

# CHELSEA CORE SELECTION



Core funds from the Chelsea Selection – individually researched and analysed.

## UK EQUITIES

### IFSL MARLBOROUGH MULTI-CAP GROWTH

This fund takes an unconstrained approach and can invest in businesses of all sizes, although Richard Hallett, manager since 2005, won't invest in any stock worth less than £100m. The portfolio typically holds between 40-50 stocks, with a one-in, one-out limit and each stock taking a maximum of 4% of the portfolio. Richard doesn't make big macroeconomic calls, but looks at individual firms and their prospects for the next two to five years. He buys firms that can grow regardless of the economy and avoids cyclical businesses.



CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.80% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	0.81%
UNIT TYPE	INC

### IFSL MARLBOROUGH UK MICRO CAP GROWTH

This fund has one of the best track records in the industry. Guy Feld & Eustace Santa Barbara are co-managers of this fund, while veteran founder manager Giles Hargreave stepped back from his fund manager role in January 2021. The team are some of the best small-cap investors in the country and invest in a well-diversified portfolio of companies at the bottom of the market, below £250m in size. They have a growth bias, looking for those companies which are leaders in their niche markets or can disrupt existing markets. These companies will be in a variety of different sectors and industries, creating a portfolio of over 200 names. The managers will let their success stories run, potentially even adding to them if there is still upside.



CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.80% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	0.11%
UNIT TYPE	ACC

### JOHCM UK DYNAMIC

Alex Sawides has been running this fund since launch. The process, which he built himself, aims to exploit periods of share price underperformance, where the reasons for the underperformance are well understood and he believes there is a catalyst for change. Ideas come from three sources, which are corporate restructuring, hidden growth and recovery situations. Once his view is accepted by the market and becomes consensus, he will often sell. Also, all companies need to have a yield or prospective yield, which does provide an element of safety. The fund will have at least 50% in the FTSE 100 and stocks are typically held for two years.



CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.63% <sup>#*</sup>
ONGOING CHARGES FIGURE (OCF)	0.66% <sup>†*</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.27%
UNIT TYPE	ACC or INC

### LF GRESHAM HOUSE UK MICRO CAP

Manager Ken Wotton leverages the extensive resource of the private equity background of his team – who also run the Baronsmead VCT range – to focus on four areas: technology; consumer goods; healthcare and business services for differentiated companies with unique businesses. The team often know these companies from their nascent stages and will actively engage with management to help the business deliver on its plans. Stocks are ranked on a conviction score to formalise the buying, sizing and selling of their 40-50 holding portfolio.



CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.90% <sup>#*</sup>
ONGOING CHARGES FIGURE (OCF)	0.98% <sup>†*</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC or INC

### LF LINDSELL TRAIN UK EQUITY

Nick Train is one of the UK's best-known fund managers. He is famous for his 'buy and hold' philosophy and long-term approach. The fund is uncompromising and only invests in the highest quality companies. Nick's portfolio is typically very concentrated with over 70% of the fund's value in its top 10 holdings and it is therefore very different from its benchmark. For this reason, investors should expect performance to be different from the index.



CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.60% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.64% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.27%
UNIT TYPE	ACC or INC

### LIONTRUST SPECIAL SITUATIONS

This UK multi-cap fund is a 'best ideas' portfolio, which encompasses any stock regardless of size or sector. However, there will usually be around 50% in small and mid-cap stocks. The managers, Anthony Cross and Julian Fosh, look for firms with 'intellectual capital' or strong distribution networks, recurring revenue streams and products with no obvious substitutes. They also like to invest in companies where management teams have a significant personal equity stake. The fund is concentrated with 40-50 stocks.



CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.81% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.59%
UNIT TYPE	ACC or INC

### MI CHELVERTON UK EQUITY GROWTH

Fund manager James Baker puts his extensive experience of investing in small and medium-sized businesses into practice with this fund, choosing to invest the majority of the portfolio in highly cash-generative smaller companies able to fund their own growth. James is supported by co-manager Edward Booth. The initial screening process considers all UK stocks below the FTSE 100, with the managers looking for: revenue growth; cash conversion; balance sheet strength; high gross margins and the ability for companies to fund themselves. Stocks must meet four out of the five criteria to pass the screen, leaving about 250 stocks to analyse further.



CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.83% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC or INC

## ALL CORE SELECTION FUNDS ARE AVAILABLE AT 0% INITIAL CHARGE

**The Chelsea Risk Rating** Least risky | 1 | 10 Most risky

This is our proprietary rating to aid you in your fund choice. Our research team assesses the overall risk of a fund by analysing a number of factors including: the level of risk involved in the region/sector in which the fund invests; the size of the companies within the fund; the number of stocks held; the risk controls imposed by the manager; the use of derivatives and currency issues.

We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 5 for further details.

# EQUITY INCOME

## BLACKROCK CONTINENTAL EUROPEAN INCOME

Andreas Zoellinger manages this core European income fund which invests predominately in large-cap stocks. The fund is supported by the highly regarded BlackRock European team which is made up of 18 investment professionals. All members of the team, including fund managers, undertake fundamental research. Bottom-up research is key to the fund's performance. The fund has a preference for quality sustainable dividends with the potential for growth and inflation protection. The final portfolio has around 50 stocks. Income is paid in February, May, August and November.



CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.92% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	2.12%
UNIT TYPE	ACC or INC

## FIDELITY GLOBAL DIVIDEND

This is a solid core global income fund, which aims to pay a regular and growing dividend, whilst preserving capital. Manager Dan Roberts invests in predictable resilient businesses, which can continue to generate strong cash flows, even when times get tough. Dan mostly invests in larger companies although his overall portfolio looks very different from the benchmark, and he may avoid some countries or sectors altogether. The fund typically outperforms a falling market but can struggle when markets rise strongly. Income is paid in February, May, August and November.



CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.91% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	2.79%
UNIT TYPE	ACC or INC

## GUINNESS GLOBAL EQUITY INCOME

Co-managed by Dr Ian Mortimer and Matthew Page, this fund has an equally-weighted portfolio of 35 stocks to generate a modest income alongside capital growth for investors. The managers are unconstrained by any benchmark and can therefore invest wherever they see the best opportunities. They have a well-defined process, focusing only on firms which are generating returns above their cost of capital, and which are generating good cashflows. This allows them to pay a sustainable dividend, as well as reinvesting in growing their business. Stocks will also need to show an attractive valuation opportunity, meaning the portfolio will be a balance of styles and be able to weather a variety of market conditions. Income is paid in January and July.



CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.80% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.80% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	2.40%
UNIT TYPE	ACC or INC

## M&G GLOBAL DIVIDEND

The notion that the discipline of paying dividends leads to greater corporate responsibility, which in turn leads to share price outperformance, is the investment philosophy behind this fund. Manager Stuart Rhodes' main aim is to grow distributions over the long term, whilst maximising total return by investing across a wide range of geographies, sectors and market capitalisations. The process is bottom-up and value driven. The fund has around 50 stocks, typically held for three years, and Stuart predominantly invests in developed markets. Income is paid in March, June, September and December.



CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.00% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.66% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	2.84%
UNIT TYPE	ACC or INC

## MAN GLG INCOME

Manager Henry Dixon has an unconstrained mandate, allowing him to invest across the market-cap spectrum. Henry has a clear and repeatable process, targeting stocks with good cash generation, trading below the replacement cost of their assets i.e. 'value' stocks. Initial stock screens are combined with bespoke in-house models to highlight stocks for further research. Henry also has the flexibility to invest in a company's bonds if he believes they offer better value than its shares. He will have 40-60 holdings and a yield typically above 4%, which pays monthly.



CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.90% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	5.46%
UNIT TYPE	INC

## MONTANARO UK INCOME SEED\*\*

Montanaro are specialists in small and medium-sized companies. This fund is co-managed by industry veteran Charles Montanaro and Guido Dacie-Lombardo and invests in quality growth businesses, backed by strong management teams. The fund seeks to grow its dividend over time. One of its differentiating features is the fund's refusal to buy stocks listed on AIM (Alternative Investment Market) as the team believes these are too risky. The final portfolio is 40-50 stocks. Early supporters of this fund, including Chelsea clients, have access to the significantly cheaper seed share class. Income is paid in March, May, August and November.



CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.30% <sup>#^</sup>
ONGOING CHARGES FIGURE (OCF)	0.38% <sup>†^</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	3.60%
UNIT TYPE	INC

## TB EVENLODE INCOME

Long-term thinking is key for this fund. Managers Hugh Yarrow and Ben Peters believe the market gets obsessed with short-term factors and overlooks key fundamentals. Their stocks will typically have difficult-to-replicate business models, strong positioning in their markets and low borrowings. They will never invest in highly capital-intensive areas such as mining or oil and gas. As such, the fund often performs well in down markets. While not the highest-yielding fund, its compounding approach has allowed a consistent and growing payout level from a very concentrated portfolio. Income is paid in February, May, August and November.



CHELSEA RISK RATING	5
ANNUAL MANAGEMENT CHARGE	0.87% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.87% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	2.70%
UNIT TYPE	ACC or INC

**N.B.** Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 5 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 12/09/2022 as at 13/09/2022. Yields as at 13/09/2022 and taken from Income units where applicable.

- \* A performance fee may be applied, see the Key Investor Information Document for further details.
- \*\* Cheaper share class available. Please contact us on 020 7384 7300.
- # The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).
- † OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.
- ^ Includes Chelsea discount.

# EUROPE

## BLACKROCK EUROPEAN DYNAMIC

SPOTLIGHT

Giles Rothbarth took over sole charge of the fund in January 2020, after Alister Hibbert stepped down as lead manager, and he runs it with the same conviction and flexibility, being prepared to have large over and underweight positions at both the stock and sector level. The fund primarily focuses on large-cap companies, though can hold some more medium-sized stocks, and will move between different styles depending on the stock and economic backdrop. This means turnover can often be higher than its peers and the portfolio is concentrated, with around 50 holdings. Giles has the support of BlackRock's very well-resourced European equity team, which we consider to be one of the best around.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.93%†
FUNDALIBRE RATING	RADAR
MORNINGSTAR RATING	NEUTRAL
YIELD	-
UNIT TYPE	ACC or INC

## CT EUROPEAN SELECT

Manager Ben Moore focuses on buying companies with a competitive advantage, high quality defensible earnings and consistent growth rates. His approach is growth orientated, but other factors, such as brand loyalty or pricing power, are also key. Consequently, he favours certain sectors and may choose not to invest in some sectors altogether. He likes companies with strong market share in emerging markets. The fund is fairly concentrated and typically has around 40 holdings, of which around 80% are in large-caps.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.80%†
FUNDALIBRE RATING	RADAR
MORNINGSTAR RATING	-
YIELD	0.30%
UNIT TYPE	ACC or INC

## FTF MARTIN CURRIE EUROPEAN UNCONSTRAINED

As the name suggests, this is an unconstrained, high-conviction portfolio which the experienced manager, Zehrid Osmani, runs with a long-term, 5-10 year time horizon. He looks for medium and large, quality growth companies, with strong balance sheets and good capital allocation, which are experiencing secular growth, have a strong corporate ethos and are reasonably valued. Meeting with management is a key step in the process for Zehrid. The portfolio is concentrated, with around 20-40 stocks, and turnover is low.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	1.02%†
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	0.54%
UNIT TYPE	ACC or INC

## IFSL MARLBOROUGH EUROPEAN SPECIAL SITUATIONS

Manager David Walton invests across the market-cap spectrum but by far his main emphasis is on small and micro-cap companies, which he believes is the most inefficient part of the market. He wants to invest in companies with first-class management, strong growth prospects and a share price which doesn't yet reflect a company's potential. The fund has around 100 holdings and is well diversified across different sectors and countries.

CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.79%†
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	1.75%
UNIT TYPE	INC

## PREMIER MITON EUROPEAN OPPORTUNITIES

This fund has been managed by Carlos Moreno and Thomas Brown since its inception in 2015. It is a growth fund which invests across the market-cap spectrum but has a bias to mid-caps. The managers like companies with high profit margins, a strong competitive advantage and accelerating revenue growth. They are not put off by high short-term valuations if the company is good enough. They will also invest in more economically-sensitive businesses, as long as the company is a world leader in its niche. The final portfolio is 40-55 holdings with no position exceeding 4%, ensuring the fund is well diversified.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.82%†
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	0.03%
UNIT TYPE	ACC or INC

# US

## AXA FRAMLINGTON AMERICAN GROWTH

Manager Steve Kelly runs this fund within a stock-picking framework. He has a strong growth bias, focusing on companies that are able to exhibit genuine, organic growth through the strength of their brand. He also prioritises good management in his investment decisions, as he looks for companies where management delivers their stated goals. The fund typically holds 65-75 stocks.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.82%†
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC or INC

## FIDELITY INDEX US

This is a low-cost tracker fund which aims to match the performance of the S&P 500 over time. The US market is dominated by some of the largest companies in the world and has historically been a very efficient market, where only the very best active managers have outperformed. A tracker fund such as this is a cost-efficient way to access this market. Fidelity has a strong track record in this space and this fund is particularly cheap.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.06%#
ONGOING CHARGES FIGURE (OCF)	0.06%†
FUNDALIBRE RATING	-
MORNINGSTAR RATING	SILVER
YIELD	1.04%
UNIT TYPE	ACC or INC

## PREMIER MITON US OPPORTUNITIES

This fund brings together the talents of two managers, Nick Ford and Hugh Grieves, who both have strong track records. Between them, they have run both small and large-cap, and value & growth mandates meaning they have a wide experience of asset classes to call upon. They run a concentrated portfolio, investing across the market-cap spectrum, with a small and mid-cap bias, to create a portfolio differentiated from their peers. They take a long-term view when investing, creating a portfolio of around just 35-45 stocks. Because of this, stock selection is imperative. They favour easy-to-understand, cash-generative businesses which they will trade at prices with considerable upside potential.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.83%†
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC

**The Chelsea Risk Rating** Least risky 1 ||||| ||||| 10 Most risky

This is our proprietary rating to aid you in your fund choice. Our research team assesses the overall risk of a fund by analysing a number of factors including: the level of risk involved in the region/sector in which the fund invests; the size of the companies within the fund; the number of stocks held; the risk controls imposed by the manager; the use of derivatives and currency issues.

We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 5 for further details.

# ASIA PACIFIC, JAPAN AND EMERGING MARKETS

## BAILLIE GIFFORD JAPANESE

Lead manager Matthew Brett is well supported in the running of this sector stalwart by a very strong Japanese equity team. The research process is built around five specific factors; a company's competitive advantage, industry, financial strength, how well it is run and its valuation. The team's best ideas are discussed and Matthew will then have the final say on what is added to the portfolio. Being growth investors, the team have a natural bias towards medium-sized companies and they favour Japanese businesses that deliver consistently strong returns to shareholders. The portfolio will hold between 45 and 65 stocks.



CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	0.60% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.62% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	1.46%
UNIT TYPE	ACC or INC

## BAILLIE GIFFORD PACIFIC

This is an unconstrained equity fund, looking to invest for the long term in companies benefiting from the developing trends in the Asia ex-Japan region. Lead manager Roderick Snell takes a pragmatic approach to growth with this fund. He is looking for firms on the right side of disruption, those which will benefit from new technological or societal trends such as online shopping or increasing healthcare demand. However, he may take exposure to this through slightly different angles, such as copper miners for technology rather than manufacturers themselves, depending on where the best valuation opportunities lie at the time. The fund will have between 50 and 100 holdings and is typically very different to its benchmark.



