



VT Chelsea Managed Monthly Income

March 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	£48.79m
Number of holdings	42
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BF0NMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BF0NMT69
Indicated yield	4.96%
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	5.55%
Man GLG UK Income	5.03%
TB Guinness Global Equity Income	4.04%
Doric Nimrod Air Two	3.99%
FTF Clearbridge Global Infrastructure	3.80%
TB Evenlode Global Income	3.68%
Invesco US Treas Bd 7-10 Year UCITS ETF	3.65%
Greencoat UK Wind PLC	3.60%
Sequoia Economic Infrastructure Income Fund Ltd	3.39%
Artemis Target Return Bond	3.33%

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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* 2022 was one of the toughest years on record for investors, with virtually every asset class, be it bonds, stocks, property or alternatives, such as infrastructure, suffering losses. The FTSE 100, previously a laggard for many years, has been one of the few relative bright spots in an otherwise tough market.

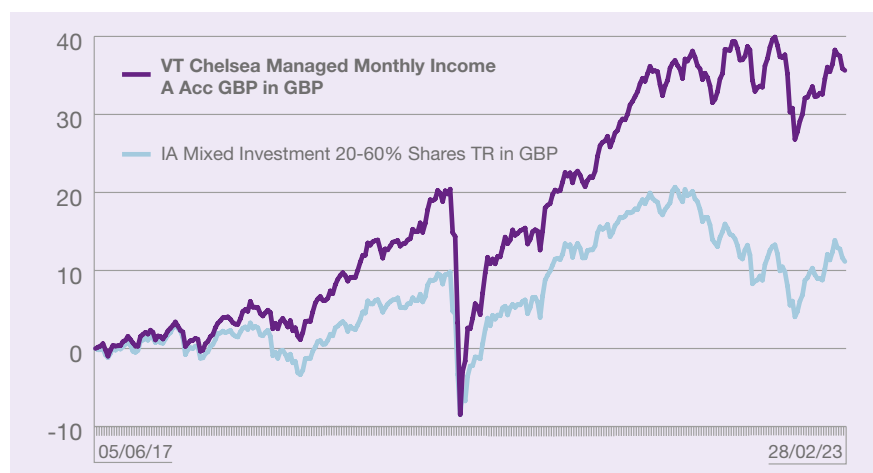
Markets had a good start to 2023, optimistic that inflation would fall and that the global economy would avoid a serious recession. However, some of this optimism receded during February as inflation continued to remain stubbornly high. There is now talk that US interest rates may have to go as high as 6%. Such a high rate was unthinkable a year ago. The net result of this is that bond yields have risen back up hitting the price of bonds and stocks.

Higher interest rates have also had a dramatic impact on the Real Estate Investment Trust market. The fund's exposure is currently relatively low at 7%. Many previously unremarkable trusts have fallen 30 or 40% in the past nine months. Whilst in some cases there is good reason for this we are now finding some really exciting opportunities.

One new position is a trust which owns GP surgeries with long leases and very secure rental income. The trust was previously loved by the market and was expensive and the fund did not own it. Now the share price has collapsed and it is down 40% on higher interest rates, despite the fact the company continues to grow its rent and has locked in most of its debt at exceptionally low rates for over ten years. You can now buy this trust on a 6.5% dividend yield and we expect that dividend to grow in the future. This is exactly the sort of dependable income asset we are looking for.

Although this difficult period of weak capital returns can be frustrating, it is giving great opportunities to upgrade both the quality and yield of the portfolio. We believe this period of weak markets and negative sentiment is setting us up for better returns in the future. Our focus remains resolutely on continuing to deliver you a consistent monthly income which can grow over time. Capital values will move around on market sentiment and there is not much we can do about that. However, if we're doing our job properly we should be able to deliver you that consistent monthly income.

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	2.38	18.09	33.60	35.64
IA Sector (%)	-2.88	6.07	10.52	11.15

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	2.31	-4.02	13.84	1.96	17.11
IA Sector (%)	2.19	-9.47	7.20	3.51	11.84

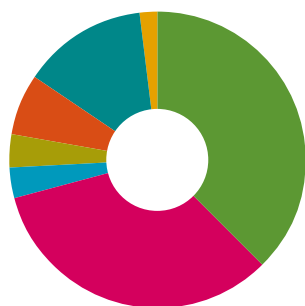
All data correct as at 28th February 2023.

[†]Long term is 5+ years.

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

Past performance is not a reliable guide to future returns. *FE Funds Info 30/10/2022-28/02/2023 Total Return in Sterling. **FE Funds Info 05/06/2017-28/02/2023.

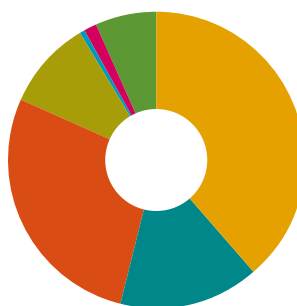
Asset allocation (%)



Equity	37.63%
Fixed Interest	33.46%
Targeted Absolute Return	3.33%
Cash	3.37%
Property	6.89%
Alternatives	13.51%
Gold and Silver	1.81%
Total	100.00%

Data correct as at 28th February 2023. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	38.80%
USA	15.16%
Europe ex UK	27.97%
Asia Pacific ex Japan	9.53%
Japan	0.51%
Emerging Markets ex Asia	1.63%
Other	6.41%
Total	100.00%

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- ✓ Your portfolio will be adapted to take account of the prevailing market and economic climate
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The VT Chelsea Managed Funds are for investors who prefer to make their own investment decisions, without personal advice.

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Chelsea Financial Services, St James' Hall, Moore Park Road. London SW6 2JS