



VT Chelsea Managed Balanced Growth

March 2023

VT CHELSEA
Managed
FUNDS



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Fund information

Launch date	5 th June 2017
Size	£40.18m
Number of holdings	42
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NM06
Initial charge	0%
Ongoing charges figure	1.16%

Top 10 holdings

Fidelity Index US	6.96%
Invesco Physical Gold ETC	4.61%
Fidelity Global Special Situations	4.24%
Fundsmith Equity I Class Acc	4.01%
T Rowe Price Global Focused Growth Equity	3.95%
Man GLG UK Absolute Value	3.84%
Greencoat UK Wind PLC	3.60%
Chrysalis Investments Ltd	3.34%
JOHCM UK Dynamic B Acc	3.19%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	3.15%

VT Chelsea Managed Balanced Growth aims to produce capital growth over the long term¹, but with lower volatility than global equities. The fund has a target weighting of between 50% and 70% in UK and overseas equities,

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 net result of this is that bond yields have risen back up, hitting the price of bonds and stocks.

Higher interest rates have also had a dramatic impact on the Real Estate Investment Trust market. The fund's exposure is currently relatively low at 8%. Many previously unremarkable trusts have fallen 30 or 40% in the past nine months. Whilst in some cases there is good reason for this we are now finding some really exciting opportunities.

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.

One new position is a trust which owns GP surgeries with long leases and very secure rental income. The trust was previously loved by the market and was expensive and the fund did not own it. Now the share price has collapsed and it is down 40% on higher interest rates, despite the fact the company continues to grow its rent and has locked in most of its debt at exceptionally low rates for over ten years. You can now buy this trust on a 6.5% dividend yield and we expect that dividend to grow in the future.

Some of our other specialist investment trusts have been hit hard by higher rates and are now trading on huge discounts and, in our view, offer some incredible value. In some cases investors have gone from euphoria a couple of years ago, to complete despair today and we think this offers an opportunity. The fund has topped up some of the names hardest hit.

Although this difficult period of weak capital 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 (%)**



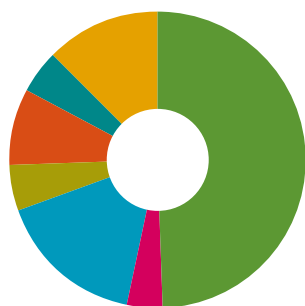
Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	-3.76	17.40	25.14	30.19
IA Sector (%)	-1.02	14.02	19.67	21.59

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	2.36	-13.10	16.24	7.82	15.30
IA Sector (%)	3.12	-10.04	10.94	5.32	15.78

Asset allocation (%)



Equity	49.51%
Targeted Absolute Return	3.84%
Fixed Interest	16.25%
Cash	4.97%
Property	8.32%
Gold and Silver	4.61%
Alternatives	12.50%
Total	100.00%

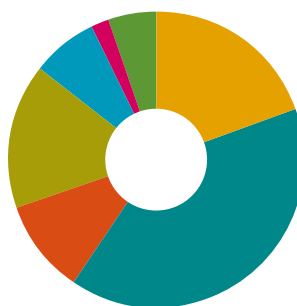
Data correct as at 28th February 2023. Figures may not add up to 100% due to rounding.



**REFINITIV LIPPER
FUND AWARDS**

2021 WINNER
UNITED KINGDOM

Geographical equity allocation (%)



UK	19.54%
USA	40.09%
Asia Pacific ex Japan	10.18%
Europe ex UK	15.86%
Japan	7.30%
Emerging Markets ex Asia	1.85%
Other	5.17%
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 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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