



VT Chelsea Managed Balanced Growth

September 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	£22.03m
Number of holdings	35
Benchmark	IA Mixed Investment 40%–85% Shares
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NM06
Initial charge	0%
Ongoing charges figure	1.13%

Top 10 holdings

Fidelity S&P 500 Index (GBP Hedged)	5.27%
Man GLG UK Absolute Value	5.24%
JOHCM UK Dynamic	4.96%
Fidelity Global Situations	4.56%
Artemis Global Income	4.52%
Merian Global Equity Absolute Return Hedged	4.23%
Merian Gold & Silver	4.10%
Merian Chrysalis Investment Co Ltd	4.03%
Fundsmith Equity	3.85%
Investec Global Special Situations	3.79%

VT Chelsea Managed Balanced 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 50% and 70% 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.

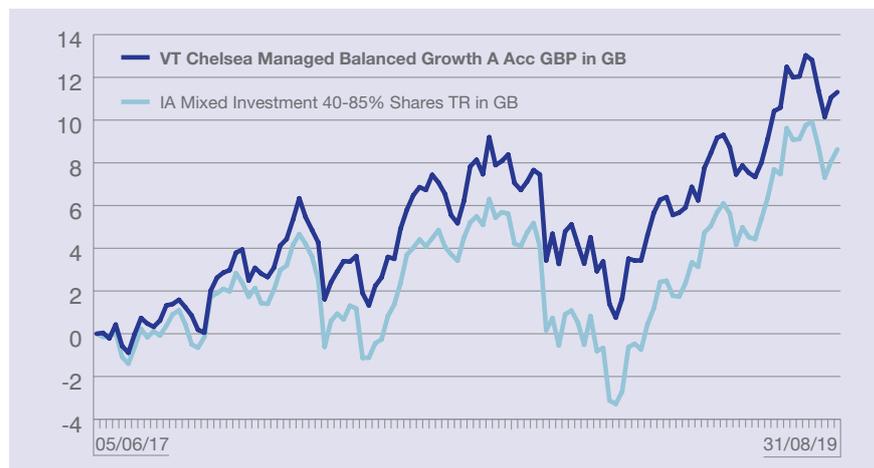
Fund commentary Over the summer, a weakening in the global economy caused bond yields around the world to fall to unprecedented levels. The US Federal Reserve cut interest rates despite predicting a rise in rates just a few months earlier. Much of the world's debt now has a negative yield. If you lend €100 to the German government for 10 years you get back €93! In this extraordinary environment we have tried to position the portfolio for many different outcomes but we are ready to react quickly should the need arise. We continue to find exciting ideas.

The collapse in yields was good news for our gold & silver holding as the market considered the possibility of further money printing by central banks. Merian Gold & Silver rose 44% over the period.^{***} The position had previously been a drag on

performance but the recent move shows the importance of being patient. In the past we continued to top up the position on weakness and the fund has now benefited as a result. It remains an important hedge.

Boris Johnson won the Conservative leadership contest and became Prime Minister. His aggressive willingness to push ahead with a 'no deal' Brexit if he cannot achieve a deal caused the pound to fall. This benefited the fund's overseas holdings such as RWC Continental European Equity, Fundsmith Equity and Fidelity Global Special Situations which all rose over the period. We have moved some of the portfolio into hedged share classes to protect against a sudden bounce back in the pound should a Brexit deal be struck, but overall the fund should still benefit if the pound continues to fall further.

Performance since launch (%)***



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	2.69	-	-	11.31
Benchmark (%)	2.97	-	-	8.63

Calendar year performance

	YTD	2018	2017	2016
Fund (%)	9.90	-3.01	-	-
Benchmark (%)	12.13	-6.11	-	-

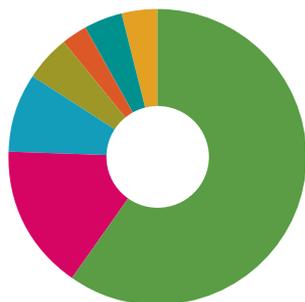
Past performance is not a reliable guide to future returns.

[†]03/09/2019 @LiontrustViews on Twitter

^{**}FE Analytics 31/05/2019-31/08/2019 total return in sterling

^{***}FE Analytics 05/06/2017-31/08/2019 total return in sterling terms. Dealing to dealing on a bid to bid basis.

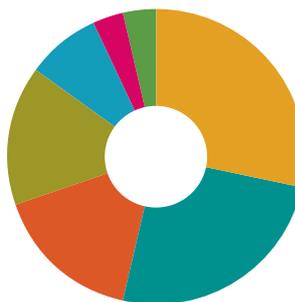
Asset allocation (%)



Equity	59.76%
Targeted Absolute Return	15.87%
Fixed Interest	8.75%
Cash	4.93%
Property	2.79%
Gold and Silver	4.10%
Alternatives	3.80%
Total	100.00%

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

Geographical equity allocation (%)



UK	28.55%
USA	25.14%
Asia Pacific ex Japan	16.30%
Europe ex UK	15.18%
Japan	8.16%
Emerging Markets ex Asia	3.09%
Other	3.59%
Total	100.00%

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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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