VT Chelsea Managed Cautious Growth

December 2023

VT CHELSEA Managed FUNDS

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

Fund information

Launch date	5th June 2017
Size	£14.28m
Number of holdings	37
Share class & ISIN	VT Chelsea Managed Cautious Growth A Acc GB00BF0NMV81
Share class & ISIN	VT Chelsea Managed Cautious Growth A Inc GB00BF0NMW98
Indicated yield	3.27%
Income distribution	Half yearly††
Initial charge	0%
Ongoing charges figure	1.23%
Payment dates††	31st August, 28th February

Top 10 holdings

Man GLG UK Absolute Value	5.93%
Liontrust Special Situations	4.27%
Jupiter UK Special Situations	4.02%
Greencoat UK Wind PLC	3.97%
Fidelity Global Dividend	3.60%
iShares $ TIPS UCITS ETF GBP Hgd Inc	3.40%
Polar Capital Technology Trust	3.28%
Invesco Physical Markets PLC	3.27%
Assura PLC	3.14%
FTF Martin Currie European Unconstrained	3.11%

All data correct as at 30th November 2023.
†Long term is 5+ years.
††Investors may receive payment later, depending upon platform.

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* It was a strong three months for the fund with a total return of +3.47% versus +1.15% for the IA Mixed Investment 20-60% Shares sector*. The past two years have been a long, grinding and difficult period for investors, so it is good to finally have a period of better performance.

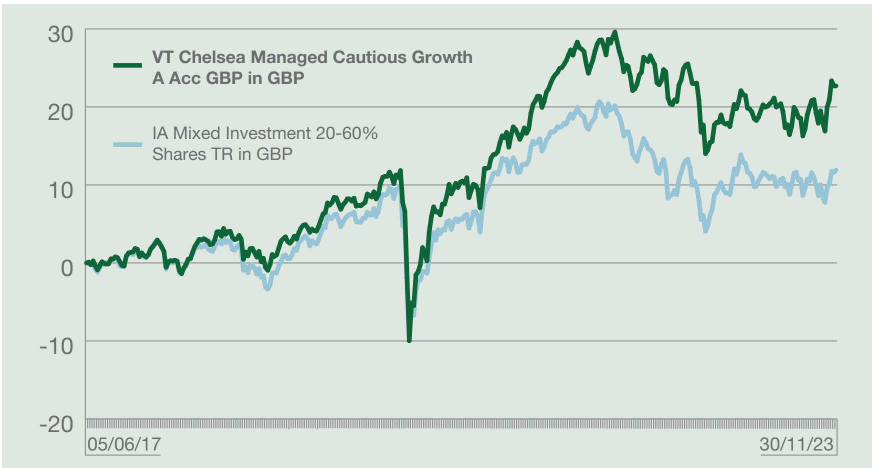
The fund has been positioned defensively for a long time as higher inflation and higher interest rates have tightened financial conditions and hit almost every asset class. The greatest pain has been felt in the investment trust space and it is here, as regular readers of the factsheet will know, where the fund has recently been increasing weight. Whilst others have been exiting the space for a variety of technical reasons, the fund has been buying into high yielding trusts trading on big discounts. This hit the short term performance in the previous few months but, following a recovery in the past few weeks, the fund is now ahead of the sector year to date.

The recovery was triggered by inflation falling faster than expected and a fall in government bond yields. In the last factsheet it was mentioned that light might finally be at the end of the tunnel. We are not out of the tunnel yet, but the light is getting brighter. Inflation is coming down across the US, Europe and the UK and labour markets are finally showing signs of weakening. This is taking the pressure off central banks and in 2024 we may even start to hear calls to cut interest rates.

Our aircraft leasing trust, Doric Nimrod Air Two, sold two of its aircraft back to Emirates. The proceeds from these sales are expected to be returned to shareholders shortly. The trust has been a strong performer.

Some of our property investment trusts started to show some better performance. Target Healthcare REIT and Supermarket Income REIT were up 7% and 6% respectively over the past 3 months**. We have seen a small recovery, but many prices still remain very depressed. We think the fund is well positioned to benefit if interest rates fall. In the meantime, we continue to search for investment opportunities.

Performance since launch (%)**



Cumulative performance

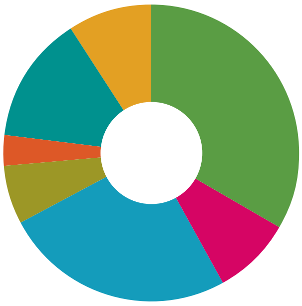
	1 year	3 years	5 years	Since launch
Fund (%)	4.14	8.96	20.89	22.69
IA Sector (%)	1.91	1.77	12.71	11.90

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	4.43	-9.35	12.29	4.00	11.47
IA Sector (%)	2.87	-9.47	7.20	3.51	11.84

Past performance is not a reliable guide to future returns. *FE Funds Info 31/08/2023-30/11/2023 VT Chelsea Managed Cautious Growth fund vs IA Mixed Investment 20-60% Shares sector total return in sterling. **FE Funds Info 31/08/2023-30/11/2023 total return in sterling.

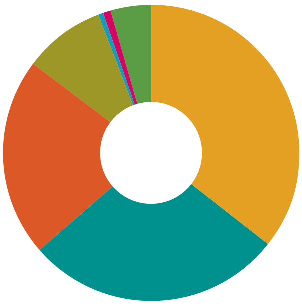
Asset allocation (%)



	Equity	33.59%
	Targeted Absolute Return	8.49%
	Fixed Interest	25.33%
	Cash	6.37%
	Gold and Silver	3.27%
	Alternatives	13.90%
	Property	9.05%
	Total	100.00%

Data correct as at 30th November 2023. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



	UK	35.73%
	USA	28.15%
	Europe ex UK	21.53%
	Asia Pacific ex Japan	8.88%
	Emerging Markets ex Asia	0.54%
	Japan	0.98%
	Other	4.18%
	Total	100.00%

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Why invest in VT Chelsea Managed Funds?

- ✓ An easy portfolio. Invest in a range of assets globally with a single buy
- ✓ Chelsea's experienced research team looking after your investments
- ✓ 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

Find out more

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