~ ISSUE 57 · MARCH 2024 ~

VIEWPOINT

THE MAGAZINE FOR CHELSEA INVESTORS

FEATURES:

P22-26 STANDING THE TEST OF TIME

Fund managers who've gone the distance

P28-31 GOOD THINGS COME IN SMALL PACKAGES

Where are the opportunities in smaller companies?

REGULARS:

WELCOME TO VIEWPOINT

DR JOHN HOLDER
Chairman,
Chelsea

Welcome to the spring 2024 edition of Viewpoint. The end of the tax year is near, so don't forget to fully utilise your ISA allowance if you haven't already.

The VT Chelsea Managed funds are going from strength to strength, and the yield on our popular VT Chelsea Managed Monthly Income fund has increased to 5.7%. If you would like to find out more about the VT Chelsea Managed funds, turn to pages 6-9.

Our main feature, on pages 22-26, celebrates the longevity of four fund managers who have been managing their funds successfully over many years, navigating the ups and downs of markets, throughout various economic cycles.

We hope you enjoy this edition of Viewpoint.

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Please refer to the glossary on our website for further explanation of any technical terminology used within the magazine.

Call us on **020 7384 7300** Email us on **info@chelseafs.co.uk** Visit us at **chelseafs.co.uk**

IN THIS ISSUE

MARKET VIEW

BALANCE, BONDS AND BRITAIN

DARIUS MCDERMOTT
Managing director,
Chelsea

There was a real expectation that 2023 would be the year the world fell into recession, as a raft of both short and long-term issues - coupled with deteriorating geopolitical circumstances – finally became too much for the global economy to bear.

The reality has been a story of ongoing resilience, with figures from the International Monetary Fund now projecting global growth of around 3% for the next couple of years*. Not amazing, but far from gloomy.

Last year was primarily dominated by two themes. The first was the continued rise of interest rates and inflation, while the second was the breakthroughs with ChatGPT as a catalyst for Artificial Intelligence (AI) to go mainstream.

I'll start with AI, because if we rewind back to the end of 2022, a lot of technology stocks were being sold off amid an aggressive rate-hiking cycle by central banks. It reached the point where a number of high-quality businesses looked incredibly attractive at their respective prices.

Then the whole AI phenomenon took off, leading to the rise of the Magnificent Seven (Apple, Microsoft, Google/Alphabet, Amazon, Nvidia, Meta Platforms and Tesla). For most of the past year, they were the only story in town for investors. But in September, the Bank of England stopped raising interest rates, and by October, the consensus view was that we may be near the end of the rate-rising cycle, with inflation also falling in the developed world.

This change in mindset towards rate rises led to a rally across most of the market, with the only real exception being China.

THE FIXED INCOME SWEET SPOT

Fixed income also finished the year strongly. Throughout most of the past decade, the asset class was not an appealing investment, primarily because the starting yields were so low, due to the impact of Quantitative Easing and low interest rates. In some parts of the world, like Germany and Switzerland, you were even getting a negative total return when you invested in government bonds.

Starting yields on bond funds were thoroughly unattractive, but this switched completely in 2023 as interest rates began to rise. But now we are in something of a sweet spot; not only are starting yields attractive for the asset class - regardless of the next move in interest rates - but, should they fall from here, you can also expect a capital uplift from your bond holdings. As a result, we feel the asset class is now attractive from both an income and total return perspective, because the market believes the next move for interest rates will be downwards.

DIVERSIFICATION AND OPPORTUNITIES IN UK PLC

In a world with some of the most unstable geopolitics since the Cold War, it is challenging to be a high conviction investor, particularly as recession is still a possibility. Hence diversification and balance have never been so important.

This takes me nicely on to the UK – where low valuations offer a cushion to investors. Post Brexit, overseas investors have voted with their feet. They quickly went from buyers to sellers of UK shares, which means UK PLC was bound to struggle.

It is befuddling to me that the UK Government, as of writing, has not considered mandating UK pensions to hold a certain portion of their assets in UK equities. Figures show just how underinvested domestic investors are in the UK. While the UK accounts for around 4.5% of the global equities index, the average domestic equity allocation stands at just 2.7%**. That number stacks up incredibly poorly with other parts of the world. All it would need is a hint of change in this area and it would be a significant boost for UK equities.

When you look at the global equity market, I would say it is fair value versus its own history (it is not cheap or expensive). The one standout is the UK – which is cheap as chips at the moment. UK companies know they are cheap and are buying back their own shares, while we are also seeing an increasing amount of merger & acquisitions (M&A) activity from private companies who see this too.

I want to finish by saying the outlook is clearly mixed. There will be opportunities, but the best call from here is to look for consistency of returns by having as much diversification as possible.

***Source:** IMF World Economic Outlook – January 2024
****Source:** Capital Markets Industry Taskforce . Bloomberg Data as of 31 October 2023

CHELSEA ISA UPDATE

MAKE YOUR FUTURE LESS TAXING

SAM HOLDER
Operations director,
Chelsea

WHY CHOOSE A STOCKS AND SHARES ISA?

Since their launch in 1999, ISAs have been a top choice for tax-efficient, straightforward investments.

You can contribute up to the maximum ISA allowance (currently £20,000) and any growth, returns or interest is tax-free.

Chelsea takes pride in helping to make investing available to everyone, with a minimum investment of only £1.

PERSONAL SERVICE

It's easy to open an ISA through Chelsea. We have a small team with names you can come back to year after year. Whether you invest over the phone, online or by post, our friendly, experienced staff will be on hand to help.

MORE INVESTMENT CHOICE

Chelsea provides access to over 5,000 funds from 300 different fund managers. Or, if you prefer us to do the work for you, you could consider our popular VT Chelsea Managed funds.

OVER 40 YEARS OF EXPERIENCE

Chelsea has been helping investors for over 40 years and has helped smaller investors build substantial portfolios over the years.

THE 2023/24 ISA ALLOWANCES ARE AS FOLLOWS:

Chelsea ISA:
£20,000
tax-free every year.

Chelsea Junior ISA:
£9,000
tax-free for those under the age of 18.

END OF TAX YEAR DEADLINES

April 5th – 10pm
online (with debit card)

April 5th – 10pm
over the phone (with debit card)

April 3rd – 12pm
cheque

Junior ISA – April 3rd
cheque

Investment fund to ISA – 25th March

THREE EASY WAYS TO BUY YOUR ISA

Simply call **020 7384 7300**

Visit our website **chelseafs.co.uk**

Send us a completed **application form**

SEVEN REASONS TO CONSIDER A STOCKS & SHARES ISA

- 0% capital gains tax
- 0% tax on interest
- 0% tax on dividends
- Interest rates on cash savings look set to fall from here
- Access your money whenever you want
- No need to declare on your tax return
- Inheritable ISA allowance – leave your ISA pot to your spouse/civil partner

VT CHELSEA MANAGED FUNDS

WHAT ARE WE EXCITED ABOUT IN 2024?

The past two years have been very tough for investors. Following the stock market exuberance in 2021, which was encouraged by government and central bank stimulus, we were hit with the hangover of higher inflation. This was further compounded by the war in Ukraine. Central banks reversed course. Instead of pumping money into economies, they started taking it away. Higher interest rates sucked money away from stocks, bonds and practically all asset classes. The result has been a slow and painful correction.

The Chelsea funds have not been idle and have been fighting hard to defend during this difficult period. However, that was the past two years. The dust is now settling. Inflation is now falling. Bond yields have started to come down and there are whispers of rate cuts on the horizon. We think the time is coming to start playing attack rather than defence again. Amongst the rubble are gems which have been left for dead. Of course risks remain. The world is facing greater conflict. There is always the chance inflation could spike up again, but the risk/reward is now compelling enough that there are opportunities which can no longer be ignored for those with a long-term view.

THE CHELSEA RESEARCH TEAM (L TO R):

JOSS MURPHY
Junior research analyst

JULIET SCHOOLING LATTER
Research director

DARIUS MCDERMOTT
Managing director

JAMES YARDLEY, CFA
Senior research analyst

UK SMALLER COMPANIES

It's been a torrid time for UK smaller companies. Relentless negativity, weak consumer confidence and challenging supply chains are all factors that have contributed to weak performance. However, this has been further compounded by relentless technical selling of the UK market, driving stock market prices lower and lower. Outflows from the UK into global funds has led to forced selling, regardless of price. They've hugely underperformed the global stock market, with the average fund returning -30% since September 2021, compared with the average global fund which was up 1%. Valuations now look extremely attractive and the smaller companies managers we speak to are excited. It's easy to forget that UK smaller companies have delivered fantastic returns over the long term, far in excess of large-caps. The best time to buy them is usually when they've had a bad time. With supply chains now normalising and rate cuts potentially around the corner, the outlook is brighter. We think the value is too good to ignore and VT Chelsea Managed funds have been increasing their exposure, particularly in the Aggressive fund.

CHEAP ALTERNATIVE INVESTMENT TRUSTS

We think there are huge opportunities in listed investment trusts, many of which have sold off heavily. A combination of forced technical selling and higher interest rates have caused many investors to flee the space, almost regardless of price. GCP Infrastructure is a good example of this (held in all four funds). It's a large, well-diversified debt trust, which only invests in debt backed by significant government support. PFI (private finance backed by the government) and renewable infrastructure are large parts of the portfolio. This previously beloved name traded on a 22% premium to its stated net asset value in early 2020. Today it trades on a 37% discount and yields 10%.** Yet, arguably, the portfolio is much stronger and more resilient than it has been in the past. For example, the trust's renewable energy holdings have benefited significantly from the higher electricity prices we have experienced since Covid-19.

INVESTMENT TRUSTS HELD IN THE VT CHELSEA MANAGED FUNDS ON THE LARGEST DISCOUNTS	WHICH FUNDS HOLD WHICH TRUST?				
	DISCOUNT	CAUTIOUS	BALANCED	AGGRESSIVE	MONTHLY INCOME
Hipgnosis Songs Fund	-49.79%	✓	✓	✓	✓
Chrysalis	-44.00%	✓	✓	✓	✓
SCDL Energy Efficiency Income	-39.60%	✓	✓		✓
Schiehallion Fund	-36.73%		✓	✓	
GCP Infrastructure	-34.73%	✓	✓	✓	✓
Life Science REIT	-34.15%	✓	✓		
Target Healthcare REIT	-26.36%	✓	✓	✓	✓
GCP Asset Backed Income	-25.27%				✓
Urban Logistics	-23.98%				✓
Bluefield Solar Income	-17.78%	✓	✓	✓	✓

Source: the AIC www.theaic.co.uk discounts as at 26/01/2024
Sample of investment trusts held in the funds at time of going to print.

Another one of our preferred names is Greencoat UK Wind (held in Cautious, Balanced and Monthly Income). They own many offshore and onshore wind farms across the UK. Their revenue comes in two parts; firstly from an inflation-linked government subsidy and secondly from the electricity prices. The company has done an excellent job of delivering income and dividend growth since its IPO in 2013. The fund has delivered superb performance since late 2020, benefiting from higher power prices, growing its dividend by 44%*. Despite this, the share price has gone nowhere and is at around the same level it was at the start of 2020, and the trust has moved from a 25% premium to an 11% discount**.

BORING PROPERTY NOT SO BORING NOW

We like boring property real estate investments trusts which pay reliable growing dividends with little exposure to the economic cycle. Care home owners and supermarkets have been regular features within the funds. We have now also added a position in a trust called Assura, which owns GP surgeries. The rent is incredibly stable and growing, with 90% of the portfolio guaranteed by the NHS. Since March 2020 the trust has increased its dividend by 17.5%. Another benefit of this trust is that it has locked in most of its debt at very low interest rates until after 2030. Despite all this, the share price has fallen 50% and now yields 7.4%^. This seems incredible for such a stable and boring trust. We think the current yield offers great value and therefore the Cautious, Balanced and Monthly Income funds have built a position.

PRE-IPO TRUSTS

One of the positions we are most excited about is Chrysalis. We first invested when it launched in 2018. It was created to target established, fast-growing private businesses before they listed on the stock market. Managers Nick and Richard recognised that these companies were already much less risky, but large returns could still be had by buying them before they came to the public stock market.

Chrysalis initially did very well. Having launched at 100p, the VT Chelsea funds sold some shares at 280p and 240p, but after financial conditions tightened, and Chrysalis cut the valuation of one of its largest holdings, the shares collapsed. The situation was compounded when Jupiter itself, the manager of the fund, was forced to start selling shares when some of its funds which owned the trust started experiencing heavy outflows.

Having done analysis on the underlying holdings, we struggled to justify the current share price, and as a result we have substantially increased our position, buying back all the shares we had previously sold and more. We believe Chrysalis is now in a much stronger position, with many of its businesses maturing and readying themselves for IPO. One example is Starling Bank. Starling has 4 million current accounts. It has benefited substantially from higher interest rates. It is now highly profitable. Last year its pre-tax profits rose to £195m*** from £32m the previous year. Interest rates have risen considerably since those results, which should benefit them further. Starling builds all its own tech which it is now selling to other banks. It also has lower costs than traditional retail banks. We think Starling is worth considerably more than its current stated valuation. Despite the excellent prospects for a number of Chrysalis's holdings, the shares trade at over a 50% discount. In addition, Jupiter has now sold the vast majority of the shares it previously held in the trust and the managers of the trust are now leaving Jupiter to run the trust from a separate company, removing any further conflict.

It's been a similar story with another trust, Schiehallion. Schiehallion also invests in large, established private companies. In late 2021, Schiehallion traded at a 60% premium to its net asset value. The share price subsequently crashed and it now trades at a 35% discount. Schiehallion owns stakes in fast-growing companies such as Space X and Bytedance (TikTok's owner). We believe that once more companies begin to IPO again, this trust has tremendous potential. The trust has also started to buy back its own shares at a huge discount with its excess cash, which we think will create even more value. Both Schiehallion and Chrysalis have net cash and no debt.

So these are just a few of the ideas we are most excited about in 2024. We thank you all for your continued support. It is a tremendous privilege for the Chelsea Research team to advise on these funds. We love what we do and promise to continue to put all our efforts into delivering the best results that we can for you.

*Based on dividend target of 10p share for 2024 announced by the company on the 26th October 2023

**The Association of Investment Companies 19th Jan 2024 https://www.theaic.co.uk/

*** www.sterlingbank.com/investors/2023/annual-report-2023

^Based on quarterly dividend growth from 0.697p in March 2020 to 0.82p at the latest quarterly dividend. Share price has fallen from 88p to 44p 19/01/2024

VT CHELSEA MANAGED

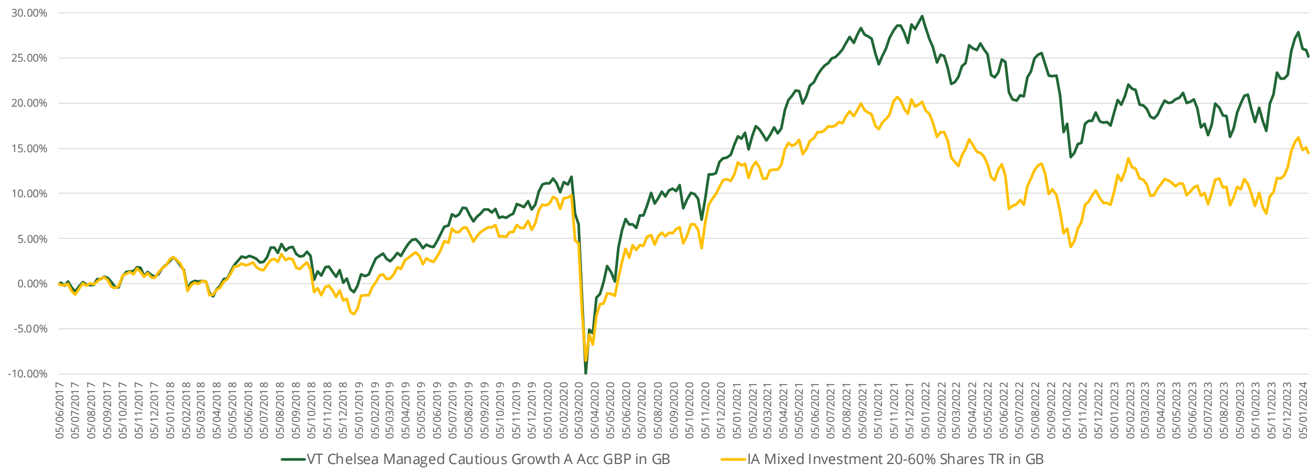
CAUTIOUS GROWTH

OUR MOST DEFENSIVE PORTFOLIO

In the most cautious fund, we aim to produce growth over the long term, but with lower volatility than global equity markets†. While returns may not be as high as you could potentially get in the other VT Chelsea Managed funds, the risk taken should be lower.

