VT Chelsea Managed Aggressive Growth

December 2021

VT CHELSEA Managed FUNDS

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Fund information

Launch date	5th June 2017
Size	£42.52m
Number of holdings	32
Share class & ISIN	VT Chelsea Managed Aggressive Growth A Acc GBP GB00BF0NMY13
Initial charge	0%
Ongoing charges figure	1.15%

Top 10 holdings

Fidelity Index US	8.94%
Merian Chrysalis Investment Co Ltd	6.89%
Baillie Gifford Japan Trust	4.17%
Artemis US Extended Alpha	4.00%
HSBC American Index	3.91%
BlackRock European Dynamic	3.69%
Ninety One Global Environment	3.51%
Polar Capital Biotechnology	3.29%
MI Chelverton UK Equity Growth	3.25%
Polar Capital Technology Trust PLC	3.24%

All data correct as at 30th November 2021.
[†]Long term is 5+ years.

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[*] Is inflation transitory? Central banks have insisted it is. However, that changed recently when Federal Reserve (Fed) chair Jerome Powell said it was time to retire the word. In effect he was admitting the Fed had made a mistake and signalling that higher interest rates are coming to help tame inflation.

We've all become used to an era of cheap easy money. Some increase in interest rates is to be expected. It was necessary to take emergency action at the start of the pandemic but now much of the economy is returning to normal it makes sense to reverse these emergency measures. The market has already priced these rate rises in. It's only if rates rise faster than expected that there is cause for concern which could happen if inflation persists.

There is strong evidence for both sides of the inflation camp. On the one hand, shipping rates and some commodities have started falling suggesting inflation may be peaking. On the other hand some wages are rising. Many people have changed their lives since the pandemic started and a lot have retired and left the workforce. The result is a shortage of workers in many industries.

There is a mix of different fund styles in the portfolio which remains increasingly positioned towards growth. Technology is only becoming more disruptive whatever happens with inflation and we want to invest on the right side of that disruption.

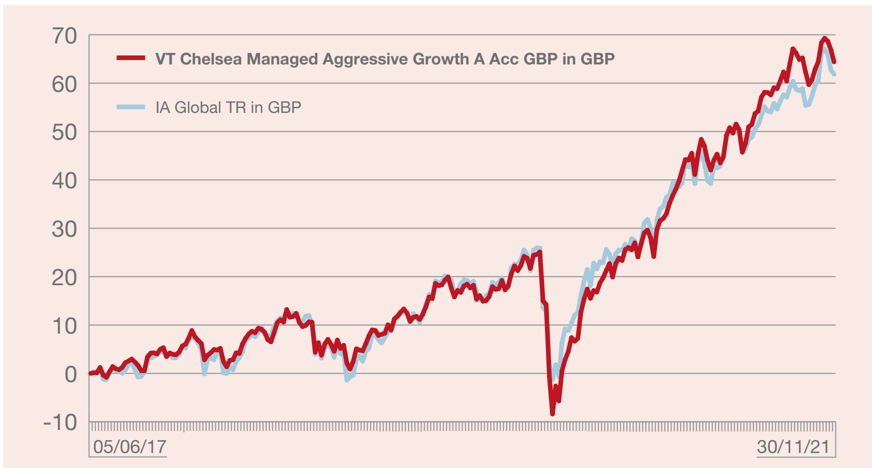
Unlike many other sectors tech doesn't suffer much from the rising input costs which come with higher inflation. Demand for semi-conductors is insatiable. The world simply can't keep up with the huge demand which has been accelerated by the boom in AI and datacentres.

Earlier this year, when tech was out of favour, the fund added a new position in Polar Capital Technology trust which was trading at a discount. It has performed well but the discount has persisted. A sign perhaps that the market is not as in love with tech stocks as many believe. The fund recently bought a new position in Baillie Gifford US Growth trust. This trust was flying high at the start of the year but has since suffered a serious fall and the fund has taken advantage by starting a position. Our investment in Taylor Maritime Investments, which owns and leases ships, has done well so far.

We continue to hold positions in Polar Capital Biotechnology and Ninety One Global Environment. Both have underperformed the wider global market this year but increasing demands for healthcare and environmental solutions are not going away. We believe both can outperform in the future.

Overall it has been another strong year with the fund up 15.75% in the first 11 months of the year, fractionally behind the IA Global sector average of 16.09%.* We look forward to finding many more investment opportunities in the new year.

Performance since launch (%)**



Cumulative performance

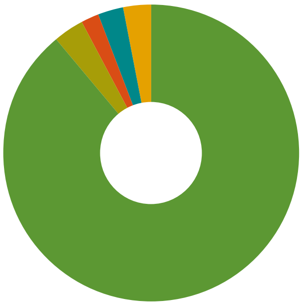
	1 year	3 years	5 years	Since launch
Fund (%)	22.70	53.78	-	64.39
IA Sector (%)	18.97	52.20	-	61.85

Calendar year performance

	YTD	2020	2019	2018
Fund (%)	15.75	16.68	19.71	-4.08
IA Sector (%)	16.09	15.27	21.92	-5.72

Past performance is not a reliable guide to future returns. *Source: FE Fund Info 01/01/2021-30/11/2021 total return in sterling. **FE Fund Info 05/06/2017-31/05/2021 VT Chelsea Managed Aggressive Growth vs IA Global total return in sterling.

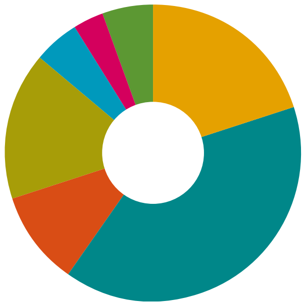
Asset allocation (%)



Equity	88.96%
Targeted Absolute Return	0.00%
Fixed Interest	0.00%
Cash	3.51%
Property	1.95%
Gold and Silver	2.53%
Alternatives	3.05%
Total	**100.00%**

Data correct as at 30th November 2021. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	20.08%
USA	39.93%
Asia Pacific ex Japan	10.22%
Europe ex UK	15.96%
Japan	5.08%
Emerging Markets ex Asia	3.40%
Other	5.35%
Total	**100.00%**

Data correct as at 30th November 2021. Figures may not add up to 100% due to rounding.

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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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