



VT Chelsea Managed Monthly Income

September 2018

VT CHELSEA
Managed
FUNDS



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

Fund information

Launch date	5 th June 2017
Size	£15.5m
Number of holdings	24
Benchmark	IA Mixed Investment 20%–60% Shares
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BF0NMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BF0NMT69
Indicated yield	4.70%
Income distribution	Monthly [†]
Initial charge	0%
Ongoing charges figure	1.21%
Payment dates [†]	Monthly, last day of the month

Top 10 holdings

Fidelity Global Enhanced Income	7.86%
BlackRock Continental European Income	6.41%
Man GLG UK Income	6.14%
Artemis Global Income	5.52%
Schroder High Yield Opportunities	5.39%
Schroder Asian Income Maximiser	5.38%
Jupiter Strategic Bond	4.69%
Sanlam Strategic Bond	4.45%
GAM Star Credit Opportunities	4.29%
Royal London Short Duration Global High Yield Bond	4.23%

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aims to produce monthly income with some capital growth over the long term, but with lower volatility than global equities^{††}. The fund has a target weighting of between 40% and 60% 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.

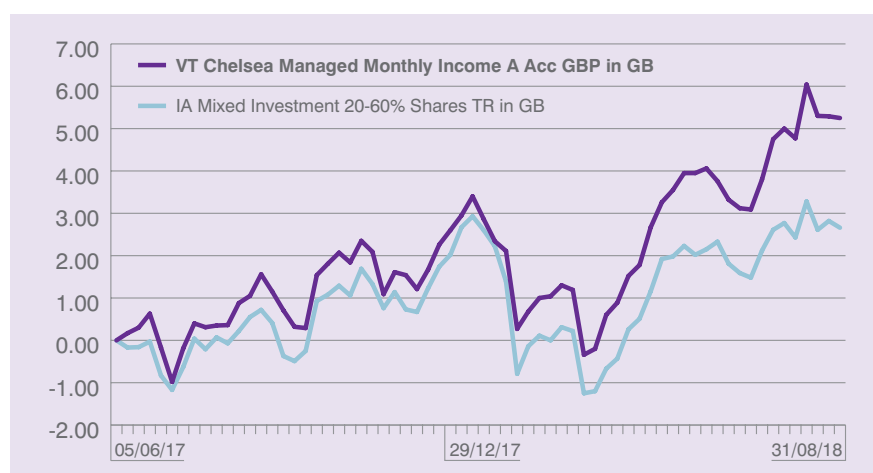
Fund commentary The fund was up 1.77% vs 0.76% for its benchmark over the past three months.* We are pleased to say that we have now raised our monthly dividend from 0.34p to 0.35p.

The period was characterised by the ongoing strength of the US stock market and US dollar. Markets continue to worry about the escalation of trade wars but strong earnings continued to push US stock markets up. Fidelity Global Enhanced Income and M&G Global Dividend, both which have positions in the US, performed well over the period.

Our infrastructure, renewable energy and student accommodation also performed strongly. We have selectively taken some profits and recycled these into other areas which have experienced short term weakness.

Emerging markets have been weak but our holding in Schroder Asian Income Maximiser outperformed and was only down very slightly. UK equities fell back and Man GLG UK Income, down 2.62%, was one of the bigger detractors over the period. Our very small Silver Miners position suffered from a stronger dollar and we took advantage of this to add to the position.

Performance since launch (%)^{*}



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	4.19	-	-	5.25
Benchmark (%)	2.14	-	-	2.66

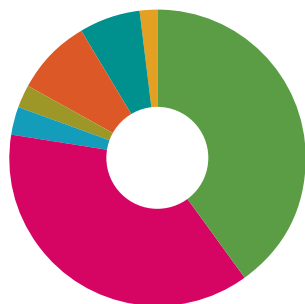
Calendar year performance

	YTD	2017	2016	2015
Fund (%)	2.58	-	-	-
Benchmark (%)	0.63	-	-	-

* Source for all performance data: FE Analytics on a bid-to-bid basis total return to 31/08/2018, benchmark is the IA Mixed Investment 20-60% Shares

^{††} Long term is 5+ years. The aim is to have lower volatility than global equities over a rolling five-year period.

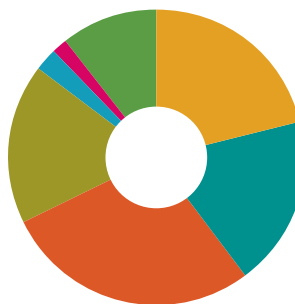
Asset allocation (%)



Equity	40.24%
Fixed Interest	37.27%
Targeted Absolute Return	3.09%
Cash	2.54%
Property	8.50%
Alternatives	6.48%
Gold and Silver	1.88%
Total	100.00%

Correct as at 31st August 2018. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	21.22%
USA	18.75%
Europe ex UK	27.87%
Asia Pacific ex Japan	17.49%
Japan	2.50%
Emerging Markets ex Asia	1.66%
Other	10.51%
Total	100.00%

Correct as at 31st August 2018. Figures may not add up to 100% due to rounding.

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- ✓ 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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