KEY FACTS:	
Ongoing charges figure:	0.86%
Payment dates:	30th Jun, 31ST Dec
Indicated yield:	3.27%
Performance since launch:	25.13%
Sector average:	14.45%
Chelsea Risk Rating:	4

PERFORMANCE SINCE LAUNCH



Source: FE Funds Info 05/06/2017-17/01/2024 total return in sterling

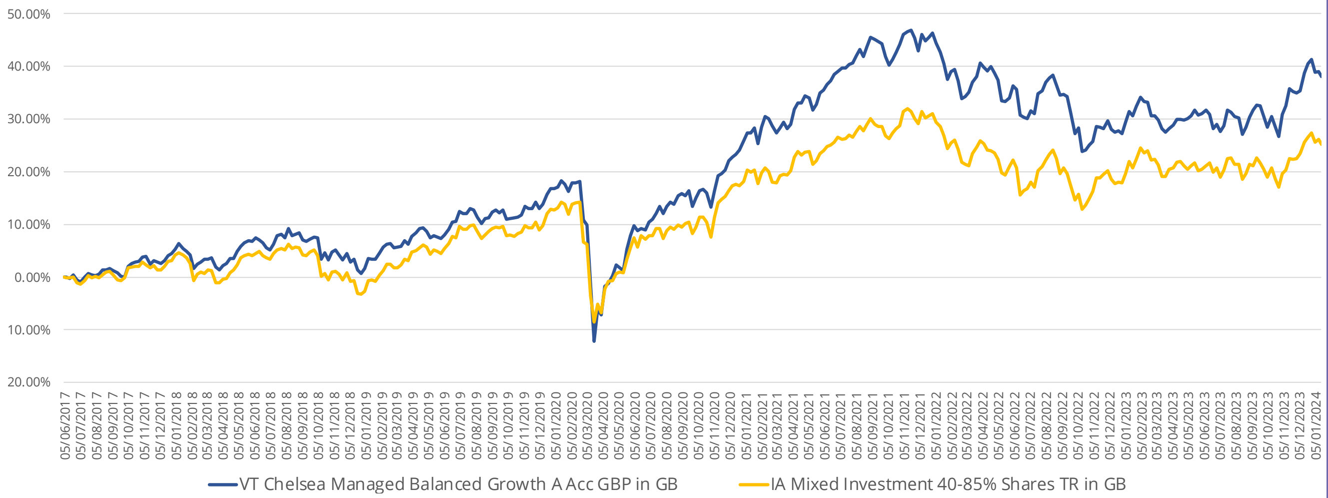
BALANCED GROWTH

OUR 'HAPPY MEDIUM' PORTFOLIO

In the balanced fund, we aim to grow your money over the long term. At the same time, we don't want you to lose sleep if the stock market tumbles, so we'll strive to build a portfolio with lower volatility than global equities†.

KEY FACTS:	
Ongoing charges figure:	0.76%
Payment dates:	N/A
Indicated yield:	N/A
Performance since launch:	38.02%
Sector average:	25.25%
Chelsea Risk Rating:	5.5

PERFORMANCE SINCE LAUNCH



Source: FE Funds Info 05/06/2017-17/01/2024 total return in sterling

WHAT ARE THE RISKS?

Past performance is not a reliable guide to future returns. It is important to understand that investments can go down as well as up in value. You may not get back the amount originally invested and income payments are not guaranteed.

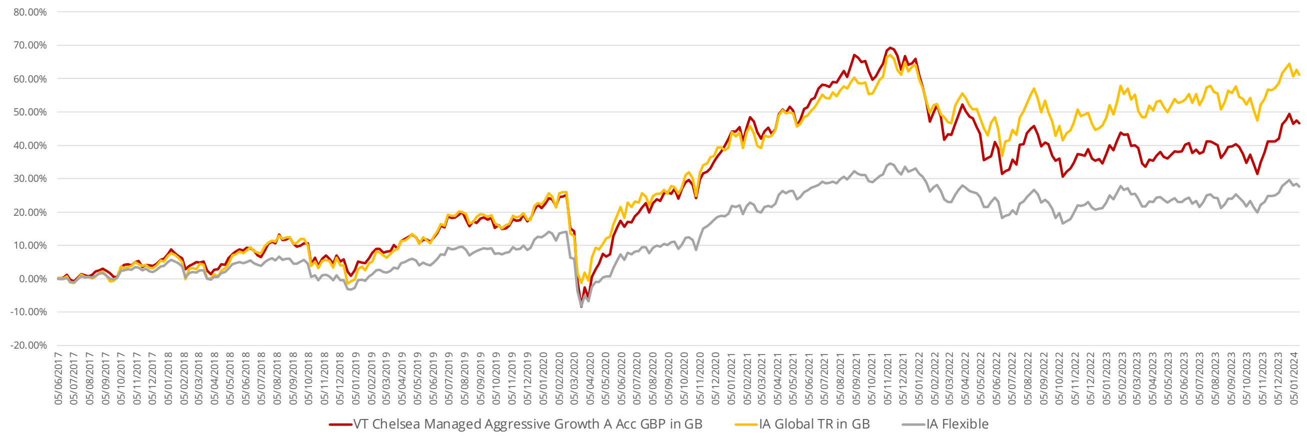
AGGRESSIVE GROWTH

OUR PUREST GROWTH PLAY

Quite simply, the aggressive fund aims to grow your money over the long term using our purest ideas†. We will invest heavily in stock markets around the world, which means the fund may be more volatile than the other VT Chelsea Managed funds.

KEY FACTS:	
Ongoing charges figure:	0.85%
Payment dates:	N/A
Indicated yield:	N/A
Performance since launch:	46.66%
IA Global sector average	61.12%
IA Flexible sector average:	27.56%
Chelsea Risk Rating:	7

PERFORMANCE SINCE LAUNCH



Source: FE Funds Info 05/06/2017-17/01/2024 total return in sterling

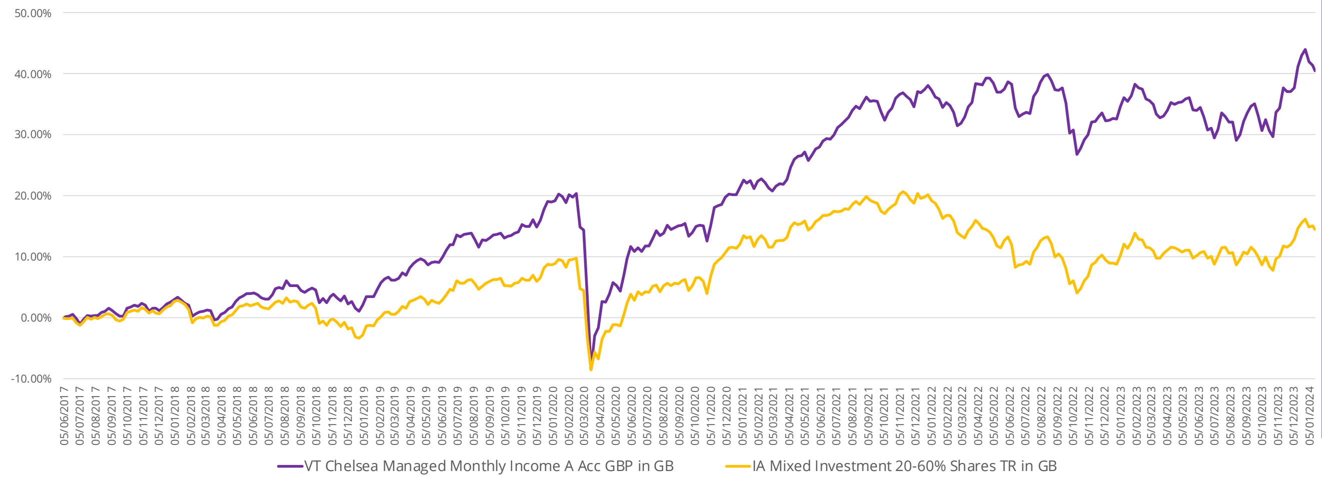
MONTHLY INCOME

OUR FUND FOR YIELD

The monthly income fund aims to pay roughly the same amount of income each month* so that you can budget with confidence. The fund targets an above-market income that is sustainable and consistent, as well as some capital growth, over the long term†.

KEY FACTS:	
Ongoing charges figure:	0.71%
Payment dates:	Monthly
Indicated yield:	5.70%
Performance since launch:	40.50%
Sector average:	14.45%
Chelsea Risk Rating:	4.5

PERFORMANCE SINCE LAUNCH



Source: FE Funds Info 05/06/2017-17/01/2024 total return in sterling

MORE INFORMATION »

For a full list of holdings, plus quarterly factsheets, visit:

www.chelseafs.co.uk/products/vt-chelsea-managed-funds

Indicated yields and Ongoing charges figures (OCFs) correct as at 30/11/2023.

† Long term is 5+ years. The aim is to have lower volatility than global equities over a rolling 5-year period.

* Income will be smoothed to pay a roughly level amount over 11 months, with a final adjustment payment in the 12th month, which may be more or less than the regular payment.

CORE SELECTION

CHELSEA CORE SELECTION

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

UK EQUITIES

ARTEMIS UK SELECT

NEW ENTRY

This fund is a concentrated portfolio of the best 40-50 stocks found by Ed and Ambrose, as they aim to combine top-down macroeconomic views with fundamental bottom-up analysis. The fund has a multi-cap approach and targets individual stocks the managers believe offer a non-consensus insight. This means the fund will never hold a stock just because it represents a significant proportion of its benchmark. In addition to this, the fund also has the ability to hold short positions in selected holdings where the managers believe a company may have negative prospects and can consequently make money from a falling share price. Ed and Ambrose have an excellent long-term track record.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.84%†
FUNDCALIBRE RATING	-
MORNINGSTAR RATING	SILVER
YIELD	2.73%
UNIT TYPE	ACC

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%#
ONGOING CHARGES FIGURE (OCF)	0.81%*
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	0.72%
UNIT TYPE	INC

LIONTRUST SPECIAL SITUATIONS

This UK multi-cap fund is a 'best ideas' portfolio, encompassing 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	6.5
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.81%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.92%
UNIT TYPE	INC

LIONTRUST UK MICRO CAP

Investing in Britain's smallest businesses, with a market capitalisation of less than £150m, this fund applies the team's proven 'economic advantage' investment process to micro-caps - a part of the market that tends to be under-researched. The fund was launched in March 2016 and is run by a team of five. The team undertakes detailed fundamental research, preferring to avoid simplistic screens, which they feel can be misleading. They aim to invest only in profitable companies, which must have at least one intangible asset, such as high recurring venues or a strong brand. This is a long-term, low-turnover strategy. **NB This fund carries a large bid-offer spread, currently around 4%, at the time of going to print.**

CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	1.25%#
ONGOING CHARGES FIGURE (OCF)	1.34%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.62%
UNIT TYPE	ACC

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%#
ONGOING CHARGES FIGURE (OCF)	0.86%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.68%
UNIT TYPE	ACC

WS GRESHAM HOUSE UK MICRO CAP

Manager Ken Wotton levers 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%^#
ONGOING CHARGES FIGURE (OCF)	0.96%^†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.57%
UNIT TYPE	ACC

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%#
ONGOING CHARGES FIGURE (OCF)	0.91%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	4.04%
UNIT TYPE	ACC

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 mainly 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%#
ONGOING CHARGES FIGURE (OCF)	0.91%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.84%
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	0.35%#^
ONGOING CHARGES FIGURE (OCF)	0.44%†^
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.60%
UNIT TYPE	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	-
ONGOING CHARGES FIGURE (OCF)	0.66%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.61%
UNIT TYPE	ACC

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%#
ONGOING CHARGES FIGURE (OCF)	0.90%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	5.45%
UNIT TYPE	ACC

WS EVENLODE INCOME

SPOTLIGHT

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 typically have difficult-to-replicate business models, strong market positioning 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%#
ONGOING CHARGES FIGURE (OCF)	0.87%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	2.70%
UNIT TYPE	ACC

WS 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	0.79%#
ONGOING CHARGES FIGURE (OCF)	0.79%
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	2.20%
UNIT TYPE	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 27 for further details.

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 27 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 17/01/2024 as at 19/01/2024. Yields as at 19/01/2024 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

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)	0.91%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.62%
UNIT TYPE	ACC

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	0.74%#
ONGOING CHARGES FIGURE (OCF)	0.79%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.58%
UNIT TYPE	ACC

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)	0.80%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	2.18%
UNIT TYPE	INC

NEW ENTRY

LIONTRUST EUROPEAN DYNAMIC

Liontrust European Dynamic is a concentrated fund of around 30-40 holdings. The managers, James Inglis-Jones and Samantha Gleave, believe cash flow is the single most important determinant of shareholder return. They look at around 1,200 companies that have sufficient liquidity within Europe. They then create a 'Cashflow Champions Watchlist'. Stocks are ranked in order of attractiveness across two screens - a quality screen and a value screen - with the top 20% comprising the Cashflow Champions. The managers then conduct fundamental research on each company, carefully examining annual reports and accounts. This is a core European holding which will adapt the portfolio to prevailing market conditions.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75%#
ONGOING CHARGES FIGURE (OCF)	0.86%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.56%
UNIT TYPE	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%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	-
UNIT TYPE	ACC

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%†
FUNDCALIBRE RATING	-
MORNINGSTAR RATING	GOLD
YIELD	1.19%
UNIT TYPE	ACC

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%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.22%
UNIT TYPE	ACC

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 27 for further details.

ASIA PACIFIC, JAPAN AND EMERGING MARKETS

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%#
ONGOING CHARGES FIGURE (OCF)	0.90%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
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%#
ONGOING CHARGES FIGURE (OCF)	1.09%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	1.76%
UNIT TYPE	ACC

NEW ENTRY

GQG PARTNERS EMERGING MARKETS EQUITY

All the funds at Florida-based GQG Partners are led by founder and veteran fund manager Rajiv Jain. The fund is a concentrated portfolio of high-quality companies with durable earnings. The team emphasises the importance of future quality, rather than companies which have simply done well historically. As a result, they screen for stocks with stable financials and solid balance sheets. They also utilise a team of investigative journalists and specialist accountants to help give them an edge in examining companies.

CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	0.90%#
ONGOING CHARGES FIGURE (OCF)	1.04%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	-
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%#
ONGOING CHARGES FIGURE (OCF)	0.81%†
FUNDCALIBRE RATING	-
MORNINGSTAR RATING	GOLD
YIELD	0.54%
UNIT TYPE	ACC

JUPITER ASIAN INCOME

Well-known Asian income manager Jason Pidcock combs the Asia Pacific market in search of large companies with reliable dividends that can deliver both income and growth for investors. The fund aims to capitalise on the opportunities of today, as well as the potential of tomorrow, and the manager is not afraid to hold much more or less of certain countries than its benchmark in pursuit of this aim, with the portfolio currently having no holdings in China. The portfolio tends to have a considerable amount invested in the more developed countries in Asia, due to the importance of a reliable dividend stream. This is a reliable, more defensive fund but performance tends to be very different from its peer group and benchmark.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	1.01%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	4.05%
UNIT TYPE	ACC

M&G JAPAN

M&G Japan invests in Japanese firms of any size, with a bias towards small and mid-caps. The managers, Carl Vine and David Perrett, who have worked together for many years, concentrate their efforts on really getting under the skin of the businesses they look at, which adds value in an esoteric market like Japan, and leads to a concentrated portfolio of companies (typically fewer than 50 holdings) of which they have a real in-depth understanding. The fund is unconstrained with regards to the benchmark, so may deviate significantly from the benchmark's constituents. The fund has a slight value bias and has consistently outperformed under Carl's tenure.

CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	0.53%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.44%
UNIT TYPE	ACC

STEWART INVESTORS ASIA PACIFIC LEADERS SUSTAINABILITY

The fund is managed by David Gait and Sashi Reddy. They have a strong focus on capital preservationby 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%#
ONGOING CHARGES FIGURE (OCF)	0.84%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.84%
UNIT TYPE	ACC

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 27 for more information. For performance statistics please refer to pages 18-19.

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- **^** Includes Chelsea discount.

GLOBAL

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%#
ONGOING CHARGES FIGURE (OCF)	0.94%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	-
UNIT TYPE	ACC

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	0.65%#
ONGOING CHARGES FIGURE (OCF)	0.76%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.67%
UNIT TYPE	ACC

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%^#
ONGOING CHARGES FIGURE (OCF)	0.77%^†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.28%
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
ANNUAL MANAGEMENT CHARGE	0.50%^#
ONGOING CHARGES FIGURE (OCF)	0.60%^†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	-
YIELD	0.34%
UNIT TYPE	ACC

NEW ENTRY

WS EVENLODE GLOBAL EQUITY

Fund managers Chris and James scour the globe for 'quality' companies that can achieve sustainable growth over time with minimal capital reinvestment. In essence, Evenlode's investment approach revolves around identifying market-leading companies, with high cashflow returns on capital, manageable business risks, and limited financial leverage. They find that this process has led them to predominantly fish in large-cap and growth buckets. The outcome is a concentrated portfolio of between 30-50 companies.

CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.85%^#
ONGOING CHARGES FIGURE (OCF)	0.85%^†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.30%
UNIT TYPE	ACC

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 27 for further details.

FIXED INTEREST

SPOTLIGHT

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. Income is paid in January, April, July and October.

CHELSEA RISK RATING	2.5
ANNUAL MANAGEMENT CHARGE	0.25%#
ONGOING CHARGES FIGURE (OCF)	0.37%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	4.71%
UNIT TYPE	ACC

MAN GLG HIGH YIELD OPPORTUNITIES

Man GLG High Yield Opportunities is an unconstrained, concentrated global high yield bond fund,driven by individual bond selection, but guided by top-down thematic ideas. Manager Mike Scott is ably supported by a team of internal credit analysts who conduct a rigorous analysis of every potential holding and their ability to meet debt obligations. Mike is very experienced and has an excellent track record in navigating the extra risk in the sector whilst achieving above average returns. Income is paid monthly.

CHELSEA RISK RATING	4
ANNUAL MANAGEMENT CHARGE	0.60%#
ONGOING CHARGES FIGURE (OCF)	0.75%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	5.51%
UNIT TYPE	ACC

NEW ENTRY

MAN GLG STERLING CORPORATE BOND

This relatively new fund is managed by Jonathan Golan, one of the most exciting young bond managers around. The fund invests in bonds with a margin of safety which is achieved through rigorous credit analysis. The fund invests globally and finds many of its best ideas off the beaten path. Each bond in the portfolio has a self-help story which is typically uncorrelated to the wider economic picture. The fund favours small and medium bond issuers which may be less well understood. So far Jonathan Golan has continued his excellent performance at Schroders with this new fund.

CHELSEA RISK RATING	3.5
ANNUAL MANAGEMENT CHARGE	0.46%#
ONGOING CHARGES FIGURE (OCF)	0.63%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	7.23%
UNIT TYPE	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. Income is paid in February and August.

CHELSEA RISK RATING	4.5
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	0.68%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	6.58
UNIT TYPE	ACC

NOMURA GLOBAL DYNAMIC BOND (HEDGED)

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%#
ONGOING CHARGES FIGURE (OCF)	0.75%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	-
UNIT TYPE	ACC

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	2.5
ANNUAL MANAGEMENT CHARGE	0.63%#
ONGOING CHARGES FIGURE (OCF)	0.66%†
FUNDCALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	5.00%
UNIT TYPE	ACC

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- ****** Cheaper share class available. Please contact us on 020 7384 7300.
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- **^** Includes Chelsea discount.

CORE SELECTION SPOTLIGHT

STEPHEN SNOWDEN
Fund manager,
Artemis Corporate Bond
Elite Rated by FundCalibre

THE VOICE OF EXPERIENCE: "JUST BUY BONDS"

I have been working in fund management since 1994 – almost 30 years. Experience is always invaluable in managing money but it has never been more relevant than it is today, particularly in the bond market.

When I began my career, interest rates were at levels then considered 'normal'. There is, of course, no such thing. Following the financial crisis, base rates averaged about 0.5% for more than 10 years. They are now above 5%. Having spent the first dozen years of their careers working in the environment of super-low interest rates, however, many market participants simply have no idea what 'normal' looks like. Perhaps they're all busy reading textbooks to try to understand how the world will work now that interest rates are back above 5% again. But I can remember all too vividly.

Back in late 2006 and early 2007, when interest rates in the UK were last above 5%, conditions were nothing like they are today. It was boomtime. The nation's favourite TV show was Location, Location, Location and Northern Rock was happy to offer you a 125% loan-to-value mortgage. Future growth and prosperity seemed assured. Little did we know the near collapse of the global banking system, the worst recession in living memory and dramatic cuts to interest rates were just around the corner...

Even if you take a glass-half-full view of the economic outlook, please believe me that nobody today is remotely as enthusiastic as they were 16 years ago. Nobody. At the risk of pointing out the obvious, we are not in the middle of an economic boom. Interest rates will have to fall from here. They are simply out of step with reality. In the bond market, meanwhile, yields are higher than they have been for nearly a generation. And bonds typically perform very, very well when the Bank of England starts cutting interest rates. And it will, even if it hasn't said so yet...

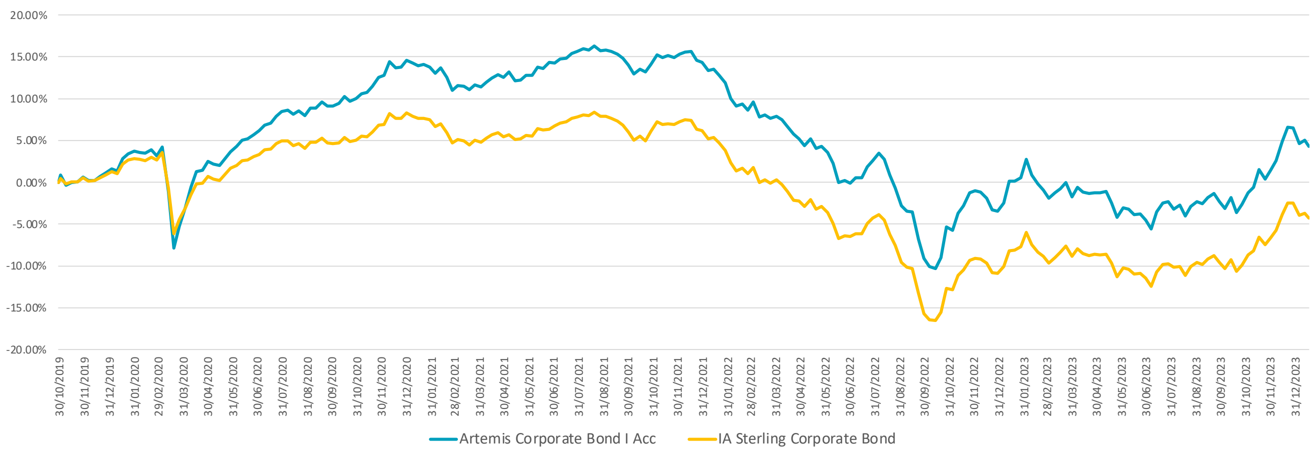
WHY THE BANK OF ENGLAND WILL CUT RATES – AND WHY BONDS ARE BACK

The inflationary forces the Bank has been fighting (post-pandemic dislocations, the release of savings accumulated during lockdown and a spike in energy prices in response to the invasion of Ukraine) were temporary – and are rapidly being consigned to the rear-view mirror. But even as those inflationary pressures ease, the impact of rising interest rates on society is only just beginning to be felt. Mortgage repayments are the most obvious example. Most people in the UK are on fixed-rate mortgages. That means those of us whose fixed rates have yet to expire still haven't felt the impact of higher monthly repayments. But time waits for no man, and higher borrowing costs will become more keenly felt with every month that passes. So rate cuts are a matter of "when" rather than "if".

Another thing I've observed over the past three decades: it is rare for bond managers to express excitement about their funds. The stereotypical bond manager is someone boring, scrupulous and more concerned with downside risk than upside potential. (If you haven't visited a bond desk, think of the goblins writing in their ledgers with quills in Gringotts Bank in Harry Potter and you won't be far off). Like many stereotypes, this one has some basis in truth. It is rare for us to set down our quills, start banging on our desks and urging you to buy bonds. But when we do, three decades of experience suggests it might be worth listening to us. Just buy bonds.

THE CHELSEA VIEW

Stephen Snowden brings his considerable experience in investment grade fixed interest to bear on the Artemis Corporate Bond fund. He combines his knowledge and understanding of the macroeconomic backdrop with his credit analysis and technical understanding of the bond market. He and his team have a strong process and a very good track record investing in corporate bonds.



***Source:** *Source: FE fundinfo, 30/10/2019 to 17/01/2024, total returns, net of fees, in sterling.*

CORE SELECTION SPOTLIGHT

HUGH YARROW
Fund manager,
Evenlode Income
Elite Rated by FundCalibre

TEAM-BASED APPROACH

The Evenlode Income fund is managed by me and my colleagues Ben Peters and Chris Moore. Ben and I have managed the fund since launch in October 2009, and Chris joined Evenlode in 2018. We also have two investment analysts on our team, Charlotte Lamb and Leon Cyril.

Our investment company, Evenlode, is employee-owned and based in a converted barn in the West Oxfordshire countryside. Our investment team of eighteen work collegiately to deploy the same investment process across all three of the strategies we run – Evenlode Income, Evenlode Global Income, and Evenlode Global Equity. We have developed our own investment technology platform ('EDDIE') which is a shared repository for all of our quantitative models, qualitative research, portfolio monitoring and modelling tools, and our risk management framework.

OUR STRATEGY

Evenlode Income is a UK income fund, so it will always be at least 80% invested in UK-listed shares, though most of these companies are British-based global market leaders - so the portfolio's underlying revenues have good geographic diversification.

I call the Evenlode investment approach a 'get rich slowly' strategy. Evenlode Income invests in the shares of quality companies that can generate good growth in their cash flows and dividends over time. In particular, we focus on businesses that have a difficult to replicate competitive position, whose products and services represent a small portion of their customers' cost base, and for which the customer is interested in factors other than price when choosing a supplier. These companies often have recurring revenues, good pricing power, high levels of cash generation and strong balance sheets - all characteristics that provide helpful insulation from a wide range of economic conditions. Though we are long-term investors, we evolve the portfolio steadily as we manage both valuation and fundamental risk.

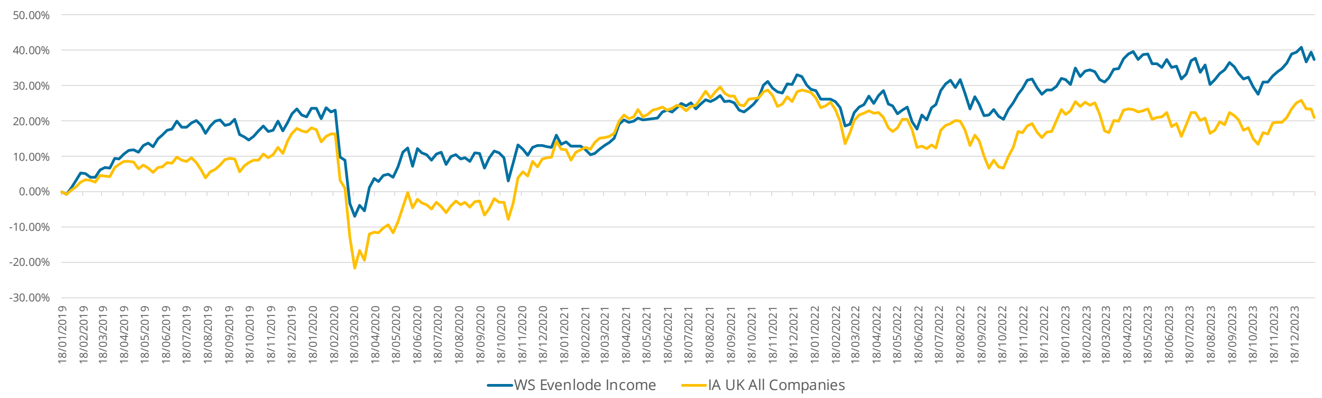
STOCK STORIES

The Evenlode approach tends to lead us towards certain sectors and away from others. Typical 'Evenlode' sectors include business-to-business sectors such as speciality engineers, data analytics, software, support services, media, healthcare and speciality distributors. For example, Newcastle-based Sage is a provider of enterprise software to small and medium-sized businesses. Halma, headquartered in Amersham, provides sophisticated detection and testing equipment for a wide range of health and safety uses. Bath-based Rotork provides mission-critical flow control solutions to energy, water and other industrial end markets. All three of these companies are global market leaders. The most significant consumer-facing business models of interest are those selling low-ticket, repeat-purchase consumer branded goods. Unilever, Reckitt and Diageo are holdings, for instance. The main sectors the fund doesn't have exposure to include asset intensive sectors such as energy and mining, utility firms, banks, insurers and property companies.

In terms of recent developments, the rapid rise in interest rates over the past two years has, as well as raising the cost of borrowing, led to a fall in valuation for many companies within the UK stock market - even for those that continue to make steady fundamental progress. This has tested the patience of equity investors, but it has also 'squashed' the valuations of most companies down to attractive levels. The opportunity set hasn't looked this broad to us since the early days of the fund in the 2009-2013 period, which we believe bodes well for the patient investor. We also think that sensibly run, well capitalised companies with market-leading positions are well placed to strengthen their competitive position in this higher interest rate environment. This theme of 'the strong growing stronger' is visible in many areas of the portfolio, and we suspect it has further to run.

THE CHELSEA VIEW

The managers are not afraid to radically depart from their benchmark and ignore entire sectors in this fund. The investment process is extremely well defined and is based on the simple, but effective, idea that over the long run quality will outperform. This high conviction, long-term approach is refreshing to see.



