



# VT Chelsea Managed Monthly Income

March 2020

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, Senior Research Analyst

## Fund information

Launch date	5 <sup>th</sup> June 2017
Size	£25.85m
Number of holdings	31
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BFONMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BFONMT69
Indicated yield	6.43%
Income distribution	Monthly <sup>††</sup>
Initial charge	0%
Ongoing charges figure	0.99%
Payment dates <sup>††</sup>	Monthly, last day of the month

## Top 10 holdings

Man GLG UK Income	6.73%
BlackRock Continental European Income	5.67%
Fidelity Global Enhanced Income	3.95%
Impact Healthcare REIT PLC	3.94%
Jupiter Strategic Bond	3.93%
Sequoia Economic Infrastructure Fund	3.85%
Nomura Global Dynamic Bond (GBP Hedged)	3.85%
Civitas Social Housing PLC	3.71%
M&G Global Dividend	3.61%
Schroder Asian Income Maximiser	3.46%

## 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<sup>†</sup>. 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 1.07% during the period, outperforming the IA Mixed Investment 20-60% Shares sector, which fell 2.03%. We have seen a sharp fall in markets over the past few days as the Coronavirus continues to spread. It is above all a human tragedy and our thoughts go out to all those who have been affected.

We felt the market was being complacent after the virus first emerged in China. The US stock market continued to achieve all-time highs, despite the potential risk of the virus spreading. As a result, we built up the cash weight in the fund and we have now started to use that cash as the market has fallen back.

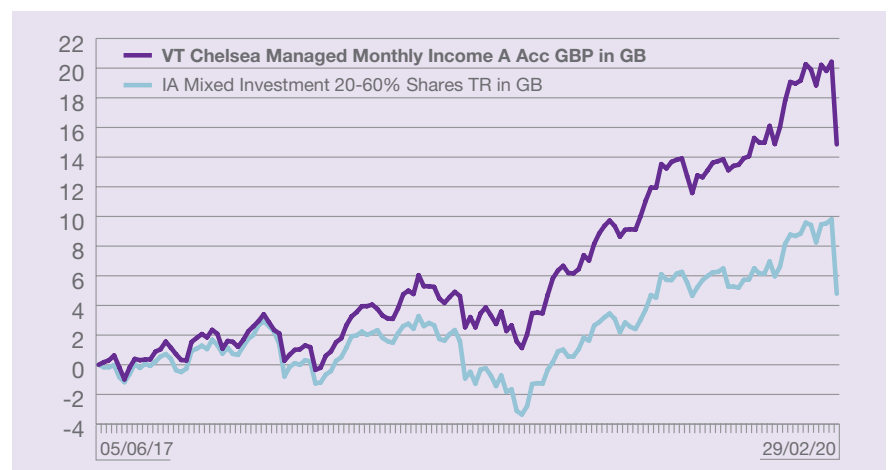
There is no doubt the virus will cause serious short-term disruption but we buy funds with a long-term view. The question

we are asking ourselves now is how will the economy and market look in five or ten years' time, not the next few months. Our view is that the global economy will recover in the medium to long term.

Furthermore, we note that government bond yields around the world have continued to fall close to zero or even to negative yields in some instances. The differential between share dividend yields and government bond yields now looks extreme versus history and therefore we think equities look very cheap relative to government bonds.

The top performer during the period was Man GLG High Yield Opportunities. Aberdeen Standard Equity Income trust, Artemis Global Income and Man GLG UK Income were the weakest performers as investors continued to shun value stocks<sup>†</sup>.

## Performance since launch (%)\*\*



## Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	8.32	-	-	14.86
IA Sector (%)	4.40	-	-	4.79

## Calendar year performance

	YTD	2019	2018	2017
Fund (%)	-3.48	17.11	-0.96	-
IA Sector (%)	-3.22	11.84	-5.10	-

Past performance is not a reliable guide to future returns.

<sup>†</sup>FE Analytics 30/11/2019-29/02/2020 total return in sterling.

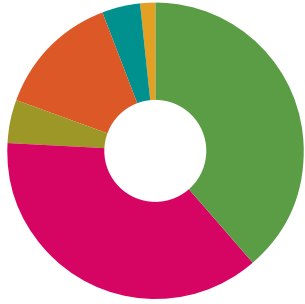
<sup>††</sup>FE Analytics 05/06/2017-29/02/2020 VT Chelsea Managed Cautious Growth vs IA Mixed Investment 20-60% Shares total return in sterling.

All data correct as at 29<sup>th</sup> February 2020.

<sup>†</sup>Long term is 5+ years.

<sup>††</sup>Investors may receive payment later, depending upon platform.

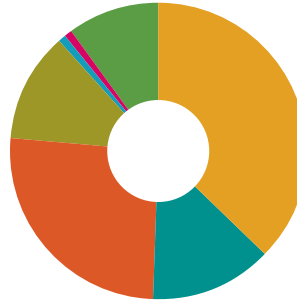
## Asset allocation (%)



Equity	38.80%
Fixed Interest	37.21%
Targeted Absolute Return	0.00%
Cash	4.80%
Property	13.38%
Alternatives	4.21%
Gold and Silver	1.60%
Total	100.00%

Data correct as at 29<sup>th</sup> February 2020. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



UK	37.56%
USA	13.36%
Europe ex UK	25.73%
Asia Pacific ex Japan	12.05%
Japan	0.76%
Emerging Markets ex Asia	0.91%
Other	9.64%
Total	100.00%

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- ✓ An easy portfolio. Invest in a range of assets globally with a single buy
- ✓ Chelsea's experienced research team looking after your investments
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- ✓ 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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