



# Value and Income Trust PLC

## Monthly Factsheet September 2020

### KEY FACTS

Market Capitalisation	£79.0m
Total Assets (cum income)	£182.9m
Net Assets (cum income, debt at par)	£110.9m
Net Gearing (debt at par)	41%
Net Yield	7.0%
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.

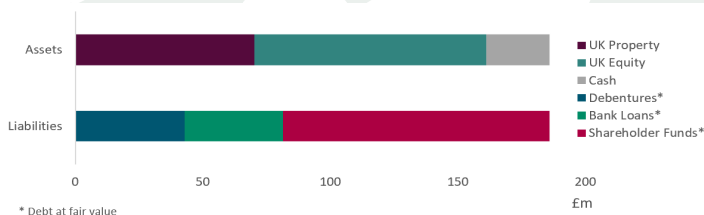
### CHARGES

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	173.5p
NAV (cum income, debt at par)	243.5p
Discount (debt at par)	28.7%
NAV (cum income, debt at fair value)	226.5p
Discount (debt at fair value)	23.4%

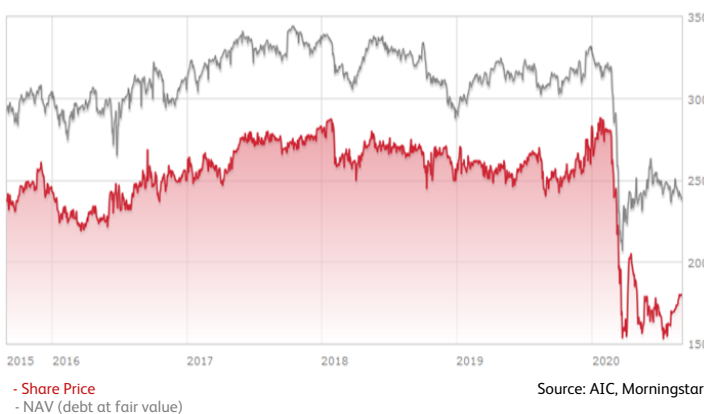
### DISTRIBUTION OF ASSETS & LIABILITIES



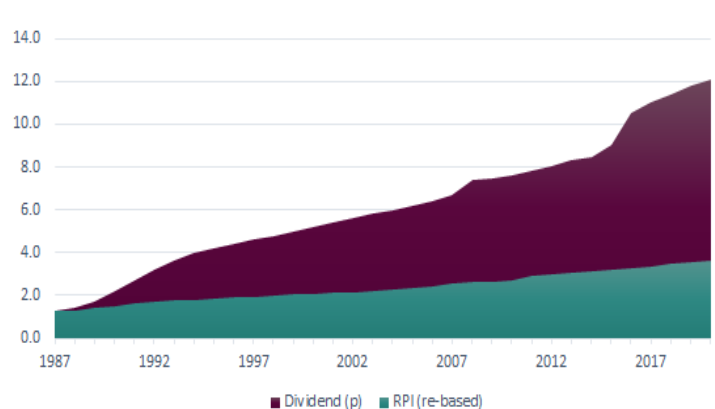
### BENCHMARK

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 30/09/2020	1 Yr	3 Yr	5 Yr	10 Yr
Total Shareholder Return	-26.8%	-25.4%	-7.6%	63.0%
NAV Total Return	-25.3%	-23.9%	-3.7%	48.8%
FTSE All Share Index Total Return	-16.6%	-9.3%	18.6%	63.9%

Source: AIC, Morningstar

### DISCRETE PERFORMANCE

	Year to 30/9/16	Year to 30/9/17	Year to 30/9/18	Year to 30/9/19	Year to 30/9/20
Share Price Total Return	10.1%	12.5%	3.7%	-1.8%	-26.8%
NAV Total Return	10.5%	14.5%	3.1%	-1.3%	-25.3%
FTSE All Share Index Total Return	16.8%	11.9%	5.9%	2.7%	-16.6%

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 as at 30 September 2020 (£70,200,000 as at 31 March 2020). Details of the independent revaluation as at 30 September 2020 and the six months total return will be reported in the interim report to be released in early November (the revaluation is incorporated into the September end NAV).