CHELSEA RISK RATING	8.5
ANNUAL MANAGEMENT CHARGE	0.65% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.75% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	-
YIELD	0.39%
UNIT TYPE	ACC or INC

## FIDELITY ASIA PACIFIC OPPORTUNITIES

Singapore-based Anthony Srom manages this high-conviction fund of around 30 stocks. Higher conviction should not mean higher risk and the portfolio is carefully constructed to ensure good diversification. Stock selection is based on three factors: fundamentals, sentiment and valuation. Anthony has a contrarian instinct and understanding investor sentiment is a key factor in his decision making. Alongside the company specifics, Anthony believes it is important to consider the prospects for the industry in which a company operates. The fund invests across the market-cap spectrum but around two thirds of the holdings are in large-caps.



CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.90% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	-
UNIT TYPE	ACC

## FSSA GREATER CHINA GROWTH

This specialist fund builds a concentrated portfolio of the best 50-60 ideas from across the Chinese, Hong-Kong and Taiwanese stock markets. Manager Martin Lau is highly experienced and very knowledgeable in this space and looks for well-managed businesses, with a strong focus on good corporate governance. These are found through individual company research. Martin looks for quality companies with barriers to entry, pricing power and sustainable growth. He also has a strict valuation discipline and won't overpay for fashionable stocks if the fundamentals are not there. Over the long term, this fund has consistently been one of the best performers in the sector. Given the single-country nature of the fund, it can be volatile.



CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	1.00% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	1.07% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	1.18%
UNIT TYPE	ACC

## JPM JAPAN

Tokyo-based manager Nick Weindling runs this domestic Japanese growth fund. When selecting stocks he incorporates a thematic approach, built on his on-the-ground knowledge and understanding of Japanese culture. Nick avoids the traditional 'old Japan' stocks, looking more for stocks that have improved corporate governance. He takes a long-term focus when highlighting opportunities, and ensures he meets company management in order to understand their business properly, aided by being fluent in Japanese. The portfolio will be checked to ensure it is aligned with the manager's macroeconomic views.



CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.00% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	Gold
YIELD	0.03%
UNIT TYPE	ACC or INC

## REDWHEEL GLOBAL EMERGING MARKETS

This fund, managed by John Malloy, invests in growth companies that are trading at reasonable valuations. It combines macroeconomic and political views with fundamental stock research. Countries are given a score on their relative attractiveness. Stock ideas are driven by long-term themes and trends. These views are then combined to produce an optimal portfolio. This is a multi-cap fund which invests across the market-cap spectrum. A unique feature is that it can invest up to 20% in frontier markets. The fund is concentrated and usually holds around 50 stocks.



CHELSEA RISK RATING	110
ANNUAL MANAGEMENT CHARGE	0.90% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	1.25% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC or INC

## STEWART INVESTORS ASIA PACIFIC LEADERS SUSTAINABILITY

The fund is managed by David Gait and Sashi Reddy. They have a strong focus on capital preservation by considering corporate governance and social responsibility in order to maintain a sense of stewardship over investors' money. The portfolio is concentrated at 40-60 stocks, with the top 10 making up around 40% of the whole portfolio. David makes meeting company management an integral part of company analysis, and the stocks will typically be large-cap, with firms under around \$1bn removed from the stock selection process.



CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.80% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.84% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.26%
UNIT TYPE	ACC or INC

**N.B.** Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 5 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 12/09/2022 as at 13/09/2022. Yields as at 13/09/2022 and taken from Income units where applicable.

- \* A performance fee may be applied, see the Key Investor Information Document for further details.
- \*\* Cheaper share class available. Please contact us on 020 7384 7300.
- # The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).
- † OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.
- ^ Includes Chelsea discount.

