



VT Chelsea Managed Cautious 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	£8.93m
Number of holdings	25
Share class & ISIN	VT Chelsea Managed Cautious Growth A Acc GB00BFONMV81
Share class & ISIN	VT Chelsea Managed Cautious Growth A Inc GB00BFONMW98
Indicated yield	2.46%
Income distribution	Half yearly ^{††}
Initial charge	0%
Ongoing charges figure	1.26%
Payment dates ^{††}	30 th June, 31 st December

Top 10 holdings

Man GLG UK Absolute Value	8.93%
Fidelity Global Dividend	6.14%
Jupiter UK Special Situations	6.04%
Fundsmith Equity	5.61%
Vontobel TwentyFour Absolute Return Credit	5.51%
Investec Global Special Situations	4.65%
JOHCM Global Opportunities	4.43%
Liontrust Special Situations	4.25%
SVS Churchouse Tenax Absolute Return Strategies	4.22%
Merian Gold & Silver	4.00%

VT Chelsea Managed Cautious 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 40% and 50% 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 1.23% during the period, outperforming the IA Mixed Investment 20-60% Shares sector, which fell 2.03%. 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.

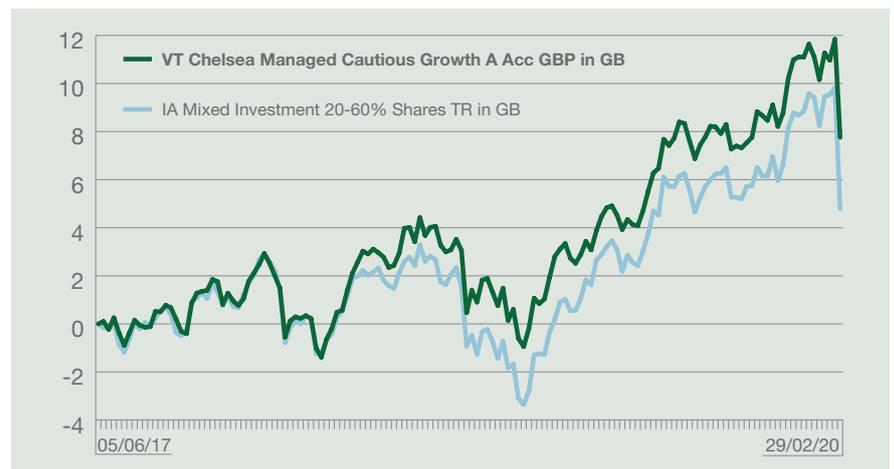
There is no doubt the virus will cause serious short-term disruption but we buy funds with a long-term view. The question we are asking ourselves now is how will the economy and

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.

Man GLG UK Absolute Value, the fund's largest holding, was the strongest contributor to performance during the period. The fund rose 3.86% despite the decline in markets. Investec Global Special Situations, Invesco Euro Equity (hedged) and Jupiter UK Special situations were the worst performers as investors continued to shun value stocks[†].

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	4.90	-	-	7.76
IA Sector (%)	4.40	-	-	6.64

Calendar year performance

	YTD	2019	2018	2017
Fund (%)	-2.89	11.47	-2.51	-
IA Sector (%)	-3.22	11.84	-5.10	-

Past performance is not a reliable guide to future returns.

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

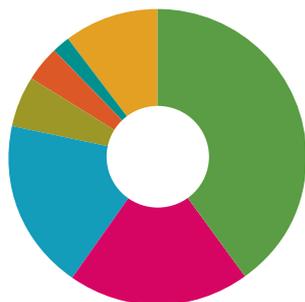
^{††}FE Analytics 05/06/2017-29/02/2020 VT Chelsea Managed Cautious Growth vs IA Mixed Investment 20-60% Shares total return in sterling

All data correct as at 29th February 2020.

[†]Long term is 5+ years.

^{††}Investors may receive payment later, depending upon platform.

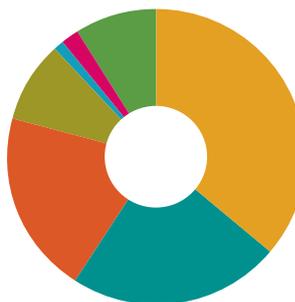
Asset allocation (%)



Equity	40.07%
Targeted Absolute Return	19.69%
Fixed Interest	18.69%
Cash	5.49%
Gold and Silver	4.00%
Alternatives	2.05%
Property	10.00%
Total	100.00%

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

Geographical equity allocation (%)



UK	36.20%
USA	23.10%
Europe ex UK	20.11%
Asia Pacific ex Japan	9.02%
Emerging Markets ex Asia	1.01%
Japan	1.79%
Other	8.78%
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 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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