***Source:** *Source: FE fundinfo, 17/01/2019 to 17/01/2024, total returns, net of fees, in sterling.*

THE CHELSEA SELECTION

Fund		Elite Rating	Chelsea Risk Rating	1 YEAR % Growth	1 YEAR Rank	3 YEAR % Growth	3 YEAR Rank	5 YEAR % Growth	5 YEAR Rank	10 YEAR % Growth	10 YEAR Rank	% Yield	Fund Size(m)
UK ALL COMPANIES													
Artemis UK Select		-	7	3.00	15	18.58	62	62.17	1	84.58	14	2.73	£1,841.0
IFSL Marlborough Multi-Cap Growth			7	3.97	9	-4.23	186	27.16	98	82.79	17	0.72	£178.2
IFSL Marlborough Special Situations			7.5	-6.87	215	-20.94	220	7.63	197	71.07	27	1.12	£739.4
Jupiter UK Special Situations			6	-0.12	62	31.91	4	33.64	35	72.41	25	3.42	£2,045.0
Liontrust Special Situations			6	-1.29	91	9.26	123	29.97	61	98.66	6	1.92	£3,861.4
MI Chelverton UK Equity Growth			7.5	-9.81	228	-7.41	200	49.55	5	-	-	1.68	£674.7
Schroder Recovery			7.5	-2.33	145	27.05	8	25.20	115	51.16	103	3.25	£857.0
Slater Growth			7	-12.98	230	-10.57	211	35.94	25	96.56	7	0.74	£757.8
VT Downing Unique Opportunities			7	-1.54	108	0.66	159	-	-	-	-	-	£37.5
WS Lindsell Train UK Equity			6.5	-1.83	126	7.65	132	28.05	87	101.94	5	2.15	£4,013.7
Sector Average				**-1.99**	**235**	**7.96**	**227**	**22.66**	**218**	**46.99**	**190**	**-**	**-**
UK EQUITY INCOME													
Artemis Income			5	1.61	8	20.88	26	37.52	6	72.65	8	3.82	£4,378.4
Janus Henderson UK Responsible Income			6	2.60	4	14.87	42	36.55	7	70.55	10	4.10	£453.7
Man GLG Income			6.5	1.87	6	26.89	7	31.82	13	95.14	1	5.45	£1,438.5
Montanaro UK Income Seed^			7.5	-2.30	143/235	-1.69	173/227	22.36	130/218	65.97	35/190	3.60	£560.9
Rathbone Income			5	0.59	17	22.11	19	30.78	18	65.17	13	4.76	£669.7
WS Evenlode Income^	SPOTLIGHT		5	2.86	17 / 235	21.09	35 / 227	39.23	16 / 218	120.13	2 / 190	2.70	£3,191.0
WS Gresham House UK Multi Cap Income			7.5	4.21	1	25.33	9	52.98	1	-	-	4.22	680.2
Sector Average				**-2.14**	**75**	**16.21**	**73**	**24.58**	**72**	**49.75**	**61**	**-**	**-**
UK SMALLER COMPANIES													
Fidelity UK Smaller Companies		-	8	0.43	3	28.95	1	58.95	1	124.44	3	2.13	£566.0
IFSL Marlborough UK Micro-Cap Growth			8	-9.72	41	-23.53	39	10.18	32	76.73	12	0.13	£666.7
Liontrust UK Micro Cap			8	-0.93	6	9.36	5	57.04	2	-	-	0.62	£141.2
WS Amati UK Listed Smaller Companies			8	-13.13	46	-27.23	42	3.39	41	93.30	8	2.40	£470.2
WS Gresham House UK Micro Cap			8	1.71	1	-10.27	24	18.70	20	95.41	7	0.57	£190.8
Sector Average				**-5.60**	**48**	**-10.89**	**47**	**16.36**	**45**	**59.36**	**41**	**-**	**-**
STERLING CORPORATE BOND													
Artemis Corporate Bond	SPOTLIGHT		2.5	4.67	39	-8.49	28	-	-	-	-	4.71	£1,403.5
BlackRock Corporate Bond			2.5	4.68	38	-10.37	36	4.22	33	32.04	7	4.39	£1,113.2
Man GLG Sterling Corporate Bond			3.5	19.71	1	-	-	-	-	-	-	7.23	£750.2
Rathbone Ethical Bond			2.5	5.81	15	-9.91	33	9.04	7	39.58	3	5.00	£2,078.9
Royal London Corporate Bond			2.5	6.92	3	-6.78	20	10.42	6	40.93	2	5.07	£1,255.8
TwentyFour Corporate Bond			2.5	2.79	87	-14.11	59	0.00	63	-	-	3.42	£1,422.4
Sector Average				**4.51**	**98**	**-11.10**	**94**	**3.82**	**88**	**25.85**	**69**	**-**	**-**
STERLING HIGH YIELD BOND													
Aegon High Yield Bond	NEW ENTRY		4.5	10.85	5	9.79	8	28.81	1	48.51	3	7.34	£571.0
Man GLG High Yield Opportunities			4	8.62	13	10.59	6	-	-	-	-	5.51	£504.6
Sector Average				**8.10**	**31**	**3.52**	**31**	**17.36**	**26**	**35.18**	**20**	**-**	**-**
STERLING STRATEGIC BOND													
Aegon Strategic Bond			4	4.61	43	-6.32	58	20.11	11	33.14	19	4.20	£294.0
Invesco Tactical Bond			3.5	2.88	62	1.42	23	19.46	10	31.27	27	3.67	£897.9
Janus Henderson Strategic Bond		-	3	-1.24	83	-15.32	75	1.38	64	20.35	46	3.60	£2,571.7
Nomura Global Dynamic Bond (Hedged)			4	2.41	65	-9.61	66	14.34	21	-	-	-	£1,810.2
TwentyFour Dynamic Bond			3.5	6.50	19	-3.13	39	11.99	27	34.40	14	8.08	£1,547.5
Sector Average				**4.40**	**85**	**-4.15**	**81**	**10.62**	**71**	**28.72**	**54**	**-**	**-**
TARGETED ABSOLUTE RETURN*													
Janus Henderson Absolute Return			4	6.77	-	10.90	-	17.90	-	36.77	-	2.30	901.7
Sector Average				**3.22**	**-**	**6.77**	**-**	**14.29**	**-**	**22.03**	**-**	**-**	**-**
EUROPE EXCLUDING UK													
BlackRock Continental European Income			7	2.65	97	11.80	94	51.21	60	114.65	24	4.04	£1,495.0
BlackRock European Dynamic			7	5.28	39	9.16	97	83.80	3	165.26	5	0.62	£3,907.7
CT European Select			7	5.28	40	11.57	95	62.43	19	129.30	12	0.58	£1,402.6
Fidelity European			6.5	3.31	86	27.67	17	66.84	15	151.33	8	1.46	£4,367.6
FTF Martin Currie European Unconstrained			7.5	2.30	103	-3.45	126	54.78	41	87.54	75	0.44	£33.7
IFSL Marlborough European Special Situations			8	-0.92	125	13.91	86	71.84	8	209.51	1	2.18	£216.8
Jupiter European Smaller Companies^			8	-0.12	6 / 27	-6.91	16 / 27	-	-	-	-	0.69	£13.6
Liontrust European Dynamic			7	7.10	12	39.98	2	99.95	1	185.46	2	2.56	£1,084.2
Premier Miton European Opportunities			7.5	2.09	105	-3.84	128	70.82	11	-	-	0.07	£1,187.0
Sector Average				**3.06**	**146**	**14.74**	**135**	**49.67**	**124**	**95.40**	**98**	**-**	**-**
NORTH AMERICA													
AXA Framlington American Growth			7	21.21	45	31.29	125	118.03	9	326.68	12	0.00	£1,035.4
Baillie Gifford American**			7.5	26.18	22	-40.04	224	68.20	142	327.44	10	0.00	£2,863.7
Brown Advisory US Flexible Equity**			7	21.47	43	39.29	52	102.98	25	-	-	1.02	£511.1
Fidelity Index US		-	7	16.20	108	39.66	49	97.61	42	287.78	27	1.19	£5,047.0
FTF Martin Currie US Unconstrained			7	14.75	126	10.83	207	70.75	137	218.62	85	0.00	£117.7
Premier Miton US Opportunities			7	5.86	192	23.97	166	86.46	94	256.05	56	0.22	£1,335.1
Sector Average				**13.33**	**252**	**28.81**	**225**	**81.89**	**201**	**225.89**	**124**	**-**	**-**

Fund		Elite Rating	Chelsea Risk Rating	1 YEAR % Growth	1 YEAR Rank	3 YEAR % Growth	3 YEAR Rank	5 YEAR % Growth	5 YEAR Rank	10 YEAR % Growth	10 YEAR Rank	% Yield	Fund Size(m)
JAPAN													
Baillie Gifford Japanese**			10	-1.53	91	-14.66	83	19.38	72	103.31	42	1.42	£1,738.5
FSSA Japan Focus			10	-9.67	98	-28.99	91	25.15	68	-	-	0.11	£142.3
JPM Japan		-	10	7.71	71	-19.62	85	36.14	41	139.62	10	0.54	£903.6
Jupiter Japan Income		-	9.5	7.96	69	5.81	51	42.50	21	141.35	8	2.43	£1,138.9
M&G Japan			10	13.00	33	34.27	9	48.50	13	147.08	5	1.44	£2,264.3
Pictet Japanese Equity Selection**			9.5	8.43	68	12.34	22	48.43	14	122.71	17	-	£665.5
Sector Average				**10.29**	**102**	**2.51**	**98**	**35.74**	**90**	**107.01**	**66**	**-**	**-**
ASIA PACIFIC EXCLUDING JAPAN*													
Baillie Gifford Pacific		-	8.5	-11.80	63	-25.40	73	59.42	2	166.20	2	1.57	£2,471.7
Fidelity Asia Pacific Opportunities			8	-10.90	57	-9.32	43	47.13	6	-	-	-	£1,583.0
Fidelity Asian Dividend			7.5	-8.41	28	1.00	9	22.73	34	119.76	12	4.31	£85.0
Fidelity Asian Smaller Companies	NEW ENTRY		10	-0.90	3	21.71	1	41.17	8	149.40	3	-	£1,020.6
Guinness Asian Equity Income			8	-5.88	16	0.54	16	24.09	32	120.13	10	3.45	£204.7
Invesco Asian			8	-12.33	65	-9.19	42	27.25	23	139.28	5	2.20	£2,450.5
Jupiter Asian Income			7.5	-0.80	2	14.24	3	50.08	4	-	-	4.05	£1,349.7
Schroder Asian Income			7.5	-8.02	27	-2.21	25	27.76	22	113.37	16	4.58	£1,210.4
Stewart Investors Asia Pacific Leaders Sustainability			7.5	-3.91	-	-2.72	-	30.63		129.66	-	0.84	£6,208.7
Sector Average				**-12.04**	**121**	**-17.09**	**112**	**18.97**	**105**	**84.56**	**80**	**-**	**-**
GLOBAL EMERGING MARKETS													
Alquity Indian Subcontinent**^			10	14.20	17 / 24	60.71	5 / 24	67.63	12 / 20	-	-	-	£27.8
Aubrey Global Emerging Markets Opportunities			10	1.33	20	-23.89	96	43.65	8	-	-	-	£229.4
FSSA Greater China Growth^			10	-27.14	7 / 68	-32.65	3 / 59	12.63	7 / 48	93.39	6 / 36	1.98	£403.9
GQG Partners Emerging Markets Equity**			10	19.18	1	-0.14	22	56.65	1	-	-	-	£2,014.2
GS India Equity Portfolio			10	22.63	6 / 24	52.60	7 / 24	94.38	2 / 20	363.00	2 / 16	-	£2,418.3
Invesco Emerging Markets ex China (UK)		-	10	10.43	4	31.49	1	16.84	38	31.41	88	2.32	£178.4
M&G Global Emerging Markets		-	10	-6.80	81	2.67	18	21.06	29	73.27	36	2.80	£631.7
Redwheel Global Emerging Markets		-	10	-14.28	163	-28.49	121	13.53	55	-	-	-	£1,029.9
Sector Average				**-6.06**	**168**	**-18.13**	**153**	**10.20**	**133**	**54.60**	**97**	**-**	**-**
GLOBAL													
BlackRock Global Unconstrained Equity (UK)			7	17.76	35	42.64	10	-	-	-	-	-	£977.2
Fundsmith Equity			6	7.90	238	19.81	201	70.79	113	301.14	3	-	£2,3376.7
Montanaro Better World			8	-3.91	492	-16.75	447	43.46	306	-	-	-	£252.4
Ninety One Global Environment**			7.5	-10.67	523	-9.60	433	-	-	-	-	0.67	£1,780.6
Pictet Global Environmental Opportunities**			7.5	4.24	331	6.32	339	87.11	26	193.46	51		£6,188.7
Rathbone Global Opportunities			6.5	11.83	143	11.10	288	76.81	67	222.96	13	0.28	£3,580.0
T. Rowe Price Global Focused Growth Equity			7	12.37	135	2.70	370	90.55	22	-	-	0.34	£390.4
WS Blue Whale Growth			8	24.20	8	16.80	225	71.61	85	-	-	-	£874.8
WS Evenlode Global Equity			6	12.61	121	37.02	23	-	-	-	-	0.30	£328.0
Sector Average				**6.04**	**544**	**12.79**	**470**	**56.74**	**391**	**134.29**	**237**	**-**	**-**
GLOBAL EQUITY INCOME													
Aviva Inv Global Equity Income	NEW ENTRY	-	6.5	13.79	1	43.00	2	86.56	2	203.64	2	2.10	£299.2
Fidelity Global Dividend			6	6.46	17	19.50	34	55.75	16	156.47	8	2.84	£3,609.0
JPM Global Equity Income			6.5	3.27	30	32.93	11	81.57	4	190.16	3	2.41	£653.5
M&G Global Dividend			7	0.40	49	24.38	23	59.28	11	137.60	12	2.61	£2,136.1
Royal London Global Equity Income	NEW ENTRY	-	6	11.10	5	43.86	1	-	-	-	-	3.04	£866.0
WS Evenlode Global Income			6	4.87	22	23.77	25	58.14	12	-	-	2.10	£1,796.0
WS Guinness Global Equity Income			6.5	6.79	16	35.64	7	-	-	-	-	2.20	£ 142.4
Sector Average				**4.24**	**55**	**22.69**	**53**	**50.51**	**47**	**113.43**	**34**	**-**	**-**
MISCELLANEOUS*													
AXA Framlington Global Technology			10	26.68	22 / 32	12.47	16 / 30	118.16	14 / 28	440.27	5 / 13	-	£1,289.4
CT European Real Estate Securities			7	-3.64	-	-16.80	-	-1.38	-	73.67	-	-	£19.1
Fidelity Global Technology			10	23.15	25 / 32	38.30	6 / 30	170.63	6 / 28	626.26	1 / 13	-	£1,5904.9
FTF ClearBridge Global Infrastructure Income		-	5	-6.89	12 / 32	12.23	14 / 26	48.06	2 / 24	-	-	4.92	£1287.7
Jupiter Financial Opportunities			8	5.50	7 / 15	-8.30	9 / 14	32.03	9 / 13	92.76	6 / 8	2.07	£406.1
M&G Emerging Markets Bond			4.5	4.92	10 / 22	2.92	4 / 21	15.55	2 / 17	85.44	1 / 10	6.58	£1,625.4
Polar Capital Biotechnology			10	7.16	-	15.03	-	88.09	-	347.31	-	-	£1,261.5
Polar Capital Global Insurance			7	2.15	12 / 15	46.60	1 / 14	70.11	1 / 13	230.84	1 / 8	1.21	£2,020.4
Polar Capital Healthcare Opportunities			8	6.69	2 / 20	17.82	9 / 18	55.84	10 / 13	194.93	4 / 7	-	£1,319.8
VT Gravis UK Infrastructure Income			4.5	-11.30	26 / 32	-2.62	20 / 26	11.03	20 / 24	-	-	5.76	£575.8

Environmental, social and governance (ESG) funds
Funds featured in The Chelsea Core Selection (see pages 10-15).
Funds that are Elite Rated by FundCalibre.
Funds that are on FundCalibre's Elite Radar (see FundCalibre.com for further details). FundCalibre is an appointed representative of Chelsea Financial Services.

