



VT Chelsea Managed Cautious Growth

June 2023

VT CHELSEA
Managed
FUNDS



The Chelsea research team (L to R): Joss Murphy, Junior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling, Research Director; James Yardley, Senior Research Analyst

Fund information

Launch date	5 th June 2017
Size	£14.18m
Number of holdings	35
Share class & ISIN	VT Chelsea Managed Cautious Growth A Acc GB00BF0NMV81
Share class & ISIN	VT Chelsea Managed Cautious Growth A Inc GB00BF0NMW98
Indicated yield	3.13%
Income distribution	Half yearly ^{††}
Initial charge	0%
Ongoing charges figure	1.21%
Payment dates ^{††}	31 st August, 28 th February

Top 10 holdings

Man GLG UK Absolute Value	5.73%
Fundsmith Equity	5.54%
Liontrust Special Situations	5.02%
Fidelity Global Dividend	4.55%
Invesco Physical Markets PLC	4.21%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	3.99%
Jupiter UK Special Situations	3.81%
Greencoat UK Wind	3.58%
Legg Mason IF Martin Currie European Opportunities	3.20%
Target Healthcare	3.17%
Total	42.80%

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 Uncertainty and nervousness are still weighing on markets. The fund's total return for the past three months was 0.56% vs -1.01% for the IA Mixed Investment 20-60% sector.* The US stock market has improved but this has been almost entirely down to a few large US tech stocks.

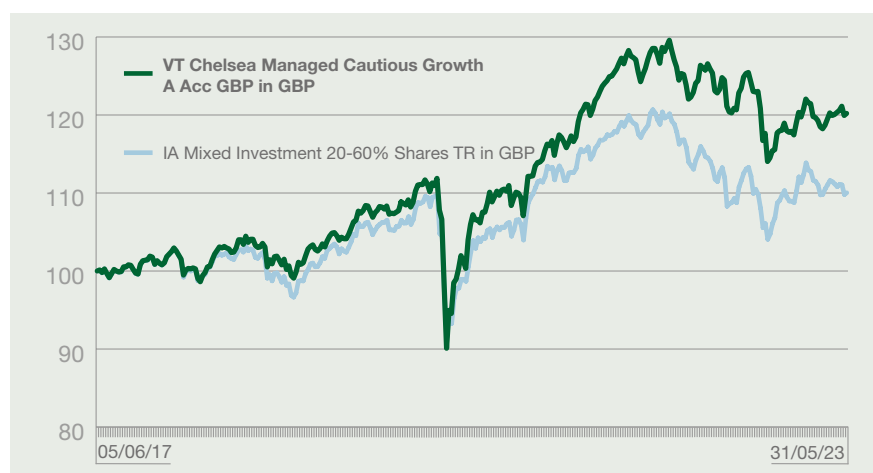
The other headwind has been a steady rise in UK gilt yields as a result of persistently sticky inflation. In the UK, wage growth and core underlying inflation (stripping out food and energy), remain high. The expectation is that the Bank of England will need to keep raising interest rates. This rise in gilt yields has put pressure on some of our bond, property and alternative income positions.

On a positive note, many of our funds continue to deliver strong relative performance and our investment trusts continue to deliver strong results. Our allocation to technology through Polar Capital Technology Trust has worked well this year as the market has become excited about AI stocks.

Bluefield Solar, Greencoat UK Wind, Sequoia Economic Infrastructure Income, Assura and The Renewables Infrastructure Group have all increased their dividends this year. RoundHill Music announced a 91% increase in its royalties for the first quarter of 2023. The manager and his family have recently bought millions of shares in the trust yet it still trades on a 40% discount. Despite this share prices for alternative trusts have generally been very weak. We are seeing many excellent trusts now trading on 7%+ dividend yields and huge discounts.

We are maintaining a patient approach and edging into value on weakness, cognisant that there might still be more pain to be felt. When will the situation change? It's impossible to say, but given the big increase in interest rates we've already had, we think we must be a lot closer to the end than the beginning. We feel confident that the prices we are seeing now provide incredible long-term opportunities and although it has been a grind for the past 12 months, we believe that our patience will be rewarded.

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	-3.37%	13.48%	17.27%	20.21%
IA Sector (%)	-3.03%	7.43%	7.99%	10.03%

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	2.32%	-9.35%	12.29%	4.00%	11.47%
IA Sector (%)	1.15%	-9.47%	7.20%	3.51%	11.84%

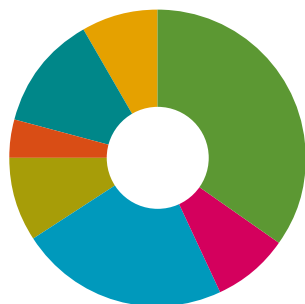
All data correct as at 31/05/2023.

[†]Long term is 5+ years.

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

Past performance is not a reliable guide to future returns. *Source: FE Funds Info 28/02/2023-31/05/2023 Total Return in Sterling. **FE Funds Info 05/06/2017-31/05/2023.

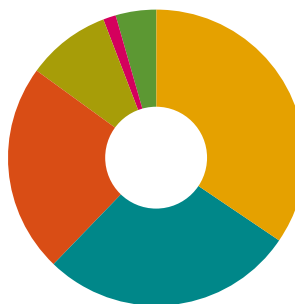
Asset allocation (%)



Equity	34.87%
Targeted Absolute Return	8.24%
Fixed Interest	22.87%
Cash	9.08%
Gold and Silver	4.21%
Alternatives	12.55%
Property	8.18%
Total	100.00%

Data correct as at 31st May 2023. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	34.47%
USA	27.77%
Europe ex UK	22.74%
Asia Pacific ex Japan	8.95%
Emerging Markets ex Asia	0.20%
Japan	1.23%
Other	4.65%
Total	100.00%

Data correct as at 31st May 2023. 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.

The VT Chelsea Managed Funds are for investors who prefer to make their own investment decisions, without personal advice.

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