# GLOBAL

## FIDELITY GLOBAL SPECIAL SITUATIONS

Manager Jeremy Podger is a pragmatic bottom-up stock picker who does not stick too rigidly to one particular investment style. His investments fall into one of three buckets. Corporate change – shorter-term investments which take advantage of corporate restructuring or initial public offerings (new stocks coming to the market). Exceptional value – cheap stocks which have the potential to grow earnings. Unique businesses – companies with a dominant position within their industries which should be able to grow for many years to come. The resulting portfolio is a well-diversified mix of around 70 to 130 different stocks.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.92% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	-
UNIT TYPE	ACC

## FUNDSMITH EQUITY

Manager Terry Smith is one of the most outspoken and high-profile personalities in the City. Terry has consistently proven himself over a long and glittering career, continuing to do so with the founding of Fundsmith in 2010. The fund invests in high quality, well-established mega-cap companies. These companies typically have high returns on equity and are resilient to technological change. The fund typically has a big overweight to consumer staples and it will often avoid some sectors entirely. Valuation discipline is a key part of the process. The concentrated portfolio will typically hold just 20 to 30 stocks.

CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.90% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.94% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	0.18%
UNIT TYPE	ACC or INC

## NINETY ONE GLOBAL ENVIRONMENT

This is a highly concentrated global equities fund, finding companies that benefit from the movement to a decarbonised economy. Co-managers Deirdre Cooper and Graeme Baker have a fairly unique process which scores companies based on carbon emissions displaced throughout the supply chain, as well as thorough analysis of the company financials. The fund will only have 20-40 stocks from across both developed and emerging markets meaning it can look and perform very differently from its peers.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.86% <sup>†</sup>
FUNDALIBRE RATING	RADAR
MORNINGSTAR RATING	-
YIELD	0.69%
UNIT TYPE	ACC or INC

## RATHBONE GLOBAL OPPORTUNITIES

Manager James Thomson has a mandate to invest across the globe, though in practice only focuses on the more developed world markets to create a concentrated portfolio of 40-60 stocks. These companies are typically out-of-favour and under-the-radar growth companies, but at attractive valuations. James is a pure stock picker and has a flexible asset allocation mandate to go with it. He likes differentiated companies that are easy to understand, with a repeatable strategy and with barriers to entry for competitors. There is also a defensive bucket of stocks less dependent on the economic environment to manage risk and protect the fund in falling markets.

CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.77% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	-
UNIT TYPE	ACC

## T. ROWE PRICE GLOBAL FOCUSED GROWTH EQUITY

Lead manager David Eiswert is supported by T Rowe Price's large global analyst network. David combines his macroeconomic view with his analysts' best ideas to build a portfolio of around 60-80 growth stocks. He targets businesses with accelerating returns on capital over the next 12 to 24 months. The fund currently has a third invested in technology and, unlike some global funds, it does invest in emerging markets.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.86% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC

# FIXED INTEREST

## ARTEMIS CORPORATE BOND

Manager Stephen Snowden, ably supported by his team, invests in investment grade corporate bonds in this fund, with some ability to allocate across the wider fixed income market if special opportunities arise. He takes a long-term strategic and thematic view, but will also take advantage of short-term opportunities when they present themselves. As well as assessing the wider macroeconomic picture, Stephen will do deep analysis of the fundamentals of the company behind the bond issue to ensure the portfolio can benefit from both superior stock selection, and perform in any economic climate.

CHELSEA RISK RATING	2.5
ANNUAL MANAGEMENT CHARGE	0.25% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.37% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	3.72%
UNIT TYPE	ACC or INC

## JANUS HENDERSON STRATEGIC BOND

Managed by long-standing managers Jenna Barnard and John Pattullo, this fund is one of the more aggressively managed strategic bond funds. The managers can invest across the fixed income spectrum, but can also invest in synthetic fixed income securities (i.e. preference shares) and equities. In addition, the managers have the freedom to vary the source of their returns between income or capital growth. This means the fund can take short positions to enhance returns or protect capital. Income is paid in March, June, September and December.

CHELSEA RISK RATING	3
ANNUAL MANAGEMENT CHARGE	0.60% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.70% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	SILVER
YIELD	2.30%
UNIT TYPE	ACC or INC

**The Chelsea Risk Rating** Least risky | 1 | 10 Most risky

This is our proprietary rating to aid you in your fund choice. Our research team assesses the overall risk of a fund by analysing a number of factors including: the level of risk involved in the region/sector in which the fund invests; the size of the companies within the fund; the number of stocks held; the risk controls imposed by the manager; the use of derivatives and currency issues.

