



VT Chelsea Managed Monthly Income

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	£36.49m
Number of holdings	35
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BFONMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BFONMT69
Indicated yield	4.52%
Income distribution	Monthly ^{††}
Initial charge	0%
Ongoing charges figure	0.91%
Payment dates ^{††}	Monthly, last day of the month

Top 10 holdings

Fidelity Global Enhanced Income	5.66%
Man GLG UK Income	4.53%
Impact Healthcare REIT PLC	4.34%
M&G Global Dividend	4.08%
Greencoat UK Wind PLC	4.08%
Man GLG High Yield Opportunities	4.01%
Legg Mason IF RARE Global Infrastructure	4.00%
Nomura Global Dynamic Bond (GBP Hedged)	3.62%
TB Evenlode Global Income	3.53%
GCP Asset Backed Income Fund Ltd	3.35%

VT Chelsea Managed Monthly Income aims to produce monthly income with some capital growth over the long term, but with lower volatility than global equities[†]. The fund has a target weighting of between 40% and 60% 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. AEW UK continued to be a strong performer and has now been a top contributor for many months. TR Property also performed well, though sold during

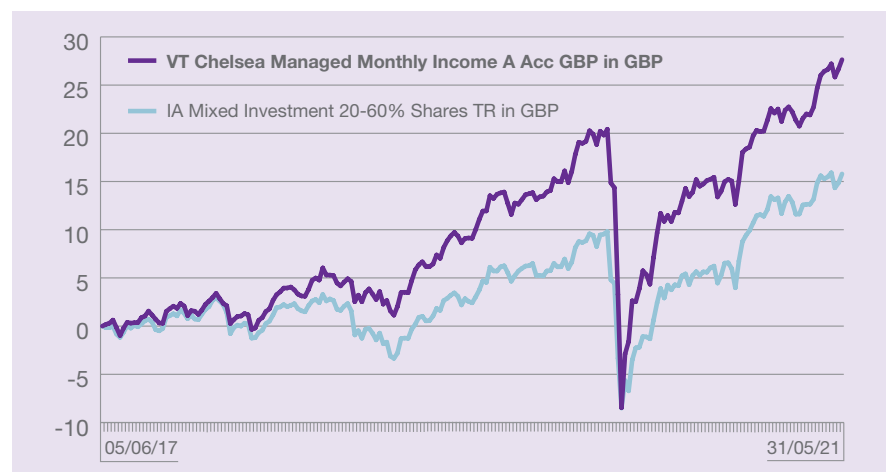
the period, as strong capital performance led to a reduced yield on the trust. The period saw more good performance from PRS REIT. This is a social housing trust that funds the building of affordable family houses and then rents them out. It has now been a top performer in this fund for many months.

The UK income names came through strongly, with Montanaro UK Income and Man GLG Income contributing significantly to returns. They have benefited from the strength of the UK market in the period, and, in the case of Man GLG Income benefiting from the rotation to value companies.

Due to the strength of the market, almost all our holdings generated positive returns. Two notable laggards though were the positions in two renewable infrastructure trusts of 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 problem.

We initiated a new position of Taylor Maritime Investments. They are 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 1.67% 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 (%)	16.41	23.43	-	27.64
IA Sector (%)	13.05	13.65	-	15.79

Calendar year performance

	YTD	2020	2019	2018
Fund (%)	5.19	1.96	17.11	-0.96
IA Sector (%)	3.32	3.51	11.84	-5.10

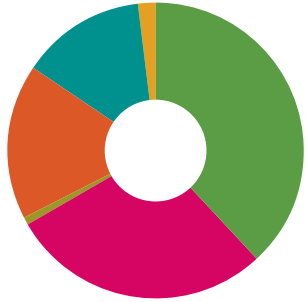
Past performance is not a reliable guide to future returns. *Source: FE Fund Info 28/02/2021-31/05/2021 total return in sterling. **FE Funds Info 31/05/2021-30/06/2021 Total Return in Sterling. ***FE Fund Info 05/06/2017-31/05/2021 VT Chelsea Managed Monthly Income vs IA Mixed Investment 20-60% Shares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

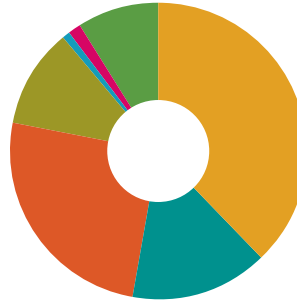
Asset allocation (%)



Equity	38.07%
Fixed Interest	28.73%
Targeted Absolute Return	0.00%
Cash	0.88%
Property	16.99%
Alternatives	13.57%
Gold and Silver	1.77%
Total	100.00%

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

Geographical equity allocation (%)



UK	37.79%
USA	14.99%
Europe ex UK	25.34%
Asia Pacific ex Japan	10.95%
Japan	0.71%
Emerging Markets ex Asia	1.35%
Other	8.87%
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.

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

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