



VT Chelsea Managed Cautious Growth

June 2019

VT CHELSEA
Managed
FUNDS



The Chelsea research team (L to R): James Yardley, Senior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling Latter, Research Director; Ryan Lightfoot-Brown, Senior Research Analyst

Fund information

Launch date	5 th June 2017
Size	£8.3m
Number of holdings	27
Benchmark	IA Mixed Investment 20%–60% Shares
Share class & ISIN	VT Chelsea Managed Cautious Growth A Acc GB00BF0NMV81
Share class & ISIN	VT Chelsea Managed Cautious Growth A Inc GB00BF0NMW98
Indicated yield	1.72%
Income distribution	Half yearly ^{††}
Initial charge	0%
Ongoing charges figure	1.30%
Payment dates ^{††}	30 th June, 31 st December

Top 10 holdings

Man GLG UK Absolute Value	6.78%
Merian Global Equity Absolute Return Hedged	6.48%
Fidelity Global Dividend	6.29%
Vontobel TwentyFour Absolute Return Credit	5.76%
Investec Global Special Situations	5.21%
SVS Churchouse Tenax Absolute Return Strategies	5.03%
Jupiter UK Special Situations	4.99%
Fundsmith Equity	4.97%
Liontrust Special Situations	4.63%
Royal London Short Duration Global High Yield Bond	3.86%

VT Chelsea Managed Cautious Growth

aims to produce capital growth over the long term, but with lower volatility than global equities[†]. The fund has a target weighting of between 40% and 50% in UK and overseas equities, although it may

also invest in assets including bonds, property, gold and targeted absolute return strategies. Exposure to assets will typically be via open-ended funds, investment trusts and exchange traded funds.

Fund commentary Markets remain obsessed with the ongoing trade war between the US and China. We take a longer-term view and are still broadly cautious because of current market valuations. We have however been finding interesting individual ideas, which have little connection to broader macro issues.

One new position is the Renewables Infrastructure Group. A renewable energy company helping contribute to the UK's green energy revolution. It is invested in a mixture of solar panels and wind farms and provides a healthy dividend yield. It is up over 10% since we bought it^{**}.

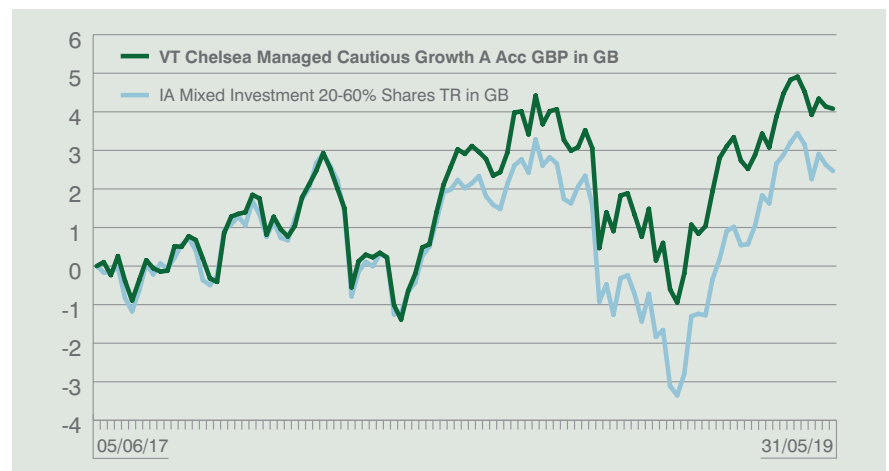
Our other renewable energy trusts (John Laing Environmental Assets, Greencoat UK Wind and Foresight Solar) have

continued to do well. As they become more expensive we will potentially look to recycle cash into better value new ideas.

The story of our equity funds remains the same. Quality growth funds continue to do very well, whereas value has performed poorly. We note that the difference between the two styles is becoming ever more extreme, but it is impossible to predict when this might change, and we continue with our balanced approach.

Negative sentiment towards the UK, because of Brexit, has provided opportunities. Allocating more to the UK also helps us to reduce some of the currency risk in the portfolio.

Performance since launch (%)^{*}



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	1.54	-	-	4.08
Benchmark (%)	0.57	-	-	2.47

Calendar year performance

	YTD	2018	2017	2016
Fund (%)	4.55	-2.51	-	-
Benchmark (%)	5.84	-5.10	-	-

All data correct as at 31st May 2019.

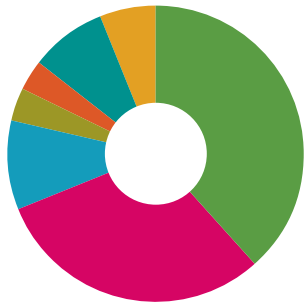
[†]Long term is 5+ years.

^{††}Investors may receive payment later, depending upon platform.

^{*}FE Analytics 28/02/2019-31/05/2019 total return in sterling terms. Dealing to dealing on a bid to bid basis.

^{**}VT Chelsea Managed Cautious Growth daily valuation 31/05/2019 - current market value versus book value.

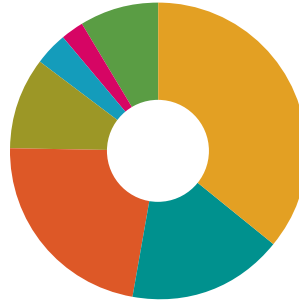
Asset allocation (%)



Equity	38.47%
Targeted Absolute Return	30.56%
Fixed Interest	9.63%
Cash	3.83%
Gold and Silver	3.14%
Alternatives	8.44%
Property	5.93%
Total	100.00%

Data correct as at 31st May 2019. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	35.98%
Europe ex UK	17.07%
USA	22.46%
Asia Pacific ex Japan	9.84%
Emerging Markets ex Asia	3.81%
Japan	2.31%
Other	8.54%
Total	100.00%

Data correct as at 31st May 2019. Figures may not add up to 100% due to rounding.

Why invest in VT Chelsea Managed Funds?

- ✓ An easy portfolio. Invest in a range of assets globally with a single buy
- ✓ Chelsea's experienced research team looking after your investments
- ✓ Your portfolio will be adapted to take account of the prevailing market and economic climate
- ✓ You'll get exposure to some investments unearthed by our research team that might normally be hard for individual investors to buy
- ✓ We'll try to access the underlying funds in the cheapest way possible, including some share classes not available to individual investors

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All performance data is sourced from FE Analytics. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Some performance differences between the fund and the sector average may arise because the fund performance is calculated at a different valuation point from the benchmark.

The VT Chelsea Managed Funds are for investors who prefer to make their own investment decisions, without personal advice.

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