Source: FE fundinfo, IA (Investment Association) universe, total return from main units (unless the fund has an income mandate, in which case the income share class of the main unit has been used). All figures for period up to 17/01/2024 as at 19/01/2024.

Yields per annum as at 19/01/2024 taken from income unit where applicable.

Whilst every effort has been made to ensure the accuracy of this information, Chelsea Financial Services take no responsibility for any errors, omissions or inaccuracies contained therein. The funds within the Chelsea Selection are based on our proprietary research, which is both qualitative and quantitative. Please note this is not investment advice nor does it imply that you should invest in any of these funds. Please read the Important Notice on page 2. Past performance is not a guide to future returns. Correct at time of print but subject to change.

^ These funds fall within a different sector, hence the sector positions may vary.

* Where there is multiple sector amalgamation, sector positions shown are within various different underlying sectors. Some funds aren't ranked as they are not comparable due to the diverse nature of the sector.

** The history of this unit/share class has been extended, at FE fundinfo's discretion, to give a sense of a longer track record of the fund as a whole.

† Please call our dealing line on 020 7384 7300 - the cheaper Montanaro seed share class is currently only available via telephone dealing. Normal T&Cs apply. Please visit chelseafs.co.uk for full Terms & Conditions.

\# This fund is domiciled offshore and may sit within a different sector. Please note different regulations may apply to funds with offshore status. Investors are not normally entitled to compensation through the UK Financial Services Compensation Scheme for offshore funds.

THE REDZONE

THE REDZONE

The RedZone makes its highly anticipated annual return. It puts a red spotlight on funds that have fallen short of expectations over the past few years[1]. We hope you find it informative and, if anything, a chance to scan over your portfolio and see what funds might have been holding back your returns. It also gives you a chance to scrutinise the different asset management houses and their ability to provide the best performance for clients across their product range.

In this edition, the serial underperformer list consists of 100 funds, across 41 different companies and 20 different sectors. These companies' collective underperforming assets total over £36 billion, larger than the size of Cyprus's GDP[2]. Abrdn and Baillie Gifford both hold the unwanted title of the most funds in the RedZone with 11 each, equating to just under 30% of the underperforming assets by value. Whilst Baillie Gifford are new to this level of disappointment, loyal readers will know that these aren't unfamiliar waters for Abrdn. Baillie Gifford's investment style is largely responsible for catapulting it to the top of the list, but more on that later. Premier Miton are next on the list with seven, followed by Columbia Threadneedle with six and Jupiter with five. Over 75% of the list is made up of companies that have only one or two funds in the RedZone.

The most prominent sector is the UK All Companies, with 24 different funds. The vast majority of these Red-zoned funds in this sector have a small and mid-cap bias which, as you know, have suffered inordinately over the past couple of years at the hands of rising interest costs and inflation. The UK market has also experienced huge outflows, which has depressed the share prices of many of the lesser-known smaller companies, as demand has dived. The Global sector has the second most underperformers with 14 funds. This is largely dominated by a mix of global small-cap growth funds, as well as global ESG funds that saw particularly strong drawdowns in 2023.

JOSS MURPHY
Junior research analyst
Chelsea

DROPZONE

The Dropzone is the top 10 funds with the worst underperformance against their sector average over the course of three years. The worst performer in the Dropzone is Baillie Gifford Global Discovery, which underperformed the Global sector by a shocking 72.7% over the past three 3 years. Unfortunately for Baillie Gifford, another 5 of their funds also feature on this list. Although this is disappointing, it is not wholly unsurprising. Baillie Gifford's management style is unshakeably small-cap growth, which has been heavily out of favour over the past few years. Perhaps more pain is to come, but if interest rates get aggressively cut and inflation falls quickly, it could be the worst time to pivot away. This could be said of other Red-zoned funds too, which also deserve another look - it's always important to look at performance in context over the long term.

	3 Year % Growth	Quartile position
UK SMALLER COMPANIES		
abrdn UK Smaller Companies	-21.08%	4
Jupiter UK Smaller Companies Equity	-22.06%	4
Ninety One UK Smaller Companies	-24.67%	4
Jupiter UK Smaller Companies	-27.48%	4
FP Octopus UK Micro Cap Growth	-30.20%	4
Premier Miton UK Smaller Companies	-31.98%	4
Sector average	-9.15%	
UK GILTS		
Vanguard UK Long Duration Gilt Index	-45.46%	4
Sector average	-25.82%	
MIXED INVESTMENTS 40-85 SHARES		
Baillie Gifford Managed	-19.55%	4
Sector average	5.72%	
UK EQUITY INCOME		
abrdn UK Income Unconstrained Equity	-1.12%	4
Premier Miton UK Multi Cap Income	-9.31%	4
Sector average	16.95%	
UK ALL COMPANIES		
BNY Mellon Sustainable UK Opportunities	-1.67%	4
CT UK Sustainable Equity	-1.85%	4
abrdn UK Ethical Equity	-2.62%	4
Premier Miton UK Growth	-3.64%	4
Royal London UK Mid-Cap Growth	-3.81%	4
M&G Recovery	-4.46%	4
AXA Framlington UK Select Opportunities	-5.10%	4
CFP SDL Free Spirit	-5.99%	4
Ninety One UK Sustainable Equity	-6.00%	4
EdenTree Responsible and Sustainable UK Equity	-6.27%	4
M&G UK Sustain Paris Aligned	-6.83%	4
AXA Framlington UK Sustainable Equity	-7.52%	4
Unicorn Outstanding British Companies	-7.67%	4
Premier Miton Responsible UK Equity	-8.40%	4
AXA Framlington UK Mid Cap	-8.54%	4
Liontrust Sustainable Future UK Growth	-15.10%	4
Liontrust UK Ethical	-17.00%	4
CT UK Mid 250	-18.31%	4
IFSL Marlborough Special Situations	-21.77%	4
L&G Future World Sustainable UK Equity Focus	-24.84%	4
⊙ Baillie Gifford UK Equity Alpha	-26.25%	4
⊙ SVM UK Growth	-27.01%	4
⊙ abrdn UK Mid Cap Equity	-27.44%	4
⊙ Jupiter UK Mid Cap	-35.72%	4
Sector average	9.14%	
STERLING CORPORATE BOND		
abrdn Sterling Bond	-25.40%	4
Allianz Strategic Bond	-27.41%	4
Schroder Long Dated Corporate Bond	-31.92%	4
Janus Henderson Inst Long Dated Credit	-35.01%	4
Sector average	-10.63%	

	3 Year % Growth	Quartile position
SPECIALIST		
Sarasin Food & Agriculture Opportunities	-15.83%	4
Barings Korea Trust	-29.81%	4
Sector average	-1.06%	
NORTH AMERICAN SMALLER COMPS		
Premier Miton US Smaller Companies	-34.32%	4
Sector average	0.69%	
JAPAN		
AXA Framlington Japan	-12.16%	3
abrdn Japanese Equity	-12.71%	4
Baillie Gifford Japanese	-12.75%	4
Fidelity Japan Smaller Companies	-15.54%	4
Invesco Japanese Smaller Companies (UK)	-21.34%	4
FSSA Japan Focus	-27.02%	4
T. Rowe Price Japanese Equity	-27.62%	4
⊙ Baillie Gifford Japanese Smaller Companies	-42.25%	4
Sector average	3.99%	
INFRASTRUCTURE		
FP Foresight UK Infrastructure Income	-8.77%	4
FP Foresight Global Real Infrastructure	-21.39%	4
Sector average	2.60%	
HEALTHCARE		
⊙ Baillie Gifford Health Innovation	-44.18%	4
Sector average	-4.58%	
GLOBAL		
Stewart Investors Worldwide Sustainability	0.61%	4
Invesco Global Smaller Companies (UK)	-0.12%	4
WS Montanaro Global Select	-0.20%	4
IFSL Equilibrium Global Equity Portfolio	-3.65%	4
VT Downing Global Investors	-7.59%	4
FP WHEB Sustainability	-8.06%	4
Baillie Gifford International	-9.73%	4
Jupiter Fund of Investment Trusts	-13.83%	4
WS Montanaro Better World	-14.97%	4
abrdn Global Smaller Companies	-17.58%	4
IFSL Marlborough Global Innovation	-21.59%	4
⊙ Baillie Gifford Sustainable Growth	-29.66%	4
⊙ SVS Aubrey Global Conviction	-31.80%	4
⊙ Baillie Gifford Global Discovery	-60.72%	4
Sector Average	11.98%	
GLOBAL EQUITY INCOME		
Premier Miton Global Sustainable Optimum Income	-0.57%	4
Sector average	22.73%	
GLOBAL EMERGING MARKETS		
abrdn Emerging Markets Equity	-28.21%	4
Fidelity Emerging Markets	-28.32%	4
FTF Martin Currie Emerging Markets	-28.87%	4
Baillie Gifford Emerging Markets Leading Companies	-28.89%	4
MI Somerset Global Emerging Markets	-31.89%	4
CT Global Emerging Market Equity	-35.17%	4
Sector average	-16.07%	

	3 Year % Growth	Quartile position
GLOBAL BONDS		
Scottish Widows International Bd	-17.57%	4
CT Global Bond	-20.53%	4
CT European Bond	-22.42%	4
Sector average	11.98%	
FLEXIBLE INVESTMENT		
FP Mattioli Woods Adventurous	-4.33%	4
Sector average	6.02%	
EUROPE EX UK		
VT Downing European Unconstrained Income	2.62%	4
Jupiter European Special Situations	0.48%	4
Omnis Investments Ltd Omnis European Equity Opportunities	-2.24%	4
abrdn Europe ex UK Ethical Equity	-2.30%	4
FTF Martin Currie European Unconstrained	-2.46%	4
Premier Miton European Opportunities	-2.57%	4
Schroder European Alpha Plus	-7.70%	4
Liontrust Sustainable Future European Growth	-15.05%	4
⊙ Baillie Gifford European	-29.85%	4
Sector average	13.69%	
ASIA PAC EX JAPAN		
Fidelity Sustainable Asia Equity	-24.55%	3
Omnis Asia Pacific ex-Japan Equity	-24.59%	3
Baillie Gifford Pacific	-25.03%	4
abrdn Asia Pacific Equity	-25.59%	4
Janus Henderson Asia Pacific Capital Growth **	-27.06%	4
BNY Mellon Asian Opportunities	-27.36%	4
Fidelity Asia	-28.15%	4
Allianz Total Return Asian Equity	-29.34%	4
FTF Martin Currie Asia Unconstrained	-30.24%	4
CT Asia	-32.25%	4
Sector average	-13.67%	

DROPZONE

% UNDERPERFORMANCE FROM SECTOR AVERAGE

1	Baillie Gifford Global Discovery	-72.70%
2	Baillie Gifford Japanese Smaller Companies	-46.24%
3	Jupiter UK Mid Cap	-44.86%
4	SVS Aubrey Global Conviction	-43.78%
5	Baillie Gifford European	-43.54%
6	Baillie Gifford Sustainable Growth	-41.64%
7	Baillie Gifford Health Innovation	-39.60%
8	abrdn UK Mid Cap Equity	-36.58%
9	SVM UK Growth	-36.15%
10	Baillie Gifford UK Equity Alpha	-35.39%

* The history of this unit/share class has been extended, at FE's discretion, to give a sense of a longer track record of the fund as a whole.

Please read the important notice on page 2. This is a purely statistical table, featuring funds which have been 3rd or 4th quartile for three discrete consecutive years. All cumulative statistics % change bid to bid, net income reinvested, three years to 17/01/2024. Source FE fundinfo. Whilst every effort has been made to ensure the accuracy of this information, Chelsea Financial Services takes no responsibility for any errors, omissions or inaccuracies therein.

⊙ Funds in the DropZone

1 *RedZone entry requirement – three years of consecutive 3rd of 4th quartile performance. At least 10% underperformance versus the sector average. No new manager in the past 18 months.*

2 *https://tradingeconomics.com/cyprus/gdp , 2022 GDP in £*

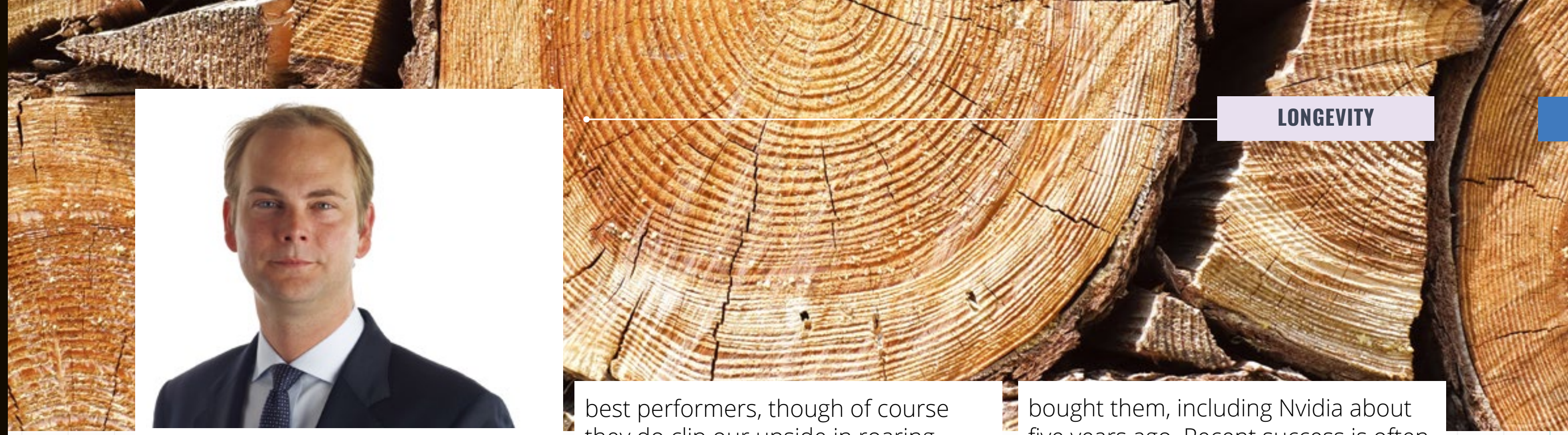
STANDING THE TEST OF TIME FUND MANAGERS WHO'VE GONE THE DISTANCE

Whilst many investors have become increasingly more short term, looking at how companies/industries/funds perform over the last quarter, we at Chelsea maintain that remaining focused on the long term will serve you much better over, yes you've guessed it, the long term. We leave chasing the latest hot trend to influencers.

There are some managers who have been managing their funds for over 20 years and many who have featured in this magazine for almost the same length of time. They have honed their processes over the years and produced some fantastic performance for investors along the way. So we thought it was about time that we celebrated their longevity.

Despite their experience and impressive length of service to our investors, these managers are still firmly focused on their funds and will hopefully continue to serve investors over the next decade or two.

Over the following pages you can see the questions we put to them about the lessons they've learnt and how they've evolved over time.



JAMES THOMSON

Fund manager since 01/11/2003.
Rathbone Global Opportunities
Elite Rated by FundCalibre

Q: What have been the toughest moments managing the fund and what lessons have you learnt?

