



# VT Chelsea Managed Balanced Growth

June 2021

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, Senior Research Analyst

## Fund information

Launch date	5 <sup>th</sup> June 2017
Size	£35.6m
Number of holdings	39
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NMX06
Initial charge	0%
Ongoing charges figure	1.00%

## Top 10 holdings

Chrysalis Investments Ltd	4.88%
Fundsmith Equity	4.63%
Man GLG UK Absolute Value	4.20%
T Rowe Price Global Focused Growth Equity	4.00%
Fidelity Index US	3.89%
MI Chelverton UK Equity Growth	3.72%
Impact Healthcare REIT PLC	3.54%
RWC Global Emerging Markets	3.44%
Merian Gold & Silver	3.12%
JOHCM UK Dynamic	2.86%

VT Chelsea Managed Balanced Growth aims to produce capital growth over the long term<sup>†</sup>, 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\*** Most global markets rose during the period, led by the value sectors of the market which continued to benefit from the reopening of economies as the Covid threat recedes. This has led to further concerns over the amount of inflation a post-pandemic economic bounce back will cause. While some factors are considered transitory, such as the year-on-year increase in oil prices (which went negative in the period last year) or the Suez canal blockage; a shortage of staff and wage increases in the US have pointed to more structural issues at play. The market narrative has swung between these two different themes, boosted by the prospect of reopened economies, with this occasionally hampered from inflationary forces this may bring.

The fund continues to hold a balance of growth names which are benefiting from long-term secular trends, and value names which will benefit from reopening with some inflation protection built in. The UK market has done particularly well in the period due to its more value bias, and optimism around the economy following the successful vaccine roll out.

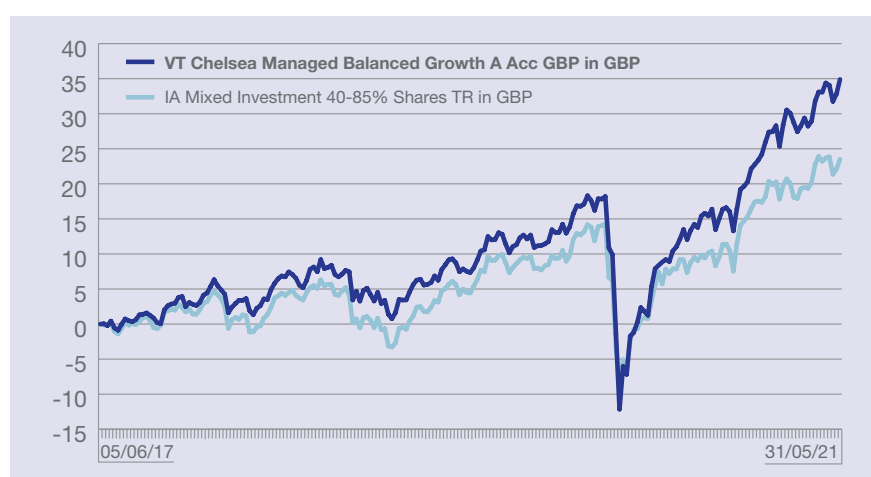
The period saw strong performance in the property holdings as confidence in reopening gathered pace. TR Property REIT rose 17.64% in the period as the best performer, and PRS REIT rose 12.30%. PRS REIT is a social housing trust that funds the building of affordable family houses and then rents them out and has been one of the best performers over a number of months. We also saw good performance

from Chelverton UK Equity Growth, benefiting from the strength of the UK market in the period. This fund has done well in both growth and value markets and we are very pleased with performance. Another of the UK names that performed well is the JOHCM UK Dynamic fund which has benefited from the market rotation to value names.

Due to the strength of the market, almost all the holdings generated positive returns and there were very few detractors in performance. The weakest performer was the Baillie Gifford Japan Trust though long term we still like the trust.

Two new positions were initiated during the period, the Schiehallion Fund and Taylor Maritime Investments. The former was a secondary launch from the highly successful unlisted equities team at Baillie Gifford. As institutional investors, this fund was able to gain exposure for its investors who benefitted from the c.25% gain in share price in the opening few days. The fund continues to hold the position as they deploy the proceeds of the raise into new exciting investments. Taylor Maritime Investments is an owner and leaser of 'handysized' cargo ships, which provides a diversified return profile, as well as being able to benefit from the increase in global trade. This commentary refers to the three months to end of May. In June the fund returned 3.08% versus 1.94% for the IA Mixed Investment 40-85% Sector\*\*.

## Performance since launch (%)\*\*\*



## Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	25.01	26.83	-	34.90
IA Sector (%)	16.97	18.82	-	23.52

## Calendar year performance

	YTD	2020	2019	2018
Fund (%)	7.13	7.82	15.30	-3.01
IA Sector (%)	4.55	5.32	15.78	-6.11

Past performance is not a reliable guide to future returns. \*Source: FE Fund Info 28/02/2021-31/05/2021 total return in sterling. \*\*FE Funds Info 31/05/2021-30/06/2021 Total Return in Sterling. \*\*\*FE Fund Info 05/06/2017-31/05/2021 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares total return in sterling.

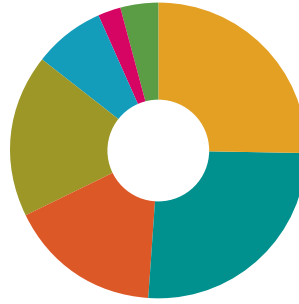
## Asset allocation (%)



Equity	55.56%
Targeted Absolute Return	6.04%
Fixed Interest	9.71%
Cash	3.51%
Property	14.85%
Gold and Silver	3.54%
Alternatives	6.79%
<b>Total</b>	<b>100.00%</b>

Data correct as at 31<sup>st</sup> May 2021. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



UK	25.48%
USA	25.67%
Asia Pacific ex Japan	16.71%
Europe ex UK	17.92%
Japan	7.62%
Emerging Markets ex Asia	2.68%
Other	3.93%
<b>Total</b>	<b>100.00%</b>

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