the world are responding to the renewed rise in virus infections by imposing harsh new lockdown measures, including our own UK government. The new lockdown will come as a body blow for many businesses and will lead to another marked fall in economic activity. The government has announced it will be extending the furlough scheme during the lockdown and there has been a further £150bn of quantitative easing announced by the Bank of England subsequent to the month end.

**The FTSE All Share Index**, was relatively weak again and fell by 4.0% in capital terms, reflecting not only the virus concerns but also the uncertainty regarding the ongoing Brexit negotiations. VIT's equity portfolio was a little behind the benchmark index in October, delivering a total return of -4.3% compared to the -3.8% recorded by the FTSE All Share Index.

**Stock selection** was neutral in the month. The portfolio's two media holdings, Informa (+11%) and ITV (+7%) performed well in the month but this was offset by weaker performances from GlaxoSmithKline (-11%) and Devro (-19%). The asset allocation between sectors contributed negatively over the month, with the beneficial overweight position in Utilities not contributing enough to offset the negative effect of the underweight position in Banks, which recovered some of their previous underperformance. Concerns over future economic growth also led to a weaker performance from the portfolio's two mining shares.

**There were several sales**, including reductions made to Unilever and Croda International, to fund property purchases.

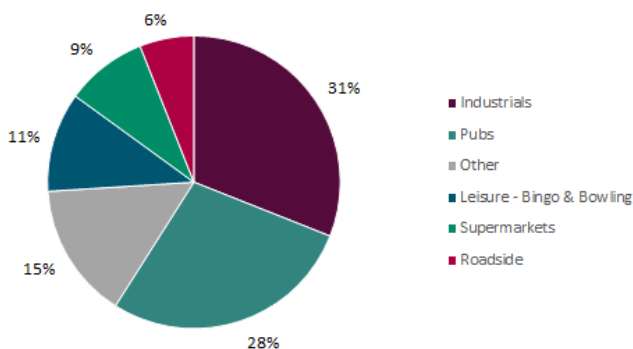
## TOP 10 HOLDINGS - PROPERTY PORTFOLIO

|                                    |     |
|------------------------------------|-----|
| Holiday Park, Dover (Caravan Park) | 13% |
| Aylesford (Industrial)             | 8%  |
| Milton Keynes (Industrial)         | 7%  |
| Fareham (Industrial)               | 7%  |
| Aberdeen (Industrial)              | 5%  |
| Kirriemuir (Supermarket)           | 4%  |
| Stafford (Leisure)                 | 4%  |
| Thetford (Industrial)              | 3%  |
| Doncaster (Leisure)                | 3%  |
| Bournemouth (Pub)                  | 3%  |

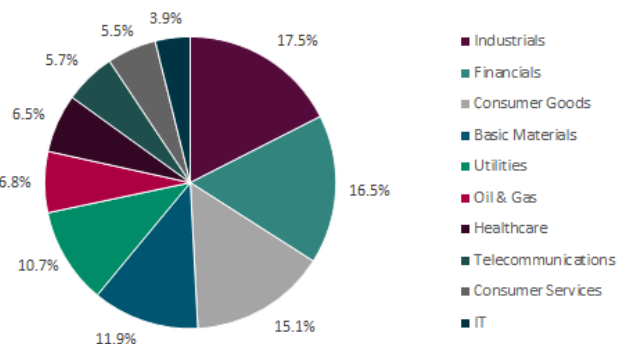
## TOP 10 HOLDINGS - EQUITY PORTFOLIO

|                  |      |
|------------------|------|
| Unilever         | 7.4% |
| GlaxoSmithKline  | 6.5% |
| Vodafone         | 4.5% |
| United Utilities | 4.4% |
| Spectris         | 4.3% |
| BHP Group        | 4.2% |
| Rotork           | 4.2% |
| Legal & General  | 4.1% |
| Pennon           | 4.0% |
| Phoenix Group    | 3.9% |

## PROPERTY SECTOR ALLOCATION



## EQUITY SECTOR ALLOCATION



## DISCLAIMER

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 George Street, Glasgow G2 2LW. Authorised and regulated by the Financial Conduct Authority.