We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 5 for further details.

## FIXED INTEREST (CONT)

### JUPITER STRATEGIC BOND

The manager, Ariel Bezalel, seeks out the best opportunities within the fixed interest universe globally. This is a genuine strategic bond fund. Ariel will substantially alter the positioning of the portfolio depending on his macroeconomic views. He combines this with bottom-up fundamental analysis. Companies with robust business models and recurring revenue streams are preferred. Derivatives can be used to manage risk and also to profit from falling bond prices. Income is paid in January, April, July and October.



CHELSEA RISK RATING	2.5
ANNUAL MANAGEMENT CHARGE	0.00% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.73% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	4.18%
UNIT TYPE	ACC or INC

### M&G EMERGING MARKETS BOND

Another star of the highly-regarded M&G fixed income desk, is manager Claudia Calich, who is extremely knowledgeable about her asset class. With this fund, Claudia has the flexibility to invest across the whole emerging market bond spectrum. She can invest in both government and corporate bonds, denominated in local currencies or in US dollars ('hard' currency). Claudia pays considerable attention to the macroeconomic environment to determine the framework for the fund, before looking at the individual companies and governments to pick what she believes to be the best mix of bonds for this portfolio.



CHELSEA RISK RATING	4.5
ANNUAL MANAGEMENT CHARGE	0.00% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.70% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	6.19%
UNIT TYPE	ACC or INC

### NOMURA GLOBAL DYNAMIC BOND (HEDGED)

SPOTLIGHT



With an unconstrained approach, Dickie Hodges utilises the full range of bond and derivative securities available to him, including government, corporate, emerging market and inflation-linked bonds. Using a blend of top-down and bottom-up stock selection, he aims to deliver a yield of around 3-6%, depending on market conditions. The team also target capital growth so will not increase the yield of the fund at the expense of capital. Dickie is extremely knowledgeable about bond securities and derivatives and uses this skill set and flexible mandate to exploit opportunities. The fund is a good option for all market conditions in terms of both yield and capital return.

CHELSEA RISK RATING	4
ANNUAL MANAGEMENT CHARGE	0.60% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.72% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	2.67%
UNIT TYPE	ACC or INC

### RATHBONE ETHICAL BOND

This fund has been an early pioneer in the ethical fixed income space, and has the credentials to back it up, with manager Bryn Jones having been at the helm for more than 15 years. The fund has clear ethical exclusions, including mining, arms and gambling, which removes approximately one third of the index. Every position must also have at least one positive ESG quality. Bryn is looking for a relatively high income from this portfolio of approximately 80-200 stocks. He will move his allocations depending on his confidence in the economic and political outlook, as well as tapping into any structural themes he sees developing. Income is paid in February, May, August and November.



CHELSEA RISK RATING	0
ANNUAL MANAGEMENT CHARGE	0.63% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.66% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	-
YIELD	4.30%
UNIT TYPE	ACC or INC

### TWENTYFOUR DYNAMIC BOND

TwentyFour was founded in 2008 by a group of leading bond managers and it specialises entirely in fixed income. This fund is their flagship product. There is no lead manager and asset allocation is decided by a 10-strong investment committee on a monthly basis. Portfolio managers are then responsible for managing their own parts of the portfolio. This is a flexible, high-conviction fund managed by a very experienced and well-resourced team. A significant portion of the fund is invested in asset-backed securities (around 20%). This makes the fund quite different from some other strategic bond funds which lack the expertise to invest in this area of the market.



CHELSEA RISK RATING	3.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.78% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	4.20%
UNIT TYPE	ACC or INC

**N.B.** Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 5 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 12/09/2022 as at 13/09/2022. Yields as at 13/09/2022 and taken from Income units where applicable.

- \* A performance fee may be applied, see the Key Investor Information Document for further details.
- \*\* Cheaper share class available. Please contact us on 020 7384 7300.
- # The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).
- † OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.
- ^ Includes Chelsea discount.