



# VT Chelsea Managed Balanced 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, Research Director; James Yardley, Senior Research Analyst

## Fund information

Launch date	5 <sup>th</sup> June 2017
Size	£42.5m
Number of holdings	44
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NMX06
Initial charge	0%
Ongoing charges figure	1.19%

## Top 10 holdings

Fidelity Index US	5.62%
Fidelity Global Special Situations	4.12%
T Rowe Price Global Focused Growth Equity	4.05%
Fundsmith Equity	3.96%
Man GLG UK Absolute Value	3.90%
Greencoat UK Wind PLC	3.88%
Chrysalis Investments Ltd	3.86%
Polar Capital Technology Trust PLC	3.54%
Assura PLC	3.15%
Bluefield Solar Income Fund	3.08%

**VT Chelsea Managed Balanced Growth** aims to produce capital growth over the long term<sup>1</sup>, but with lower volatility than global equities. The fund has a target weighting of between 50% and 70% in UK and overseas equities,

**Fund commentary** It was a strong three months for the fund with a total return of +3.86% versus +0.80% for the IA Mixed Investment 40-85% 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

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.

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

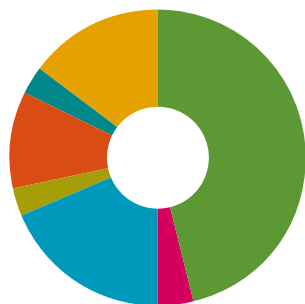
	1 year	3 years	5 years	Since launch
Fund (%)	5.62	11.64	29.27	35.10
IA Sector (%)	2.22	6.00	21.25	22.26

## Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	6.23	-13.10	16.24	7.82	15.30
IA Sector (%)	3.69	-10.04	10.94	5.32	15.78

Past performance is not a reliable guide to future returns. \*FE Funds Info 31/08/2023-30/11/2023 VT Chelsea Managed Balanced Growth fund vs IA Mixed Investment 40-85% Shares sector total return in sterling. \*\*FE Funds Info 31/08/2023-30/11/2023 total return in sterling.

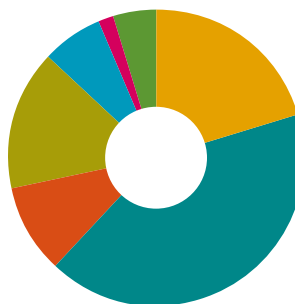
## Asset allocation (%)



Equity	46.30%
Targeted Absolute Return	3.90%
Fixed Interest	18.42%
Cash	3.08%
Property	10.72%
Gold and Silver	2.95%
Alternatives	14.64%
<b>Total</b>	<b>100.00%</b>

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

## Geographical equity allocation (%)



UK	20.42%
USA	41.73%
Asia Pacific ex Japan	9.73%
Europe ex UK	15.33%
Japan	6.61%
Emerging Markets ex Asia	1.70%
Other	4.49%
<b>Total</b>	<b>100.00%</b>

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- ✓ Your portfolio will be adapted to take account of the prevailing market and economic climate
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- ✓ 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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