A: The moment of maximum pain for me, and our fund, came when the Global Financial Crisis struck. With hindsight, this was probably the greatest learning experience of my career. It was clear that, pre-2008, the fund was too adrenaline-filled and holding too many economically-sensitive companies. Although the fund was diversified by country, sector and size, all that economic sensitivity created way too much correlation – we needed a defensive weatherproof bucket of stocks to reduce risk.

I've made very sure, ever since, that the fund always holds some (more than 20%) less economically-sensitive companies – stocks in healthcare, consumer staples, and essential services. Learning that I needed them was probably the most valuable enhancement to the strategy I've ever made – pacing myself for the marathon, not the sprint.

Today, the fund's weatherproof stocks include beer, spirits, drinks and catering companies, healthcare equipment, grocery & essentials retailers, a pest control company and a garbage collection company. They're all foils to the pro-growth part of the portfolio.

During dislocations, these weatherproof stocks are usually our best performers, though of course they do clip our upside in roaring bull markets.

Q: How has your process evolved over the years?

A: When I do get caught out, I try to learn from it. My investment process is driven by carefully refining my recipe for what I call my "secret sauce". It's made up of the qualities or ingredients that tend to make successful investments, (as well as highlighting those we actively avoid). That list of ingredients gets added to over time, based on successes and mistakes. Take, for example, my meeting with the management of Apple in 2007... as luck would have it, the day after the launch of the first iPhone. Day one of a new computing era. But all I could think about was how much I didn't get on with the guy from Apple. My failure to put that personal antipathy to one side signalled one of the greatest mistakes of my investment career. But it gave me a new ingredient for my secret sauce – investing isn't a popularity contest, and management teams don't have to be my best friends.

Q: What do you think is the single most important factor which has enabled you to outperform?

A: A willingness to recognise that the outperformance of a company you decided to pass on is rarely an entirely missed opportunity. It's easy to get lured into the trap of not investing just because you didn't get in early. But some of our greatest investments had already gone up a lot before we bought them, including Nvidia about five years ago. Recent success is often a harbinger of future success and what might seem like a ceiling is, in fact, just another floor.

Q: What's the best piece of advice you would give to investors?

A: I think it's important to be adaptable and not closed-minded. As an investor, you shouldn't fear a touch of insecurity and doubt as long as these things don't overwhelm you. Overconfidence and unwillingness to admit you're wrong are perhaps your greatest enemies.

The other great peril is declaring victory and selling out of stocks too early. Our best returns have come when we've run our winners for the long term. Avoid the temptation to over trade – selling out and hoping to come back in again at a more favourable price. Some would have you believe that this job is all science – I think it's mostly art combined with common sense, adaptability and the healing power of time.

Q: What is the outlook for your strategy?

A: We enter 2024 with a scarcity of certainty. I think investment returns will be lower and more inconsistent in the years ahead, but that doesn't mean investors should take fright. Many different challenges probably lie ahead, but I'm always impressed with the adaptability and resilience of our businesses. Yes, economic growth is slowing, but our world's pace of change only gets quicker and quicker.

THE CHELSEA VIEW

James Thomson is not afraid to admit his weaknesses or past errors, a refreshingly honest approach, which allows him to concentrate on his core strengths - stock picking, which has delivered outstanding long-term performance.

Chelsea Risk Rating: 6.5
AMC: 0.75%
OCF: 0.77%
Yield: 0.28%

NICK MARTIN

Portfolio manager since 01/09/2001.
Polar Capital Global Insurance
Elite Rated by FundCalibre

Q: What have been the toughest moments managing the strategy and what lessons have you learnt?

A: The Polar Capital Global Insurance strategy recently celebrated its 25th anniversary. The strategy has endured and continues to live through an 'Age of Risk'. Insurers provide an essential function in the global economy by taking risks that others do not want to take. Sometimes when bad things happen in the world there can be a misunderstanding as to what proportion of the economic losses of an event are insured and what is not. This can potentially cause financial markets to overreact to a loss; that can be tough as a manager – of course, it can also provide opportunity. One example of this is the pandemic. Investors had not seen anything like this on a global scale and feared a large insured loss as a result. We thought this unlikely given insurance fundamentally is an industry where the premiums of the many pay for the losses of the unfortunate few. For a pandemic, there is no diversification of the risk for an insurer and hence pandemic risk is not something that can generally be borne by the industry. It took a few months for the equities market to fully realise this and we spent a great deal of time during this period explaining why we thought the selloff in the sector was unwarranted.

Q: How has your process evolved over the years?

A: Naturally. Over the past two and a half decades, we have come to expect the unexpected given insurance is the risk business. The sorts of thing that trigger claims payments are accidents, human negligence, bad weather, natural catastrophes and terrorist events. The risks we face are broad, ever-changing and becoming more complex, and our process evolves to reflect that. Take climate risk as an example. The strategy has always had a low level of catastrophe exposure which has become even more important with climate change. However, we need to consider how climate change impacts underwriting risk. In the strategy's early history, the key concerns were largely hurricanes and earthquakes. Now you can add flood, drought, heatwaves and wildfires to the list. Success in insurance investing is as much about protecting the downside as it is finding the industry winners.

Q: What do you think is the single most important factor which has enabled you to outperform?

A: Focus. We have resolutely stuck to finding the best 30-35 non-life insurance underwriting businesses in the world and investing with their management teams for the long term. We change names only two to three times a year in the strategy and have invested in four of the portfolio holdings from day one.

Q: What's the best piece of advice you would give to investors?

A: A well-run insurance company is a compounding machine. Compounding is the result of two variables – your return and the amount of time in the market. The latter is often underappreciated. It is time in the market and not the timing of the market that matters. For the magic of compounding to work it is also critical to avoid a significant loss. After all, if a stock loses half its value it must double to get back to even. A 10% annual return doubles your money in around seven years. There is a lot to be said for getting rich slowly.

Q: What is the outlook for your strategy?

A: Non-life insurance remains a defensive sector in an increasingly uncertain world. The positive outlook for investment income, combined with continued robust underwriting markets means our companies' earnings power continues to grow. Few people get excited about insurance which leads to relatively steady valuations over time and a strong correlation between stock performance and growth in book value and dividends per share. We expect today's robust earnings power to deliver mid-to-high-teens book value for the foreseeable future. This growth would be materially above our long-term average of c10%. We are very excited about the strategy's prospects as we start our second quarter century.

THE CHELSEA VIEW

Fund manager Nick Martin possesses a deep knowledge of the insurance industry that few could claim to share. Nick has delivered excellent returns since he took the helm on this fund with an impressive degree of consistency.

Chelsea Risk Rating:	7
AMC:	0.75%
OCF:	0.84%
Yield:	1.21%*

***Source:** *Polar Capital Funds plc Global Insurance Fund factsheet 29 December 2023*

JEREMY GLEESON

Fund manager since 24/03/2006.
Axa Framlington Global Technology
Elite Rated by FundCalibre

Q: What have been the toughest moments managing the fund and what lessons have you learnt?

A: The toughest investment periods over the past 16 years have been when wider macro issues weigh upon the broader economy, risk tolerance, and business outlooks and visibility. Examples of this include the Global Financial Crisis; the outbreak of Covid; and more recently in 2022 when we saw a combination of high inflation, rising interest rates and geo-political events lead to a cost-of-living crisis.

Technology spending carries an element of discretion. Consumers and businesses can put off a new purchase when times are uncertain but increasingly it has been more difficult to cancel these decisions entirely.

The lesson learnt is that it is difficult to sail against a major economic headwind – stocks will charter their own course during such periods, mostly reflecting appetite for risk and overall sentiment – shares can reflect extremes, getting oversold even if the underlying fundamentals (especially long term) are intact. However, it is a great time to get the work done on opportunities even if it's not the best time to be making the investments. Watching how management teams behave and perform when times are challenging can quite often provide good insights into how they will manage their business when times are better and then again when further challenges arise.

Q: How has your process evolved over the years?

A: My investment process has constantly evolved whilst aspects of the investment framework have been maintained. The focus has always been on the successful commercialisation of technology addressing large opportunities that can support many years of growth for our investments. We have combined a top-down thematic approach with one of bottom-up stock selection. Meeting company management teams is an important part of our investment process.

One aspect that continues to evolve has been the definition of technology and what is a technology company. Historically it was largely confined to companies involved in software, semiconductors, electronics hardware and the internet but increasingly over the years it includes a wider variety of business sectors including financials, healthcare, industrial, consumer and even real estate – as business reclassifications take place and companies across all industries find technology at the heart of what they do and what differentiates them from their peers.

Q: What do you think is the single most important factor which has enabled you to outperform?

A: The growing importance of technology to our everyday lives, both at work and at home, and how this has enabled companies within the sector to participate and deliver significant compounding growth, enhancing their revenues, profitability and cash generation, has probably been the single most important factor. From a personal contribution to the performance, I would highlight patience – identifying long-term growth potential, and the companies and management teams that will successfully exploit these opportunities, doesn't always deliver immediate returns for shareholders – being willing to be patient with investments once you have completed the necessary due diligence.

Q: What's the best piece of advice you would give to investors?

A: Invest in growth equities for the long term and avoid niches and fads. Focus on quality growth compounders. Managing sector risk through diversification is also an important consideration.

Q: What is the outlook for your strategy?

A: In my opinion, the outlook is positive. Technology has become more pervasive in recent years. Not that long ago it was an industry dominated by computers and, subsequently, mobile phones. Now it is all around us, in our homes, offices, factories and cars; it impacts how we communicate, how we look after our finances and how we spend. With the on-going focus of "connecting everything", and trends such as the digitalisation of homes and electrification of transport, in addition to the recent breakthroughs in Artificial Intelligence, it appears that the importance of technology will be with us for many years to come.

THE CHELSEA VIEW

Jeremy Gleeson has a wealth of experience in successfully finding the best growing tech stocks around the globe. He has predominantly been finding these opportunities in the US, where he sees the ecosystem as better suited to support companies' growth.

Chelsea Risk Rating:	10
AMC:	0.75%
OCF:	0.82%
Yield:	-

RICHARD WOOLNOUGH

Fund manager manager since 20/02/2004.
M&G Strategic Corporate Bond
Elite Rated by FundCalibre

Q: What have been the toughest moments managing the strategy and what lessons have you learnt?

A: Over the life of the M&G Strategic Corporate Bond fund I have experienced the full range of macroeconomic conditions. As well as enjoying the good times, there have also been more difficult spells. Some of the hardest moments have been in the past decade as bond yields headed towards zero. As a value investor, this made life difficult, as the opportunity to find mispricing in the market narrowed. However, after navigating through that tricky period, we now find ourselves back in a situation where fixed income has an attractive entry point and we can take advantage of dispersion in the markets.

Q: How has your process evolved over the years?

A: Although I have experienced the full range of market conditions in my time running the fund, the process that we follow has very much remained the same. We look to remain disciplined and get involved in the market where we are being paid to take risk, but we are also happy to sit back and not involve ourselves where we are not being paid.

Q: What do you think is the single most important factor which has enabled you to outperform?

A: Although the process has remained the same over the years, the opportunity set has increased significantly. This provides the chance for active managers to generate alpha and gives us a wider number of tools at our disposal. What has allowed the team to outperform over the past 20 years has been taking a macro view on investing, both in terms of looking at the health and performance of the economy, but also in terms of credit. By combining this top-down approach with our careful bottom-up credit analysis, thanks to our outstanding credit analyst resource, we have been able to make the most of the opportunities in both duration and credit. We believe that by allowing ourselves the greatest range of possibilities to find returns, we increase the chances of outperforming.

Q: What's the best piece of advice you would give to investors?

A: If I were to give one piece of advice to an investor at the start of their career, or indeed anyone looking to find an edge, it would be to think for yourself. If you always follow the consensus of the market, then you will only ever deliver the market beta. In order to outperform, you need to be comfortable in having a view that is against the consensus.

Q: What is the outlook for your strategy?

A: The outlook for 2024 and beyond is looking positive for the strategy. We are now in a situation where bonds are at a historically attractive starting point relative to the lifespan of the fund. Moreover, there are plenty of macroeconomic opportunities that are likely to present themselves in 2024. These two factors together make for an exciting 2024 for the fund and active bond investors.

THE CHELSEA VIEW

Richard is a highly experienced fund manager who has navigated this fund through several economic climates with considerable success. The fund is very flexible and Richard will actively tilt the portfolio according to his outlook on inflation, growth and interest rates. Richard's current view is that inflation is likely to fall to lower levels than the market expects.

Chelsea Risk Rating: 2.5
AMC: ....-
OCF: 0.43%
Yield: 4.26%

RISK

UNPRECEDENTED YEAR OF ELECTIONS

When investing, political risk refers to the chance that changes in the politics and laws of a country will affect the value of your investment. Understanding this risk has perhaps never been of greater importance than in 2024. It will be the largest election year in history, where over half the world's population will be told to go to the polls to vote for the future leadership of their countries. Eight of the ten most populous countries in the world – US, Russia, Pakistan, Brazil, India, Mexico, Indonesia and Bangladesh - are holding elections in 2024. Crucial elections will also be held in Taiwan, the EU and the UK. But does the fact that over 4 billion people have a chance to vote mean that democracy is rife, and elections will be held freely and fairly? The answer to this is a resounding no. Putin's grip on power will hold, Pakistan's army de facto decides who governs and Kim Jong Un will miraculously receive 100% of the votes again. Although the leadership in many of these authoritarian countries is predictable, their policies are far from it, as power is centralised and important decisions can be made on a whim without opposition. This, of course, creates a considerable amount of political risk.

CRUCIAL ELECTIONS

In the US, the race for presidency looks set to be tightly fought between Biden and Trump again. With the capabilities of both candidates questioned over the years, it wouldn't be amiss to also question whether the democratic system in the wealthiest country in the world is functioning as it should. Here in the UK, we will likely face a general election before the close of the year, and if not then January 28th 2025 at the latest. It is a crucial election for many reasons, but significantly one where Keir Starmer and his Labour party look to have the upper hand in returning to power, after 14 years out of office. The political risk here is starkly milder than some of the authoritarian regimes discussed, however, our economy is still in a very fragile place and the economic policies of both major political parties could have heightened impact on the market. Historically, Labour has advocated for progressive taxation, wealth redistribution and wide-ranging social welfare that addresses economic inequality. In contrast, the Conservatives have tended to advocate low taxation, fiscal responsibility and free market capitalism with limited government intervention.

WHAT TO EXPECT

So what should you expect then of these parties and how would the election results affect you? There has been a recent shift in both parties becoming more centrist, both are aware that major tax cuts aren't really feasible and that fiscal discipline is essential in this environment. Labour are focusing their efforts on closing various tax loopholes, investment into clean energy transition and rebuilding our crumbling public services. They are also making great strides to seduce the City and eradicate the memories of Corbyn's left-wing leadership. The Conservatives' narrative is focused on boosting growth and exploring ways to sustainably lower taxation now that rampant inflation has been reigned in.

Although we will get a much clearer picture once both parties' manifestos are released, it's evident that so far there has been a reluctance to promise sweeping changes that could disconcert the market. It is also clear that, despite how different those of red and blue may feel, their respective parties' policies have become indistinguishably aligned in many areas. This, I would argue, is a positive in the current economic environment and lowers the risk that there will be sudden unforeseen political changes that could impact upon the value of your investments. It also helps support our view of why the UK presents such an attractive investment opportunity. No one needs to be reminded just how cheap the UK market is versus its peers. If growth could be stimulated through touted policies, such as the introduction of the British ISA, or more incentives for foreign investment and less stringent regulation, the UK market could make for an incredible opportunity.

