



VT Chelsea Managed Balanced Growth

February 2019

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	£19.8m
Number of holdings	31
Benchmark	IA Mixed Investment 40%–85% Shares
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NMX06
Initial charge	0%
Ongoing charges figure	1.21%

Top 10 holdings

Cash	7.90%
Fidelity Index US	5.62%
Merian Global Equity Absolute Return Hedged	5.53%
Man GLG UK Absolute Alpha	5.40%
Artemis Global Income	4.85%
Fidelity Global Special Situations	4.62%
JOHCM UK Dynamic	4.42%
Investec Global Special Situations	4.39%
Hermes Asia ex Japan Equity	3.99%
RWC Global Emerging Markets	3.69%

VT Chelsea Managed Balanced Growth aims to produce capital growth over the long term[†], but with lower volatility than global equities. The fund has a target weighting of between 50% and 70% 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 Due to ongoing concerns about faltering global growth, the period saw continued volatility. Initially, this led to significant market falls through December. As such almost all global markets returned negative figures for the calendar year. Since then markets have rebounded globally, with the MSCI UK Index up 8.27% since Christmas^{**}. We added to positions tactically in the lows but have maintained cash positions to take advantage of further volatility and value opportunities.

From the end of November to the end of February[^], our specialist investment trusts have been particularly strong performers. Target Healthcare (7.69%), John Laing Environmental Assets (5.69%) and Greencoat UK Wind (5.66%) have all performed well, holding up in the sell off, and participating in the bounce back.

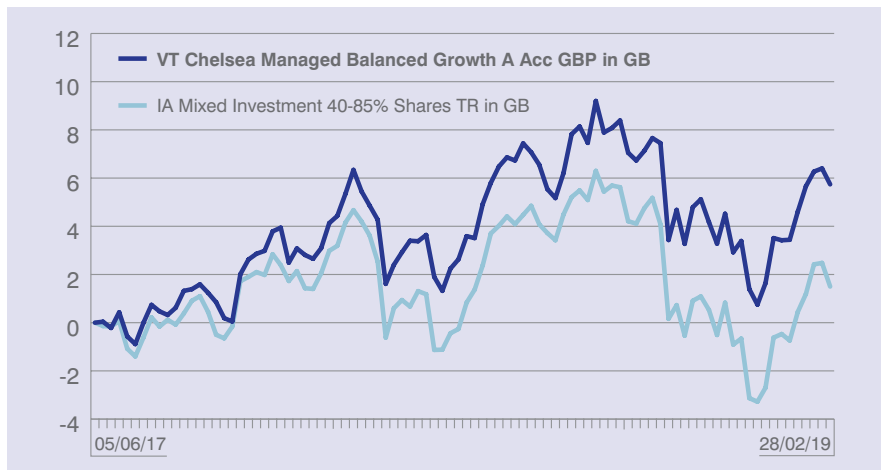
Smithson Investment Trust (6.97%) also added to performance and we have recycled some profits into other areas.

We are pleased that our position in Merian Gold & Silver has rewarded our patience, returning 14.74% in the period, showing its benefits to the portfolio in volatile markets.

Our biggest detractor has been our BMO Global Equity Market Neutral fund, losing 7.74%. Our Japanese positions have also struggled, but we believe the market remains good value relative to the global market. India has also had a tough period ahead of their elections. It remains a small, albeit overweight position.

Other emerging markets have performed well though, with RWC Global Emerging Markets recovering from a tough 2018 to return 5.18% during the period, justifying our decision to top up in the previous quarter.

Performance since launch (%)^{*}



Cumulative performance

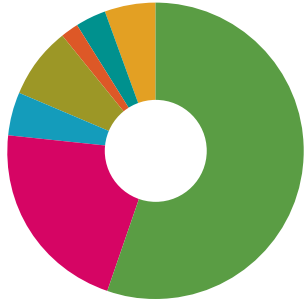
	1 year	3 years	5 years	Since launch
Fund (%)	1.64	-	-	5.74
Benchmark (%)	-0.10	-	-	1.50

Calendar year performance

	YTD	2018	2017	2016
Fund (%)	4.39	-3.01	-	-
Benchmark (%)	4.77	-6.11	-	-

^{*}FE Analytics – 05/06/2017-28/02/2019 benchmark is the IA Mixed Investment 40-85% Shares total return in sterling terms. On a bid to bid basis. ^{**}FE Analytics – performance of the MSCI United Kingdom Index from 27th December 2018-28th February 2019. [^]All individual fund performance data 30/11/2018-28/02/2019 total return in sterling on a bid to bid basis.

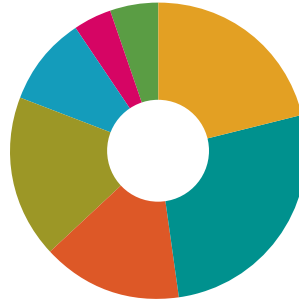
Asset allocation (%)



Equity	55.31%
Targeted Absolute Return	21.53%
Fixed Interest	4.67%
Cash	7.90%
Property	1.90%
Gold and Silver	3.39%
Alternatives	5.28%
Total	100.00%

Data correct as at 28th February 2019. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	21.18%
USA	26.75%
Asia Pacific ex Japan	15.37%
Europe ex UK	17.58%
Japan	9.76%
Emerging Markets ex Asia	4.23%
Other	5.12%
Total	100.00%

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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 benchmark.

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