



VT Chelsea Managed Aggressive Growth

March 2023

VT CHELSEA
Managed
FUNDS



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Fund information

Launch date	5 th June 2017
Size	£38.61m
Number of holdings	36
Share class & ISIN	VT Chelsea Managed Aggressive Growth A Acc GBP GB00BF0NMY13
Initial charge	0%
Ongoing charges figure	1.13%

Top 10 holdings

Fidelity Index US	9.88%
HSBC American Index	5.79%
Chrysalis Investments Ltd	4.86%
Polar Capital Biotechnology	4.53%
Schroder Global Recovery	4.33%
Baillie Gifford Japan Trust	4.16%
Ninety One Global Environment	3.94%
BlackRock European Dynamic FA Acc	3.86%
Fidelity Asia Pacific Opportunities	3.85%
Polar Capital Technology Trust PLC	3.45%

VT Chelsea Managed Aggressive Growth

aims to produce capital growth over the long term[†]. The fund will invest up to 100% in UK and overseas equities, although it may also invest in other 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* 2022 was one of the toughest years on record for investors, with virtually every asset class, be it bonds, stocks, property or alternatives, such as infrastructure, suffering losses. The FTSE 100, previously a laggard for many years, has been one of the few relative bright spots in an otherwise tough market.

Markets had a good start to 2023, optimistic that inflation would fall and that the global economy would avoid a serious recession. However, some of this optimism receded during February as inflation continued to remain stubbornly high. There is now talk that US interest rates may have to go as high as 6%. Such a high rate was unthinkable a year ago.

The result of these much higher rates has led to a radical shift in sentiment in some parts of the market, from euphoria two years ago to complete despair today. Nowhere is this more evident than in the Chrysalis and Schiehallion C shares positions. Both these trusts invest in established fast-growing private companies before they come to the public markets via an IPO.

18 months ago the market was euphoric about these trusts' prospects and they were trading on large premiums. The fund reduced these positions aggressively as a result. Fast forward to today and market sentiment has completely shifted. These trusts are hated by investors, despite having already been marked down aggressively, they are now trading around a 50% discount to their net asset values. We think this makes very little sense given some of the excellent growth and performance of the underlying holdings. The trusts have no debt and hold large cash balances, making them look even cheaper. Interest rates are likely to peak at some point and the IPO market will eventually re-open which should greatly improve the sentiment towards these names. Therefore, despite the weak performance, the fund has been adding to these names and are happy to be patient.

Although this difficult period for returns can be frustrating, it is giving some great opportunities. We believe this period of weak markets and negative sentiment is setting the fund up for better returns in the future over the long term.

Performance since launch (%)**



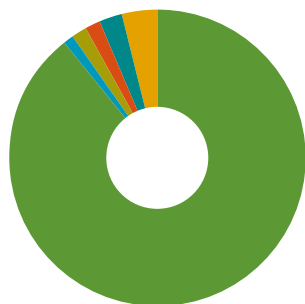
Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	-3.57	21.15	31.58	39.31
IA Sector (%)	1.83	33.91	45.65	52.12

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	3.54	-18.93	16.85	16.68	19.71
IA Sector (%)	4.25	-11.06	17.68	15.27	21.92

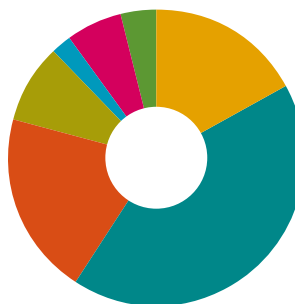
Asset allocation (%)



Equity	89.38%
Targeted Absolute Return	0.00%
Fixed Interest	0.95%
Cash	1.75%
Property	1.66%
Gold and Silver	2.52%
Alternatives	3.73%
Total	100.00%

Data correct as at 28th February 2023. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	17.18%
USA	42.11%
Asia Pacific ex Japan	19.91%
Europe ex UK	8.82%
Japan	2.18%
Emerging Markets ex Asia	6.01%
Other	3.78%
Total	100.00%

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- ✓ 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 Fund Info. 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 IA Sector.

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

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