



VT Chelsea Managed Monthly Income

June 2020

VT CHELSEA
Managed
FUNDS



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

Fund information

Launch date	5 th June 2017
Size	£26.83m
Number of holdings	34
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BFONMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BFONMT69
Indicated yield	4.73%
Income distribution	Monthly ^{††}
Initial charge	0%
Ongoing charges figure	0.99%
Payment dates ^{††}	Monthly, last day of the month

Top 10 holdings

Fidelity Global Enhanced Income	5.48%
Nomura Global Dynamic Bond GBP Hedged)	4.59%
TB Evenlode Global Income	4.53%
M&G Global Dividend	4.45%
BlackRock Continental European Income	4.21%
Man GLG UK Income	4.05%
Impact Healthcare REIT PLC	3.80%
Artemis Corporate Bond	3.72%
GCP Asset Backed Income	3.43%
Man GLG High Yield Opportunities	3.40%

VT Chelsea Managed Monthly Income

aims to produce monthly income with some capital growth over the long term, but with lower volatility than global equities[†]. The fund has a target weighting of between 40% and 60% in UK and

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

Fund commentary The fund fell -4.54% during the three month period, underperforming the IA Mixed Investment 20-60% Shares sector, which fell -2.26%.* However, this certainly doesn't tell the full story. As the lockdown caused the global economy to shut down, the market panicked and we experienced one of the steepest falls in history.

The fall was much faster and more violent than anything during the great financial crisis. Our alternative investment trusts, which had previously been defensive, fell heavily. This made little sense. For example, renewable energy trusts, mostly dependent on government subsidies from power generation, were largely unaffected by the virus. The sun continued to shine and the wind continued to blow. Yet even so many of these trusts fell over 40% and started trading at extreme levels. This provided us with some great opportunities and we

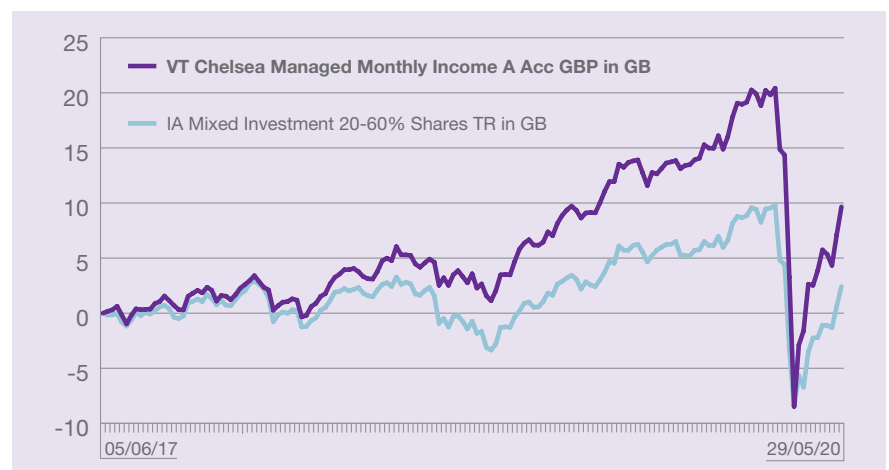
were able to buy into some of these trusts at distressed levels locking into very high dividend yields.

Almost as extraordinary as the sell-off was the speed of the recovery. Governments and central banks provided unprecedented levels of support, and the market very quickly bounced back.

We initiated a position in the Artemis Corporate Bond fund. Corporate bonds initially fell heavily providing us with a good entry point. They are a direct beneficiary from central bank support and this position has already done very well in a short space of time.

It's impossible to say where markets will go in the short term. There is no doubt we are going to suffer a very severe recession. However, with interest rates now close to zero, many of the trusts and funds we see look good value for the long term.

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	0.50	-	-	9.65
IA Sector (%)	0.01	-	-	2.42

Calendar year performance

	YTD	2019	2018	2017
Fund (%)	-7.86	17.11	-0.96	-
IA Sector (%)	-5.41	11.84	-5.10	-

Past performance is not a reliable guide to future returns.

*FE Analytics 29/02/2020-31/05/2020 total return in sterling

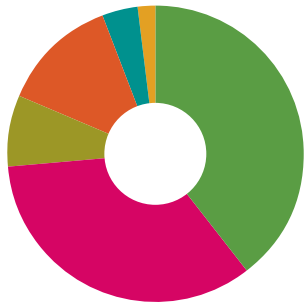
**FE Analytics 29/02/2020-31/05/2020 VT Chelsea Managed Monthly Income vs IA Mixed Investment 20-60% Shares total return in sterling

All data correct as at 31st May 2020.

[†]Long term is 5+ years.

^{††}Investors may receive payment later, depending upon platform.

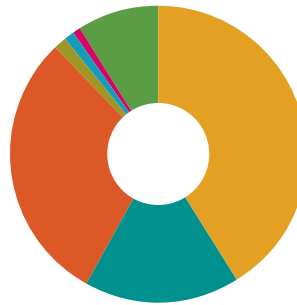
Asset allocation (%)



Equity	39.65%
Fixed Interest	34.02%
Targeted Absolute Return	0.00%
Cash	7.92%
Property	12.84%
Alternatives	3.65%
Gold and Silver	1.91%
Total	100.00%

Data correct as at 31st May 2020. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	37.10%
USA	15.22%
Europe ex UK	26.91%
Asia Pacific ex Japan	11.16%
Japan	0.95%
Emerging Markets ex Asia	0.69%
Other	7.97%
Total	100.00%

Data correct as at 31st May 2020. 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

Find out more



Visit chelseafs.co.uk



Call us on 020 7384 7300



Post a completed application form



CHELSEA
Investment Intelligence™

Important notice

Chelsea Financial Services is authorised and regulated by the Financial Conduct Authority and offers an execution-only service. Past performance is not a reliable guide to future returns. The value of investments and income can fall as well as rise, so you could get back less than you invest. Chelsea do not provide investment advice so if you are unsure about the suitability of any investment you should seek advice. For full terms and conditions, visit www.chelseafs.co.uk.

All performance data is sourced from FE Analytics. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Some performance differences between the fund and the sector average may arise because the fund performance is calculated at a different valuation point from the IA Sector.

The VT Chelsea Managed Funds are for investors who prefer to make their own investment decisions, without personal advice.

Valu-Trac is the authorised corporate director (ACD) and investment manager of the VT Chelsea Managed Funds. Valu-Trac is authorised and regulated by the Financial Conduct Authority (FCA). Valu-Trac's FCA registration is 145168. Chelsea Financial Services is the investment adviser for the VT Chelsea Managed Funds.

Chelsea Financial Services, St James' Hall, Moore Park Road. London SW6 2JS