



# VT Chelsea Managed Cautious Growth

September 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 <sup>th</sup> June 2017
Size	£8.82m
Number of holdings	26
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	1.67%
Income distribution	Half yearly <sup>††</sup>
Initial charge	0%
Ongoing charges figure	1.31%
Payment dates <sup>††</sup>	30 <sup>th</sup> June, 31 <sup>st</sup> December

## Top 10 holdings

Man GLG UK Absolute Value	6.46%
Fidelity Global Dividend	6.30%
Merian Global Equity Absolute Return Hedged	5.91%
Vontobel TwentyFour Absolute Return Credit	5.50%
Fundsmith Equity	5.04%
Jupiter UK Special Situations	4.86%
Investec Global Special Situations	4.77%
SVS Churchouse Tenax Absolute Return Strategies	4.75%
Merian Gold & Silver	4.46%
Fidelity Asia Pacific Opportunities	4.28%

## 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

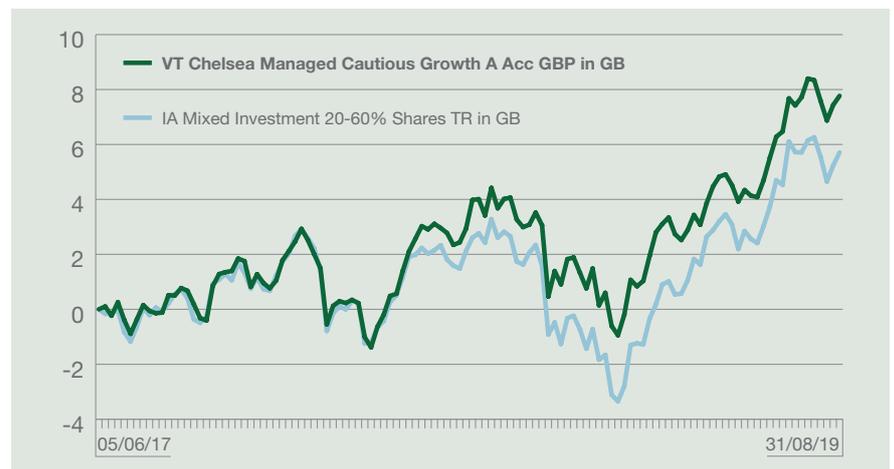
also invest in assets including bonds, property, gold and targeted absolute return strategies. Exposure to assets will typically be via open-ended funds, investment trusts and exchange traded funds.

**Fund commentary** Over the summer, a weakening in the global economy caused bond yields around the world to fall to unprecedented levels. The US Federal Reserve cut interest rates despite predicting a rise in rates just a few months earlier. Much of the world's debt now has a negative yield. If you lend €100 to the German government for 10 years you get back €93! In this extraordinary environment we have tried to position the portfolio for many different outcomes but we are ready to react quickly should the need arise. We continue to find exciting ideas.

The collapse in yields was good news for our fixed income funds (bond prices rise when yields fall). It was also especially good news for our gold & silver holding as the market considered the possibility of further

money printing by central banks. Merian Gold & Silver rose 44% over the period.<sup>††</sup> The position had previously been a drag on performance but the recent move shows the importance of being patient. In the past we continued to top up the position on weakness and the fund has now benefited as a result. It remains an important hedge. Boris Johnson won the Conservative leadership contest and became Prime Minister. His aggressive willingness to push ahead with a 'no deal' Brexit if he cannot achieve a deal caused the pound to fall versus most other major currencies. This benefited the fund's overseas holdings such as Fundsmith Equity, Fidelity Global Dividend and Fidelity Asia Pacific Opportunities which all rose over the period.

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



## Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	3.56	-	-	7.77
Benchmark (%)	2.97	-	-	5.71

## Calendar year performance

	YTD	2018	2017	2016
Fund (%)	8.25	-2.51	-	-
Benchmark (%)	9.18	-5.10	-	-

Past performance is not a reliable guide to future returns.

<sup>†</sup>03/09/2019 @LiontrustViews on Twitter

<sup>††</sup>FE Analytics 31/05/2019-31/08/2019 total return in sterling

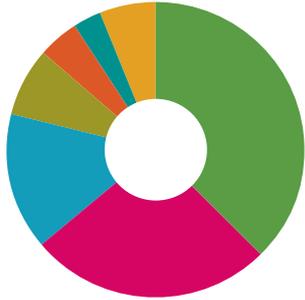
<sup>\*\*\*</sup>FE Analytics 05/06/2017-31/08/2019 total return in sterling terms. Dealing to dealing on a bid to bid basis.

All data correct as at 31<sup>st</sup> August 2019.

<sup>†</sup>Long term is 5+ years.

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

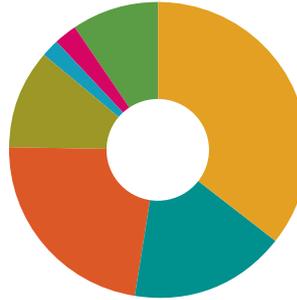
## Asset allocation (%)



Equity	37.60%
Targeted Absolute Return	26.50%
Fixed Interest	14.98%
Cash	7.33%
Gold and Silver	4.46%
Alternatives	3.28%
Property	5.84%
Total	100.00%

Data correct as at 31<sup>st</sup> August 2019. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



UK	35.58%
Europe ex UK	17.15%
USA	22.57%
Asia Pacific ex Japan	11.03%
Emerging Markets ex Asia	1.88%
Japan	2.51%
Other	9.28%
Total	100.00%

Data correct as at 31<sup>st</sup> August 2019. 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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