JOSS MURPHY

Junior research analyst
Chelsea

SECTOR	RISK RATING
Emerging Markets	9-10
Japan	9-10
Technology	8-10
Asia Pacificex Japan	7.5-10
North American Smaller Companies	7.5-9
European Smaller Companies	7.5-9
UK Smaller Companies	7.5-8.5
Commodities	7-10
North America	6.5-8
Property Equities	6-8
Global Equities	6-8
Europe	6-8
UK All Companies	5-8
UK Equity Income	5-7
Mixed Investment 40-85% Shares	5-7
Mixed Investment 20-60% Shares	3.5-4.5
High Yield Bonds	3.5-4
Property	3-4
Targeted Absolute Return	2-7
Strategic Bonds	2-4
Global Bonds	2-4
Corporate Bonds	2-3.5
Gilts	2-3
Cash	1

HOW TO USE THE CHELSEA RISK THERMOMETER

The Chelsea Risk Rating appears throughout this magazine and is simply a generic guide to the relative risk of funds within the market. It is up to you to determine your optimum asset class mix. The Chelsea Risk Rating is shown in the form of a thermometer and is based on our in-house research. The Chelsea Risk Rating attempts to quantify the relative risk of funds, to give you an idea of how risky one fund is versus another.

A fund rated five, in the middle spectrum, does not mean it is suitable for medium-risk investors. It indicates that according to historic volatility, and our understanding of the manager's investment process, we think that it is more risky than a fund rated four and less risky than a fund rated six. Even funds rated one are subject to risk.

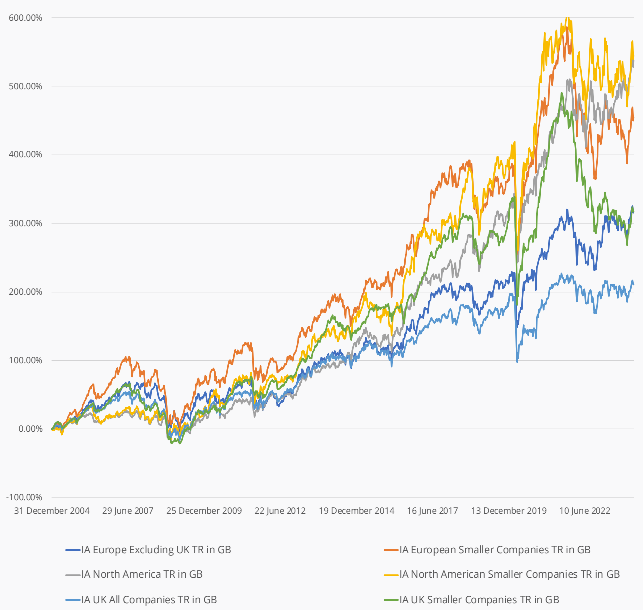
GOOD THINGS COME IN SMALL PACKAGES

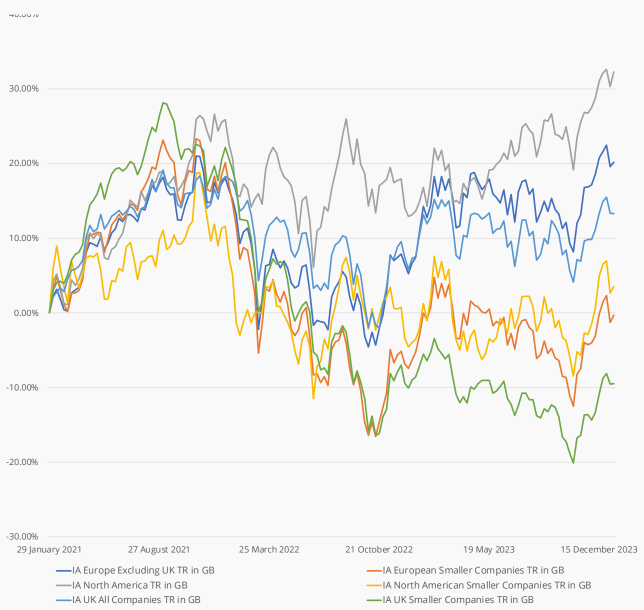
IS IGNORING SMALLER COMPANIES A RISKY STRATEGY?

We are fans of smaller companies. Over the long term, smaller companies generally do better, as they can grow exponentially in a way that larger companies, which have already achieved strong market penetration, will struggle to achieve. Furthermore, smaller companies are less well researched and hence it's easier for fund managers to unearth those hidden gems that have the ability to grow into larger companies. Funds invested in smaller companies are often more expensive to manage, as the cost of trading is higher, but over the long term, if you can cope with volatility, they tend to outperform, as you can see in the first graph below.

However, if you look at the second graph you can see that that's not been the case in recent times. Smaller companies have struggled over the past two years. The impact of higher inflation and recessionary fears have taken their toll, as investors have shied away from the riskier end of the market. In the case of the UK, this goes back further to 2016, when investors became concerned about the UK economy post Brexit.

We believe that smaller companies now look extremely attractive and, for those brave enough to invest against the herd, it's a good time to tap into this unloved area. So we asked three smaller companies managers, looking variously at the UK, Europe and globally, to talk to us about the opportunities they are finding in their markets.





DAVID WALTON
Fund Manager,
Marlborough European Special Situations
Elite Rated by FundCalibre

WHY NOW FOR EUROPEAN SMALLER COMPANIES?

We believe that quality European smaller companies in unloved sectors are presenting attractive opportunities for investors taking a long-term view. These businesses have been contending with a number of headwinds in the near term, including slowing economic growth, rising interest rates and stubbornly high inflation.

Inevitably, the share prices of many of these companies have declined, particularly in sectors such as industrials, which are viewed as highly cyclical and so more vulnerable in a slowdown. However, we believe this share price weakness represents a long-term opportunity to invest in high-quality businesses with outstanding growth prospects at significantly lower valuations.

OUR APPROACH

Our strategy is to look for companies with high-calibre management, relatively low levels of debt and strong drivers for growth. Most importantly, we seek out businesses we believe are undervalued relative to their growth potential.

While we are free to invest in companies of all sizes, we favour small-caps because we believe companies with strong prospects can often be overlooked simply because of their size. Far fewer analysts and fund managers are looking at these stocks.

There are an average of 26 analysts looking at every European mega-cap company, according to Canaccord. But at the other end of the market-cap spectrum, there are, on average, only four looking at each small-cap company and for micro-caps – the average is just one. This creates an opportunity for an investment team doing their own research to identify companies with excellent prospects before they are on the radar of other investors.

The opportunity is even more pronounced in the current environment, because many well-managed smaller companies in out-of-favour sectors are on significantly lower share prices than they were two years ago.

We are not the only ones who believe the current valuations of some European smaller companies look appealing. We saw a flurry of merger and acquisitions activity in 2023, with bids for five companies we hold in the fund.

OUR PORTFOLIO

One company we hold in the portfolio that we believe looks undervalued relative to its growth prospects is Swedish industrial business VBG Group, which makes components for trucks.

VBG is the world's number-one producer of drawbars, couplings used to connect four-wheel trailers to heavy goods vehicles. And, through a combination of acquisitions and organic growth, the company has successfully expanded into other markets for niche components for trucks, off-road vehicles and buses. It recently entered the air-conditioning system market, through an acquisition, and is now also growing in this market.

VBG's strong position in niche markets gives it the 'pricing power' to pass on rising costs by nudging up prices for customers. We believe it is a well-managed business with robust prospects.

Another holding in our fund is Italian company B&C Speakers, which is the leading global supplier of key components used in high-end speakers for live entertainment. It makes the transducers that convert electrical energy into sound waves. The business remains majority-owned by the family of its co-founder Roberto Coppini, which we believe is a positive, because it supports a stable, long-term business strategy.

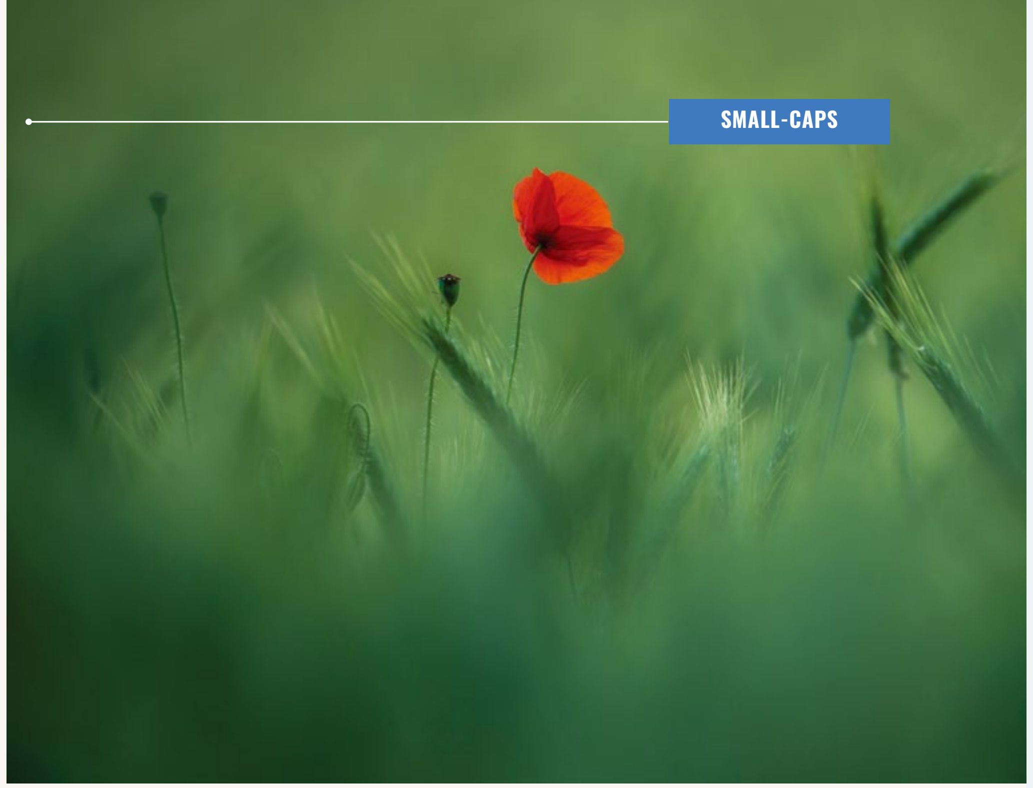
B&C has superior product design and lower costs than smaller competitors, which is helping to drive continuing sales growth and high profitability. The company is also benefiting from increased demand resulting from the resumption of growth in live entertainment after the interruption caused by the pandemic.

We believe both of these companies are strongly positioned for growth when the current headwinds begin to ease and that they look undervalued relative to their long-term prospects.

THE CHELSEA VIEW

Although performance has been more challenging recently, David has provided stellar returns since his leadership of this fund began in 2013. David finds his best opportunities in the micro-cap and small-cap part of the market and has shown himself to be an excellent stockpicker throughout his tenure.

Chelsea Risk Rating: 8
AMC: 0.75%
OCF: 0.80%
Yield: 2.18%



JONATHAN WINTON
Portfolio manager,
Fidelity UK Smaller Companies

The philosophy underpinning the Fidelity UK Smaller Companies fund has remained consistent since its inception in 2008. It is a value-orientated strategy that looks for companies where we feel there is a margin of safety in the share price, but where we can also see how the fundamentals will improve over time.

The stock market can be inefficient at pricing companies, especially those that have gone through a troubled period and are consequently unloved and out-of-favour. This is particularly the case for smaller companies where a lack of research can often combine with market scepticism to leave many companies trading below the true value of their franchise. I leverage our research team to conduct thorough due diligence to identify attractively-valued stocks that have a positive change dynamic.

WHY NOW FOR UK SMALLER COMPANIES?

I think that the current opportunity set is particularly exciting among UK small-cap value stocks. Since the Brexit vote, the UK market has steadily de-rated relative to the US and Europe, and compared to the former, it trades at an extreme discount. UK small-caps have seen a significant correction over the past couple of years, particularly relative to large-cap stocks, and look very attractively valued. UK small-caps trade on 10x forward price to earnings versus their 1998-2023 average of 14x.

While it is hard to pinpoint a catalyst for small-caps to rerate in the near term, as we have seen historically, the market may begin to price in a recovery before it is obvious to anyone. Having said that, the attractive valuations in the UK haven't gone totally unnoticed, and after several months of limited activity, we have seen a return of M&A activity. This highlights that, even in an uncertain environment, the valuations of UK stocks are low enough to continue to attract interest from other companies or private equity groups with cash to deploy. The fund has historically benefited from M&A, given our investments in attractively-valued companies that have the potential to grow or improve profitability.

In the current environment, I favour companies with lower levels of debt and am wary of stocks where fundamentals and margins have been strong, and a deterioration is not priced in. On the flip side, other companies have seen their earnings rebased and trade on low valuations with limited downside and significant upside once the environment normalises. This is starting to present us with some interesting opportunities across a wide range of sectors.

WHAT'S TO COME FOR UK SMALL-CAPS

Looking ahead, the biggest risk is a recession and its impact on corporate earnings. While there is increasing talk of a soft landing, there is considerable historical evidence on the impact of monetary tightening to keep me cautious on overall corporate prospects in the near term.

Despite concern about an economic slowdown and possible recession, many companies are already pricing in a very negative scenario. As a result, and with the help of our large research team, I am finding a considerable number of new ideas. I have recently started new positions in sectors such as chemicals, media, leisure, property, technology, and mining. Near-term visibility is limited for many of these businesses, but they trade at very low valuations, and have attractive 3–5-year outlooks with substantial upside.

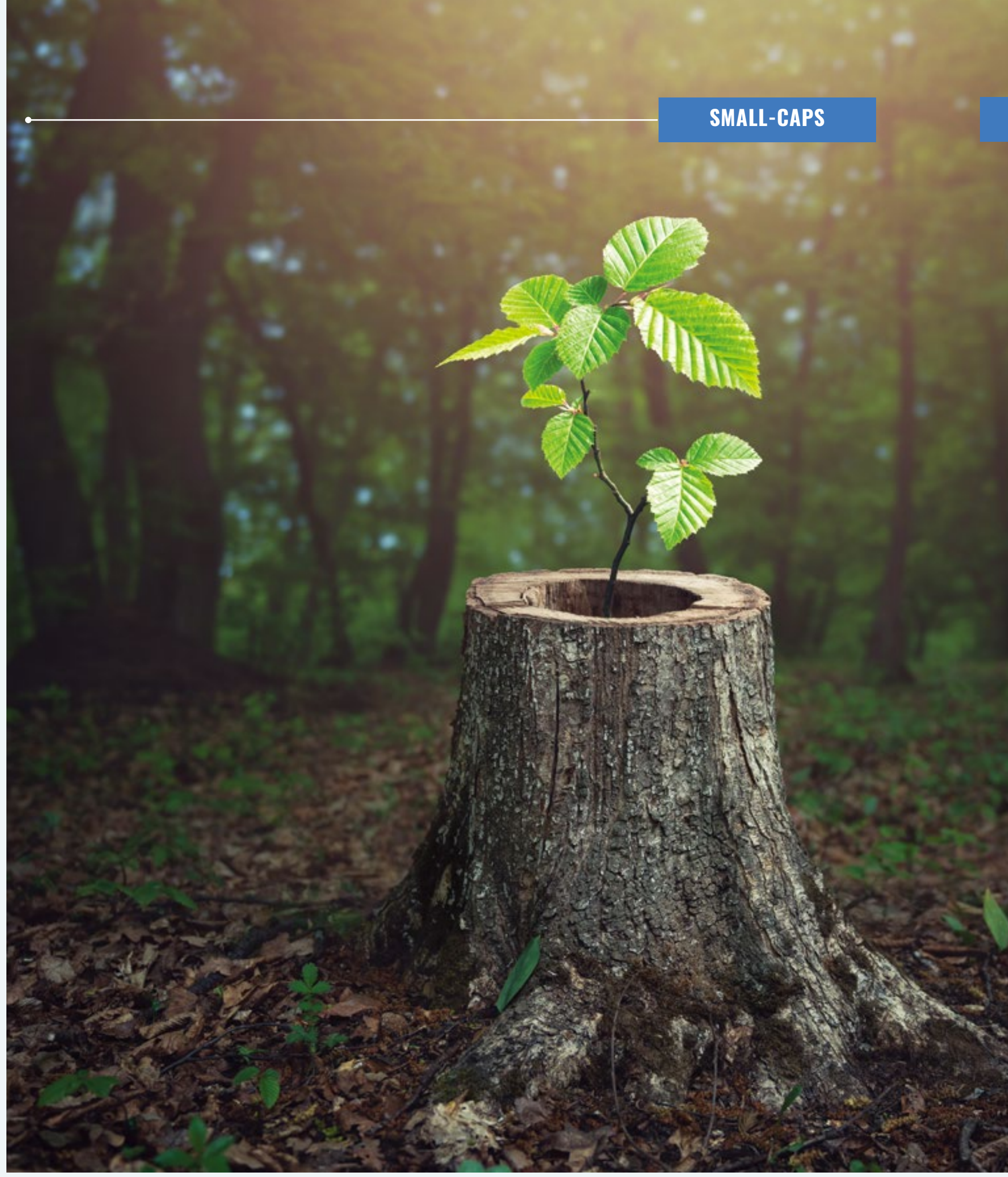
Overall, I think there are reasons to be positive on the outlook for the companies we hold in the portfolio, which have relatively lower levels of debt, and possess the strength and resilience to navigate a tough macroeconomic environment.

