



# VT Chelsea Managed Cautious Growth

November 2018

VT CHELSEA  
**Managed**  
FUNDS



The Chelsea research team (L to R): James Yardley, Senior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling, Research Director; Ryan Lightfoot-Brown, Research Analyst

## Fund information

Launch date	5 <sup>th</sup> June 2017
Size	£8.2m
Number of holdings	27
Benchmark	IA Mixed Investment 20%–60% Shares
Share class & ISIN	VT Chelsea Managed Cautious Growth A Acc GB00BF0NMV81
Share class & ISIN	VT Chelsea Managed Cautious Growth A Inc GB00BF0NMW98
Indicated yield	1.83%
Income distribution	Half yearly <sup>†</sup>
Initial charge	0%
Ongoing charges figure	1.39%
Payment dates <sup>†</sup>	30 <sup>th</sup> June, 31 <sup>st</sup> December

## Top 10 holdings

Cash	8.65%
Merian Global Equity Absolute Return	6.20%
Fidelity Global Dividend	5.52%
SVS Churchouse Tenax Absolute Return Strategies	5.02%
Artemis Global Income	5.00%
Man GLG UK Absolute Value	4.78%
Jupiter UK Special Situations	4.69%
Investec Global Special Situations	4.64%
Vontobel TwentyFour Absolute Return Credit	4.59%
Fundsmith Equity	4.54%

## VT Chelsea Managed Cautious Growth

aims to produce capital growth over the long term, but with lower volatility than global equities<sup>††</sup>. The fund has a target weighting of between 40% and 50% in UK and overseas equities, although it may also

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

**Fund commentary** The fund returned -2.48% versus -3.29% for its benchmark to the end of November.\* Subsequently during December the fund returned -1.91% versus a fall of -2.48% for its benchmark. ^ It was a difficult period for equity markets across the world. The impact of higher US interest rates and fears of lower global growth hit market sentiment. US tech stocks were finally knocked back after an incredibly strong run. Our relatively cautious positioning enabled the fund to significantly outperform the market falls in October and November.

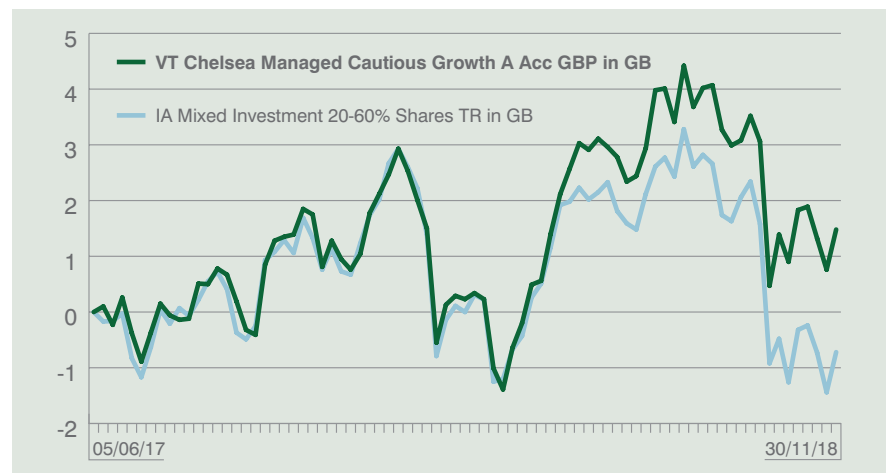
Fund selection also helped out-performance. For example, Fidelity Global Dividend lost just 0.09% in the period and significantly outperformed the market. It remains a core holding for the fund.

Our bucket of alternative investment trusts continued to help performance and adds diversification. We rotated some of our positions away from names which have done well and added some new positions which we think offer better value.

We took advantage of the weakness in Asia to add a new position, Fidelity Asia Pacific Opportunities. It is fund we have had our eye on for some time and we are pleased to have been able to add it into the portfolio.

Jupiter European was the worst performing fund over the period. After an incredibly strong run of performance it was inevitable that it would have a period of underperformance. Despite the recent fall the fund remains the best performing European fund year to date and we continue to hold our position.\*\*

## Performance since launch (%)\*



## Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	0.23	-	-	1.48
Benchmark (%)	-1.69	-	-	-0.72

## Calendar year performance

	YTD	2017	2016	2015
Fund (%)	-0.62	-	-	-
Benchmark (%)	-2.68	-	-	-

\*FE Analytics 31/08/2018-30/11/2018 benchmark is the IA Mixed Investment 20-60% Shares return in sterling terms. Dealing to dealing on a bid to bid basis. ^ FE Analytics 30/11/2018-31/12/2018 benchmark is IA Mixed Investment 20-60% Shares. Total return in sterling terms. \*\*IA Europe ex UK FE Analytics. 01/01/2018-30/11/2018 Total return in sterling.

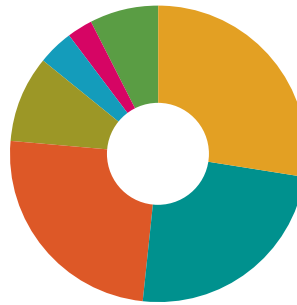
## Asset allocation (%)



Equity	38.04%
Targeted Absolute Return	28.51%
Fixed Interest	9.77%
Cash	8.65%
Gold and Silver	2.83%
Alternatives	4.47%
Property	7.73%
Total	100.00%

Correct as at 30<sup>th</sup> November 2018. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



UK	27.59%
Europe ex UK	24.22%
USA	24.77%
Asia Pacific ex Japan	9.40%
Emerging Markets ex Asia	3.98%
Japan	2.65%
Other	7.39%
Total	100.00%

Correct as at 30<sup>th</sup> November 2018. Figures may not add up to 100% due to rounding.

## Why invest in VT Chelsea Managed Funds?

- ✓ An easy portfolio. Invest in a range of assets globally with a single buy
- ✓ Chelsea's experienced research team looking after your investments
- ✓ Your portfolio will be adapted to take account of the prevailing market and economic climate
- ✓ You'll get exposure to some investments unearthed by our research team that might normally be hard for individual investors to buy
- ✓ We'll try to access the underlying funds in the cheapest way possible, including some share classes not available to individual investors

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