**All 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.

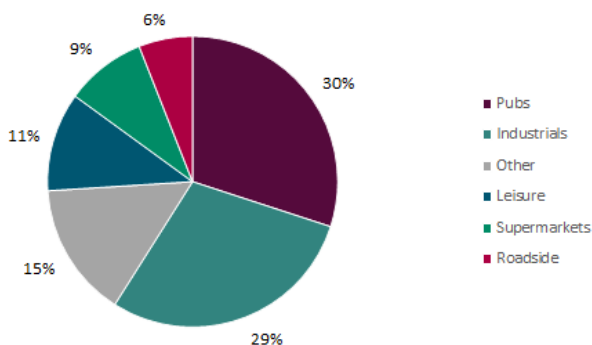
**Contracted Index-related income:** 87%

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

## 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%

## PROPERTY SECTOR ALLOCATION



## EQUITY COMMENTARY

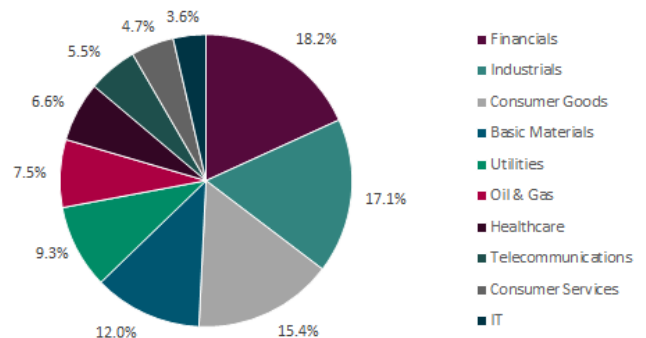
**World stock markets** fell back in September, giving up some of their recent gains, as concerns rose about a second virus wave. Economic activity has continued to recover, but there is some evidence that the pace of recovery is stalling, particularly as governments have begun to re-impose lockdown measures in response to rising numbers of virus infections. In the UK infection numbers have grown substantially from the summer lows and a number of local lockdowns have been implemented. In particular, the new instruction to work from home where possible will be especially painful for the businesses in the nation's city and town centres, which are struggling with very low footfall. For once the FTSE All Share Index, which has underperformed throughout the recovery phase, outperformed other world markets, falling by just 1.8%. High yielding shares have been especially poor in the recovery phase and underperformed once more in September.

**VIT's equity portfolio** performed behind the index in September, delivering a total return of -3.6% compared to the -1.7% recorded by the FTSE All Share Index. The asset allocation between sectors was positive in the month, with the overweight position in Utilities and underweight position in Banks and Oil & Gas Producers proving beneficial. However, this was more than offset by negative stock selection. Although DS Smith (+14%) and ITV (+11%) performed well in the month, they were more than offset by larger falls in a number of share prices including Beazley (-29%), PayPoint (-20%), Legal & General (-13%) and Go-Ahead (-12%). Beazley suffered after it revealed that its Covid-19 related losses were set to double. The company is well capitalised and should benefit from the rapidly hardening rates background in the coming year. During the month we topped up the fund's holding in Telecom Plus after the share price had declined to an attractive level, leaving the shares yielding over 4%.

## TOP 10 HOLDINGS - EQUITY PORTFOLIO

Unilever	7.1%
GlaxoSmithKline	6.6%
Vodafone	4.4%
BHP Group	4.3%
Legal & General	4.3%
Spectris	4.2%
Croda International	4.1%
Rotork	4.0%
BP	3.8%
United Utilities	3.7%

## EQUITY SECTOR ALLOCATION



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