



# VT Chelsea Managed Monthly Income

December 2021

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 <sup>th</sup> June 2017
Size	£41.52m
Number of holdings	36
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BF0NMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BF0NMT69
Indicated yield	4.30%
Income distribution	Monthly <sup>††</sup>
Initial charge	0%
Ongoing charges figure	1.25%
Payment dates <sup>††</sup>	Monthly, last day of the month

## Top 10 holdings

Fidelity Global Enhanced Income	5.03%
Legg Mason IF RARE Global Infrastructure	4.52%
Greencoat UK Wind PLC	4.40%
Taylor Maritime Investments Ltd	4.37%
Digital 9 Infrastructure	4.26%
BioPharma Credit PLC	3.96%
Man GLG UK Income	3.86%
Man GLG High Yield Opportunities	3.83%
M&G Global Dividend	3.73%
Tritax EuroBox PLC	3.69%

**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<sup>†</sup>. The fund has a target weighting of between 40% and 60% in UK and overseas equities, although it may also

**Fund commentary\*** Is inflation transitory? Central banks have insisted it is. However, that changed recently when Federal Reserve (Fed) chair Jerome Powell said it was time to retire the word. In effect he was admitting the Fed had made a mistake and signalling that higher interest rates are coming to help tame inflation.

We've all become used to an era of cheap easy money. Some increase in interest rates is to be expected. It was necessary to take emergency action at the start of the pandemic but now much of the economy is returning to normal it makes sense to reverse these emergency measures. The market has already priced these rate rises in. It's only if rates rise faster than expected that there is cause for concern which could happen if inflation persists.

There is strong evidence for both sides of the inflation camp. On the one hand, shipping rates and some commodities have started falling suggesting inflation may be peaking. On the other hand some wages are rising. Many people have changed their lives since the pandemic started and a lot have retired and left the workforce. The result is a shortage of workers in many industries.

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.

There is a mix of different fund styles in the portfolio which remains focused on generating a high and consistent dividend. To this the bucket of alternative investment trusts continues to expand through careful selection. They simply offer far better yields, and in our view far better value than many of the traditional open ended bond funds. The weight in corporate bonds has been reduced with an increase to the position in digital infrastructure and European warehouses.

A lot of our investment trust positions are backed by real assets with a degree of inflation linkage which hopefully should help to protect the portfolio from any unexpected rises in inflation. A relatively new position in Taylor Maritime Investments, which owns and leases 'handysized' cargo ships, should also benefit from any ongoing supply chain blockages. It continues to generate good cash flows and has begun paying a high dividend. It is up 20% since we participated in the IPO.\*

Overall it has been another strong year with the fund up 11.01% in the first 11 months of the year, well ahead of the IA Mixed Investment 20-60% up 5.87%.\*\* We look forward to many more investment opportunities in the new year.

## Performance since launch (%)\*\*\*



## Cumulative performance

	1 year	3 years	5 years	Since launch
<b>Fund (%)</b>	13.53	30.05	-	34.71
<b>IA Sector (%)</b>	7.92	19.52	-	18.66

## Calendar year performance

	YTD	2020	2019	2018
<b>Fund (%)</b>	11.01	1.96	17.11	-0.96
<b>IA Sector (%)</b>	5.87	3.51	11.84	-5.10

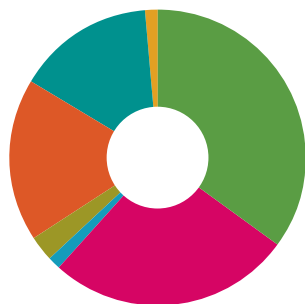
Past performance is not a reliable guide to future returns. \*Source: FE Fund Info 27/05/2021-30/11/2021 total return in sterling. \*\*FE Fund Info 01/01/2021-30/11/2021 total return in sterling. \*\*\*FE Fund Info 05/06/2017-31/05/2021 VT Chelsea Managed Monthly Income vs IA Mixed Investment 20-60% Shares total return in sterling.

All data correct as at 30<sup>th</sup> November 2021.

<sup>†</sup>Long term is 5+ years.

<sup>††</sup>Investors may receive payment later, depending upon platform.

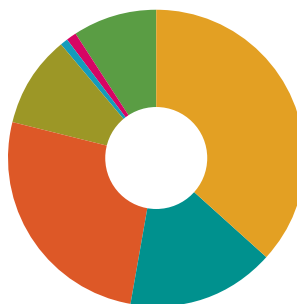
## Asset allocation (%)



Equity	35.03%
Fixed Interest	26.77%
Targeted Absolute Return	1.36%
Cash	2.79%
Property	17.75%
Alternatives	15.01%
Gold and Silver	1.29%
Total	100.00%

Data correct as at 30<sup>th</sup> November 2021. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



UK	36.70%
USA	16.12%
Europe ex UK	26.08%
Asia Pacific ex Japan	10.07%
Japan	0.77%
Emerging Markets ex Asia	1.38%
Other	8.89%
Total	100.00%

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- ✓ 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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