



VT Chelsea Managed Balanced Growth

March 2020

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	£24.05m
Number of holdings	32
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NM006
Initial charge	0%
Ongoing charges figure	1.07%

Top 10 holdings

Man GLG UK Absolute Value	7.08%
Fidelity S&P 500 Index (GBP Hedged)	5.40%
JOHCM UK Dynamic	4.67%
Fidelity Global Special Situations	4.50%
Merian Chrysalis Investment Co Ltd	4.08%
Fundsmith Equity	3.92%
Franklin UK Managers Focus	3.82%
Impact Healthcare REIT PLC	3.77%
Investec Global Special Situations	3.43%
Merian Gold & Silver	3.42%

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 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 The fund fell 2.94% during the period, outperforming the IA Mixed Investment 40-85% Shares sector, which fell 3.50%. We have seen a sharp fall in markets over the past few days as the Coronavirus continues to spread. It is above all a human tragedy and our thoughts go out to all those who have been affected.

We felt the market was being complacent after the virus first emerged in China. The US stock market continued to achieve all-time highs, despite the potential risk of the virus spreading. As a result, we built up the cash weight in the fund and we have now started to use that cash as the market has fallen back.

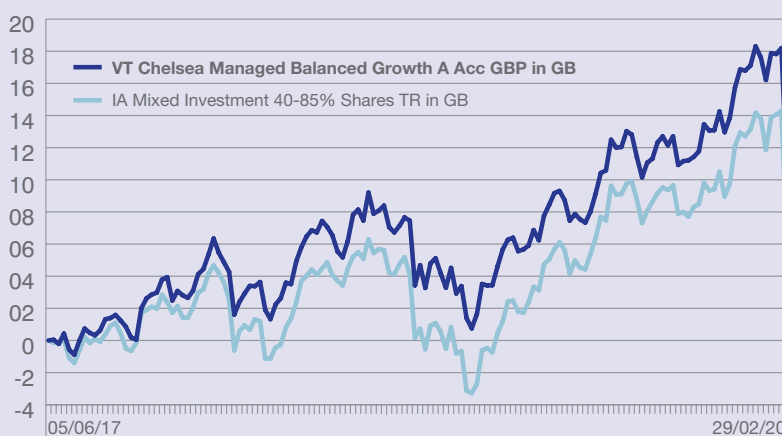
There is no doubt the virus will cause serious short-term disruption but we buy funds with a long-term view. The question we are asking ourselves now is how will

the economy and market look in five or ten years' time, not the next few months. Our view is that the global economy will recover in the medium to long term.

Furthermore, we note that government bond yields around the world have continued to fall close to zero or even to negative yields in some instances. The differential between share dividend yields and government bond yields now looks extreme versus history and therefore we think equities look very cheap relative to government bonds.

The top performers during the period were Man GLG High Yield Opportunities and Man GLG UK Absolute Value. Invesco European Equity, Man GLG Japan Core Alpha and Investec Global Special Situations were the weakest performers as investors continued to shun value stocks[‡].

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	4.87	-	-	10.89
IA Sector (%)	5.06	-	-	6.64

Calendar year performance

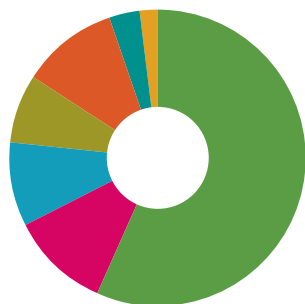
	YTD	2019	2018	2017
Fund (%)	-5.04	15.30	-3.01	-
IA Sector (%)	-4.94	15.78	-6.11	-

Past performance is not a reliable guide to future returns.

[†]FE Analytics 30/11/2019-29/02/2020 total return in sterling.

[‡]FE Analytics 05/06/2017-29/02/2020 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares total return in sterling

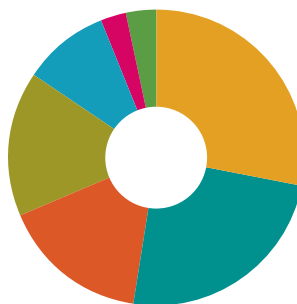
Asset allocation (%)



Equity	56.80%
Targeted Absolute Return	10.94%
Fixed Interest	9.04%
Cash	7.43%
Property	10.62%
Gold and Silver	3.42%
Alternatives	1.76%
Total	100.00%

Data correct as at 29th February 2020. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	28.28%
USA	24.25%
Asia Pacific ex Japan	16.17%
Europe ex UK	15.79%
Japan	9.57%
Emerging Markets ex Asia	2.63%
Other	3.31%
Total	100.00%

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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 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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