THE CHELSEA VIEW

Under the guidance of Jonathan Winton, Fidelity UK Smaller Companies has been the hallmark of success. Jonathan can pull on his deep resources at Fidelity with an extensive analyst network globally. We think this fund is in very capable hands.

Chelsea Risk Rating:	8
AMC:	0.75%
OCF:	0.92%
Yield:	2.13%

SMALL-CAPS



GEORGE COOKE
Fund manager,
Montanaro Global Select

IS THE TIME RIGHT FOR SMALL-CAPS?

I believe now is an excellent time to consider an investment in small and medium-sized equities. Looking back to 2000, global small and mid-cap stocks have outperformed their larger peers by 1.7% per annum (MSCI World SMID Cap vs MSCI World Large Cap Indices). That is to say that a £1,000 investment into small and mid-caps in 2000 would be worth over £6,000 today, nearly £2,000 more than the same £1,000 invested in large-caps. This is what is commonly referred to as the "small-cap effect". The reason for this outperformance is that smaller companies tend to be more nimble, entrepreneurial and focused. They also tend to be managed by founders with "skin in the game", fully incentivised to push their company forward. This usually leads to higher and more sustainable earnings per share growth, which is the predominant driver of share prices in the long term.

RECENT CHALLENGES

This said, the "SmallCap Effect" has not worked in recent years. Driven by the so-called "Magnificent Seven" (Apple, Amazon, Microsoft etc), larger companies have outperformed strongly over the past five years. To find a similar period of smaller company underperformance, we have to go back to the 1990s, which shows how truly unusual this most recent period has been. We believe this will come to an end just like it did in 1999.

KEEPING IT SIMPLE

Montanaro Asset Management specialises in small and mid-cap equities, and our Global Select fund invests in our best ideas globally. We seek to buy high quality and growing companies and hold them for as long as we can. We do not use derivatives, sell short or use other complicated strategies or products. Instead, we aim to keep it simple. A typical company for us would have little or no debt, generate high returns on capital and produce a unique product or service, while flying under the radar of most investors.

Mensch und Maschine is a good example of this. It is a German company with a market cap of around €1bn. The CEO is the founder and still owns more than 45% of the business. The business sells Computed Aided Manufacturing (CAM) software. This significantly improves the performance and throughput of 5-axis milling machines, which are used for high-end machining. The return on investment for their software is compelling – in one example a component that had previously taken their customer over ten hours to machine had this time reduced to just over two hours with Mensch's software. The company is also the largest value-added reseller of Autodesk software in Europe. This has all translated into a long track record of growth, high returns on capital and solid free cash generation. Not bad for a company most people have never heard of!

THE CHELSEA VIEW

Like all Montanaro funds, the team prefers to fish in the small and mid-cap pond for opportunities. Fund manager George Cooke has a wealth of experience running successful small-cap funds for Montanaro.

Chelsea Risk Rating:	8
AMC:	0.75%
OCF:	0.90%
Yield:	0.11%

VENTURE CAPITAL TRUSTS (VCTs)

AN OVERVIEW

PETER HICKS
Research analyst
Chelsea

"The only things certain in life are death and taxes" – said Benjamin Franklin. Well, he's wrong. VCTs are the hidden gem of tax-efficient investing. Investors benefit from 30% income tax relief when they invest into new share offers. Dividends are tax free and shares are exempt from capital gains tax.

The UK VCT industry is now a more well developed and experienced sector compared with 20 years ago. There are now a decent number of established VCTs with experienced management teams, attuned to the economic and regulatory challenges unique to VCTs. An investor today is able to choose from a market of established portfolios with good businesses under the bonnet.

Most providers now operate non-guaranteed buyback policies; it is important to check buyback policies, but they are typically offered at around 5%-10% discount to the net asset value (NAV). This is a way for VCTs to buy shares back from investors, providing greater confidence to VCT investors, and after the five-year holding period, there is a reasonable prospect of selling shares at a sensible price versus the underlying NAV per share. There are some very important points to consider regarding buybacks, the nature of VCT returns, and dividends.

Firstly, it is important to reiterate that buybacks are not guaranteed and VCTs are high-risk investments, but buybacks play an important role in the VCT ecosystem. They provide liquidity to an asset class that usually struggles to provide it. A VCT investor cannot re-buy the same VCT six months after selling it and qualify for income tax relief, however proceeds after a sell-down can be recycled into another VCT offer for a potential further 30% income tax relief. A patient investor who does this over a long period of time can build a highly tax-efficient portfolio of UK venture capital businesses, and pay a lot less tax along the way.

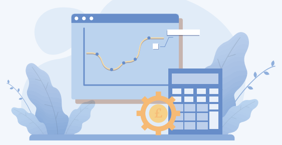
TAX BENEFITS FROM VCTs

- ✓ INITIAL INCOME TAX RELIEF OF 30% (IF HELD FOR 5 YEARS)
- ✓ TAX-FREE DIVIDENDS
- ✓ FREE OF CAPITAL GAINS
- ✓ INVEST BETWEEN £3,000 AND £200,000 EVERY TAX YEAR

TAX RELIEF EXAMPLE

INITIAL INVESTMENT
£10,000

30% INCOME TAX RELIEF
£3,000



70% EFFECTIVE INVESTMENT COST
£7,000

NAME OF VCT	TYPE OF VCT	MINIMUM INVESTMENT	INITIAL CHARGE	CHELSEA DISCOUNT	UPFRONT CASHBACK*	CLOSING DATE ^
Albion VCTs	Generalist	£5,000	3%	**0%**	**0.40%**	20 March 2024 for first allotment
British Smaller Companies VCTs	Generalist	£6,000	5%	**2%**	**0.50%**	28 March 2024 for first allotment
Pembroke VCT	Generalist	£5,000	5%	**2%**	**0.50%**	5 April 2024 (noon) for final allotment

*Cashback will be paid by cheque. Terms and Conditions apply, see webite for details
^ Subject to remaining capacity. VCT raises often sell out well before the offer closing date.

Secondly, most VCTs do not operate like traditional income-paying investment trusts. It is quite common for VCT investors to sell their shares at a much lower price than when they first bought them, however that does not necessarily mean the VCT has underperformed. Many VCTs will aim to pay special dividends from larger exits; this can impact the NAV of the VCT, as a significant chunk of it is distributed to investors (again, no tax on the proceeds - ka-ching!). This in turn reduces the share price. When assessing VCT returns, the best means is by looking at the NAV total return, or the NAV + cumulative dividend returns.

Tax-free dividends can be a very rewarding part of VCT investing. Someone with an established portfolio of six to eight different VCTs can reasonably expect to receive a decent flow of dividends, with the occasional special dividend for good measure. Unicorn AIM VCT** recently announced a special dividend and final dividend of 11.7p and 3.5p respectively. This was funded by the full proceeds of the VCT's exit from Abcam, at an exit multiple of circa 18x. Some managers position their VCTs so the payments are streamlined across the year; for example, an investor owning all six Albion VCTs can typically expect to receive a monthly dividend. Albion is a well established VCT with a strong track record and experienced management team.

If you would like further information on VCTs, including guidance on how to invest in or sell VCT shares, or have any other VCT related questions, please do not hesitate to contact Peter by telephone on 020 7384 7300 or email, peter@chelseafs.co.uk

****Please note, to add nuance to the subject, Unicorn AIM does not currently have a buyback policy.**

The three VCTs on the table above currently offer a buyback, however this is subject to change and buybacks are not guaranteed.

IMPORTANT NOTICE: Please be aware that VCTs are long-term, highly illiquid investments. VCTs usually invest in small, unquoted companies and carry a greater risk than many other forms of investment. In addition, the level of charges is often greater than unit trusts and OEICs. Past performance is not necessarily a guide to the future. The value of investments, and their income, can fall as well as rise and you may not get back the amount invested. Chelsea Financial Services offers an execution-only service. If you require investment advice you should contact an expert adviser. Tax relief is restricted to total VCT investments for each investor to £200,000 per tax year. Tax is subject to statutory change, and the value of tax relief (if any) will depend upon individual circumstances.

DON'T MISS OUT – JOIN THE CHELSEA VCT MAILING LIST TODAY

Please contact Peter on either **020 7384 7300** or **peter@chelseafs.co.uk** to receive notifications and personal service.

FUNDS UPDATE

JULIET SCHOOLING LATTER
Research director
Chelsea

JUPITER UK SPECIAL SITUATIONS/JUPITER INCOME TRUST

Ben Whitmore has decided to leave Jupiter to launch his own value equities boutique. Ben is famed for his contrarian value style. He looks for companies that are out-of-favour and lowly valued, but still maintain strong franchises and balance sheets. This approach has helped him to deliver excellent long-term performance against his peers. Ben served as manager on the Jupiter Special Situations, Global Value Equity and Income trust, managing over £10bn. He will be replaced by Alex Savvides on the Jupiter Special Situations fund who will officially arrive from JOHCM in the Autumn. Adrian Gosden and Chris Morrison took over the Jupiter Income Trust earlier this year following their arrival from GAM. Jupiter Global Value Equity's future management is still undecided. However, there is a possibility that Jupiter and Whitmore will enter into an agreement whereby he will continue to manage the Global Value fund on behalf of Jupiter at his new boutique which would be a positive outcome. We view the manager appointments for Special Situations and the Income Trust as very encouraging as we rate these managers highly. We have assigned these funds a 'buy' rating, however we will be monitoring them very closely to see if any more changes are enacted.

JOHCM UK DYNAMIC

Alex Savvides, manager of the UK Dynamic fund, has departed JOHCM to replace Ben Whitmore on the Jupiter UK Special Situations fund. Alex has a similar value-conscious style, seeking companies that have been beaten up by the market but are on the path to sustainable positive change. He has provided some of the best long-term performance of any UK manager over the past 20 years and his departure will be a loss for JOHCM. He has been replaced by Vishal Bhatia, Tom Matthews and Mark Costar at the helm of this fund. Both Bhatia and Costar are senior managers of JOHCM's UK Growth fund and have worked alongside Savvides since the UK Dynamic's fund inception. We have downgraded this fund to 'hold' whilst we await our meeting with the new management team.

FIDELITY GLOBAL SPECIAL SITUATIONS

Longstanding manager Jeremy Podger is set to retire in March of this year. Jeremy has had a very successful 36-year investment career and tenure as manager of the Fidelity Global Special Situations fund, outperforming the IA Global sector by over 100%*. Tom Record and Christine Baalham have been brought in as co-portfolio managers to replace him. They will juggle the responsibility of managing this fund and the Fidelity World fund. Baalham has previous experience as co-manager of the Ninety One Global Equity fund and Record arrives following his departure from Liontrust where he was head of global equities. We have downgraded the fund to 'hold' whilst we wait to assess the new management.

BUY

This indicates a generic, not personal, buy rating for the fund. Chelsea believes the fund could perform above the sector average and that the fund has been, and will continue to be, managed well by the current fund manager. A buy rating is not to be considered as advice on which sector to invest in, nor an indication that funds in that sector are currently performing well.

HOLD

This indicates a generic, not personal, hold rating for the fund. The fund could have recently had a change of fund manager and is under review. If the fund has not been performing well recently, Chelsea believes the current fund manager will be able to improve the fund's performance over the long term or their style or investment approach could come back into favour.

SWITCH

This indicates a generic, not personal, switch rating for the fund. Chelsea believes that the fund will not perform well in the future and that other funds in its sector will perform better. This could be because of consistently poor past performance and there are no good reasons to believe performance will turn around or because there has been a recent change of fund manager, in whom the team have no confidence.

CHELSEA GENERIC FUND RATING

The Chelsea Generic Fund Rating is an opinion expressed in relation to a particular fund, aimed at the general universe of both existing and potential investors in that fund, based on our proprietary research into the performance of that fund and its future prospects. Please note that we have no knowledge of your personal and financial circumstances and cannot comment on whether the investments you may hold are suitable for you. The generic ratings issued are Chelsea's views and do not constitute personal advice. These views were correct at time of going to print and we cannot be held responsible for subsequent changes.

***https://www.feanalytics.com 23/01/2024.**

WOULD YOU RECOMMEND CHELSEA?

Many of our clients come to us after being recommended by an existing client. We are pleased and grateful that people are so happy with our service they feel confident to recommend us to their friends and family.

If you recommend a friend (someone new to Chelsea), we will send them details of our services and we will send you:

- **£50 WORTH OF JOHN LEWIS VOUCHERS WHEN THEY INVEST OR TRANSFER OVER £25,000**
- **£25 WORTH OF JOHN LEWIS VOUCHERS WHEN THEY INVEST OR TRANSFER OVER £5,000**

Investments must be retained with us for at least 12 months. Please visit **chelseafs.co.uk** for terms and conditions. Just complete this form and return it to us. You can recommend as many people as you like – there's no limit.

1 YOUR DETAILS

Title: ☐ Mr ☐ Mrs ☐ Ms ☐ Miss Other:

Full Name:

Email: Phone No:

Address:

Postcode:

2 FRIEND'S DETAILS

Title: ☐ Mr ☐ Mrs ☐ Ms ☐ Miss Other:

Full Name:

Email: Phone No:

Address:

Postcode:

3 FRIEND'S DETAILS

Title: ☐ Mr ☐ Mrs ☐ Ms ☐ Miss Other:

Full Name:

Email: Phone No:

Address:

Postcode:

WE'RE HERE TO HELP

- We're proud to offer our clients a very personal service.
- Unlike others, we're not 'online only'.
- We haven't 'outsourced our customer support function'.
- We have a team in our office in Chelsea and we'd be pleased to help.
- So if you need a little extra help or guidance, you can call us on **020 7384 7300** or email us at **info@chelseafs.co.uk**





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