



VT Chelsea Managed Monthly Income

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	£50.17m
Number of holdings	41
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BF0NMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BF0NMT69
Indicated yield	5.16%
Income distribution	Monthly ^{††}
Initial charge	0%
Ongoing charges figure	1.15%
Payment dates ^{††}	Monthly, last day of the month

Top 10 holdings

M&G Global Dividend	4.24%
TB Evenlode Global Income	4.13%
TB Guinness Global	4.01%
Doric Nimrod Air Two Ltd	3.93%
Assura	3.84%
Man GLG Income Professional	3.63%
Greencoat UK Wind PLC	3.57%
Target Healthcare REIT	3.56%
Invesco US Treas Bd 7-10 Year UCITS ETF Dist (\$)	3.56%
FTF Clearbridge Infrastructure Income	3.54%
Total	37.99%

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

Fund commentary* Uncertainty and nervousness are still weighing on markets. The fund's total return for the past three months was -1.30% 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, which pay little or no dividends. This fund, given its income mandate, unsurprisingly has relatively little exposure to these names.

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. Bluefield Solar, Greencoat UK Wind, Impact Healthcare, Assura, Sequoia Economic Infrastructure Income, The Renewables Infrastructure Group have all increased their

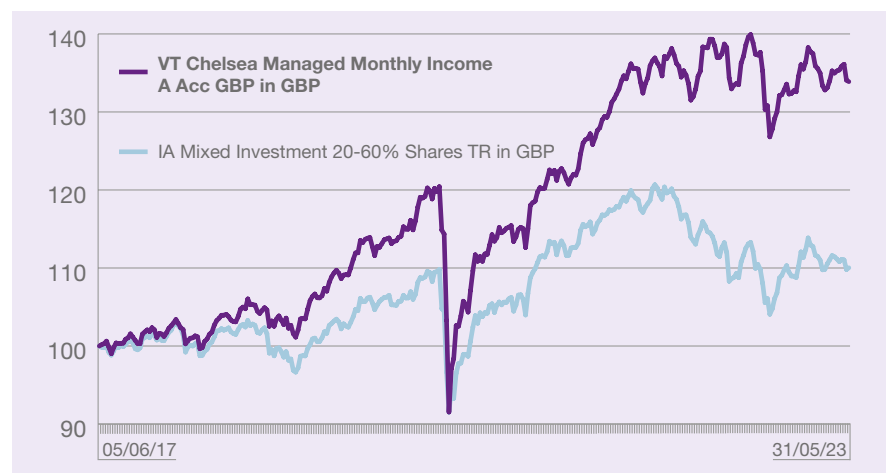
it may also invest in other assets including bonds, property, gold and targeted absolute return strategies. Exposure to assets will typically be via open-ended funds, investment trusts and exchange traded funds.

dividends this year. The income continues to pour into the fund and we expect to have a strong final dividend when we pay out our remaining income at the end of June (although there will be the normal two months lag before investors receive this). 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.

We cannot control what markets will do in the short term, but we can have a pretty good control on the income. 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 (%)	-3.21%	22.10%	29.45%	33.88%
IA Sector (%)	-3.03%	7.43%	7.99%	10.03%

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	0.98%	-4.02%	13.84%	1.96%	17.11%
IA Sector (%)	1.15%	-9.47%	7.20%	3.51%	11.84%

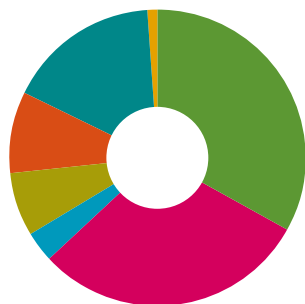
All data correct as at 31/05/2023.

[†]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.

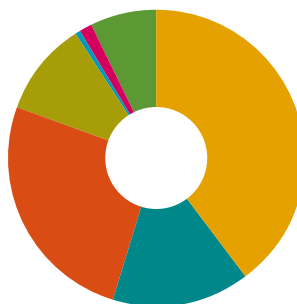
Asset allocation (%)



Equity	33.15%
Fixed Interest	30.12%
Targeted Absolute Return	3.16%
Cash	7.02%
Property	9.01%
Alternatives	16.42%
Gold and Silver	1.11%
Total	100.00%

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

Geographical equity allocation (%)



UK	39.78%
USA	15.00%
Europe ex UK	25.91%
Asia Pacific ex Japan	10.33%
Japan	0.46%
Emerging Markets ex Asia	1.55%
Other	6.97%
Total	100.00%

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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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