



VT Chelsea Managed Cautious 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 th June 2017
Size	£11.77m
Number of holdings	33
Share class & ISIN	VT Chelsea Managed Cautious Growth A Acc GB00BF0NMV81
Share class & ISIN	VT Chelsea Managed Cautious Growth A Inc GB00BF0NMW98
Indicated yield	1.93%
Income distribution	Half yearly ^{††}
Initial charge	0%
Ongoing charges figure	1.18%
Payment dates ^{††}	31 st August, 28 th February

Top 10 holdings

Man GLG UK Absolute Value	6.50%
Fundsmith Equity	6.28%
Fidelity Global Dividend	5.54%
Liontrust Special Situations	5.37%
Jupiter UK Special Situations	4.33%
Vontobel TwentyFour Absolute Return Credit	3.58%
Merian Gold & Silver	3.39%
Chrysalis Investments Ltd	3.35%
Greencoat UK Wind PLC	3.20%
Merian UK Specialist Equity	3.15%

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

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 best performer was Jupiter UK Special Situations, benefiting from both the strength of the UK market in the period and a value bias. We have been patient with this fund and are pleased to see it perform well in a supportive environment.

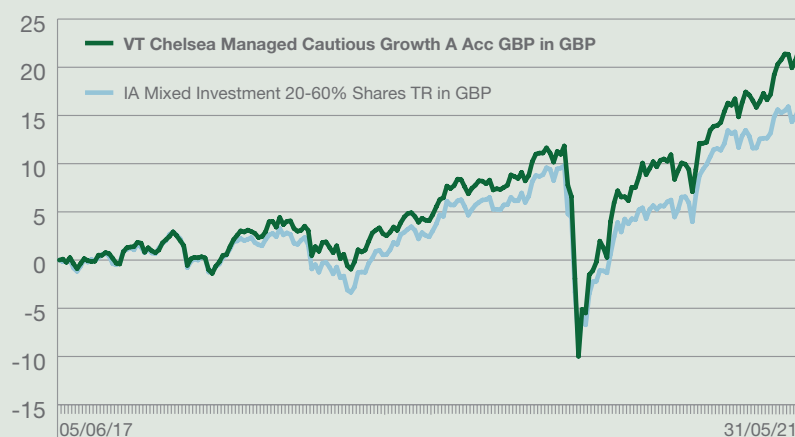
equities, although it may also invest in other assets including bonds, property, gold and targeted absolute return strategies. Exposure to assets will typically be via open-ended funds, investment trusts and exchange traded funds.

Liontrust Special Situations also performed well, generating a 10.75% return across the quarter. The period saw more good performance from PRS REIT. This is a social housing trust that funds the building of affordable family houses and then rents them out. The trust has strong long-term drivers and has contributed to performance for many months now.

Due to the strength of the market, almost all the holdings generated positive returns. Two notable laggards though were the positions in two renewable infrastructure trusts - GCP Infrastructure and Foresight Solar, which were affected by the fall in long-term power price assumptions. We continue to monitor the cash-flows and prices of these trusts to assess whether this is a temporary or more sustained issue.

A new position was initiated in the period, the Schiehallion Fund. This 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. This commentary refers to the three months to end of May. In June the fund returned 2.17% versus 1.14% for the IA Mixed Investment 20-60% Sector^{††}.

Performance since launch (%)***



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	15.07	18.91	-	21.89
IA Sector (%)	13.05	13.65	-	15.79

Calendar year performance

	YTD	2020	2019	2018
Fund (%)	5.62	4.00	11.47	-2.51
IA Sector (%)	3.32	3.51	11.84	-5.10

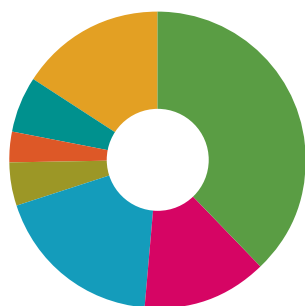
Past performance is not a reliable guide to future returns. *Source: FE Fund Info 28/02/2021-31/05/2021 total return in sterling. **FE Funds Info 31/05/2021-30/06/2021 Total Return in Sterling. ***FE Fund Info 05/06/2017-31/05/2021 VT Chelsea Managed Cautious Growth vs IA Mixed Investment 20-60% Shares total return in sterling.

All data correct as at 31st May 2021.

[†]Long term is 5+ years.

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

Asset allocation (%)



Equity	37.84%
Targeted Absolute Return	13.81%
Fixed Interest	18.44%
Cash	4.84%
Gold and Silver	3.39%
Alternatives	6.04%
Property	15.64%
Total	100.00%

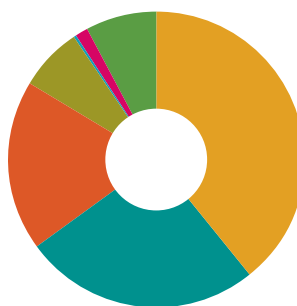
Data correct as at 31st May 2021. Figures may not add up to 100% due to rounding.



**REFINITIV LIPPER
FUND AWARDS**

2021 WINNER
UNITED KINGDOM

Geographical equity allocation (%)



UK	39.31%
USA	25.86%
Europe ex UK	18.61%
Asia Pacific ex Japan	7.01%
Emerging Markets ex Asia	0.21%
Japan	1.48%
Other	7.52%
Total	100.00%

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

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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.

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