



VT Chelsea Managed Monthly Income

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 th June 2017
Size	£52.36m
Number of holdings	39
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BF0NMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BF0NMT69
Indicated yield	5.70%
Income distribution	Monthly ^{††}
Initial charge	0%
Ongoing charges figure	1.17%
Payment dates ^{††}	Monthly, last day of the month

Top 10 holdings

Greencoat UK Wind PLC	4.31%
Assura PLC	4.00%
Doric Nimrod Air Two	3.98%
Man GLG UK Income	3.97%
Supermarket Income REIT PLC	3.69%
Sequoia Economic Infrastructure Income Fund Ltd	3.57%
M&G Global Dividend	3.49%
TB Guinness Global Equity Income	3.35%
Bluefield Solar Income Fund Ltd	3.32%
Man GLG Sterling Corporate Bond	3.27%

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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

Fund commentary* It was a strong three months for the fund with a total return of +4.14% 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

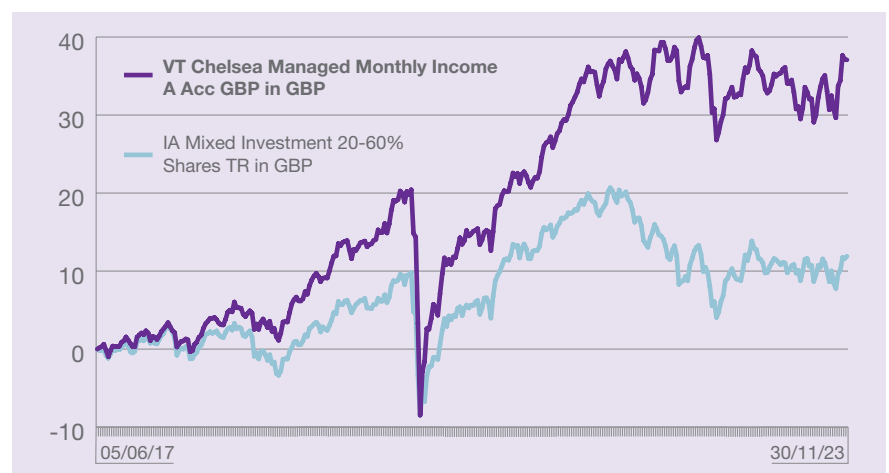
it may also invest in other assets including bonds, property, gold and targeted absolute return strategies. Exposure to assets will typically be via open-ended funds, investment trusts and exchange traded funds.

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. This has been one of our strongest investments over the past couple of years.

The fund continues to grow its income and the regular monthly dividend will increase from the current 0.37p to 0.38p at the end of January. 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 income opportunities, which are paying us to be patient.

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	3.30	15.53	32.33	37.07
IA Sector (%)	1.91	1.77	12.71	11.90

Calendar year performance

	YTD	2022	2021	2020	2019
Fund (%)	3.38	-4.02	13.84	1.96	17.11
IA Sector (%)	2.87	-9.47	7.20	3.51	11.84

All data correct as at 30th November 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 31/08/2023-30/11/2023 VT Chelsea Managed Monthly Income fund vs IA Mixed Investment 20-60% Shares sector total return in sterling.

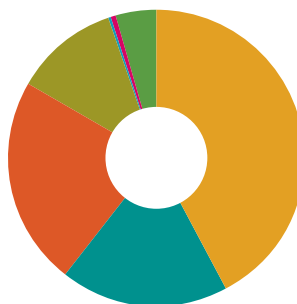
Asset allocation (%)



Equity	29.81%
Fixed Interest	31.32%
Targeted Absolute Return	2.63%
Cash	3.94%
Property	11.69%
Alternatives	20.61%
Gold and Silver	0.00%
Total	100.00%

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

Geographical equity allocation (%)



UK	42.22%
USA	18.40%
Europe ex UK	22.83%
Asia Pacific ex Japan	11.28%
Japan	0.39%
Emerging Markets ex Asia	0.56%
Other	4.31%
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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