



VT Chelsea Managed Monthly Income

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 th June 2017
Size	£21.20m
Number of holdings	32
Benchmark	IA Mixed Investment 20%–60% Shares
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BF0NMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BF0NMT69
Indicated yield	4.78%
Income distribution	Monthly ^{††}
Initial charge	0%
Ongoing charges figure	1.03%
Payment dates ^{††}	Monthly, last day of the month

Top 11 holdings

Man GLG UK Income	5.21%
BlackRock Continental European Income	5.11%
Fidelity Global Enhanced Income	5.02%
Schroder Asian Income Maximiser	4.53%
Artemis Global Income	4.34%
Sanlam Strategic Bond	4.22%
Nomura Global Dynamic Bond (GBP Hedged)	3.95%
M&G Global Dividend	3.87%
Ashmore Emerging Markets Short Duration	3.78%
Jupiter Strategic Bond	3.60%
Target Healthcare REIT	3.41%

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 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.

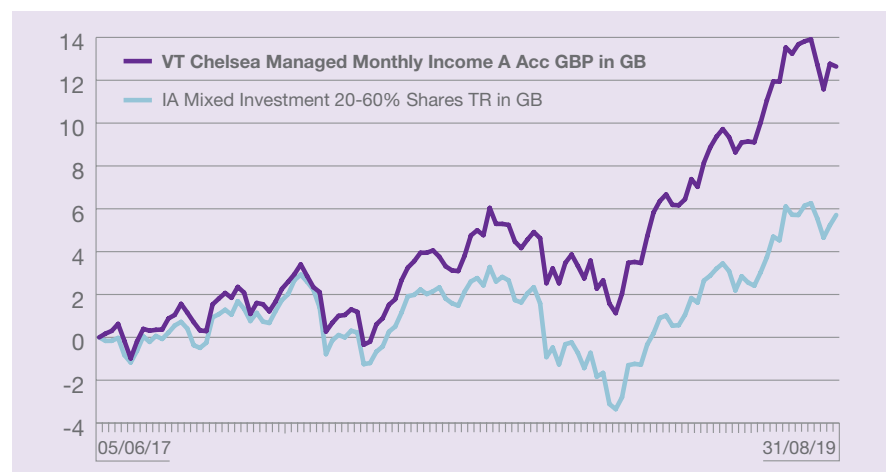
Fund commentary Over the summer, a weakening in the global economy caused bond yields around the world to fall to unprecedented levels. The US Federal Reserve cut interest rates despite predicting a rise in rates just a few months earlier. Much of the world's debt now has a negative yield. If you lend €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). Our fixed income holdings are generally high yielding and specialist. We have infrastructure debt, emerging

market debt, financial debt, real estate debt and high yield debt all achieving attractive yields. These are combined with flexible strategic bond funds which can adapt to the changing environment.

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. This benefited the fund's overseas holdings such as TB Evenlode Global Income, BlackRock Continental European Income and Fidelity Global Enhanced Income which all rose over the period. We have reduced the weight to some of our renewable energy investment trusts after they performed exceptionally well and have re-allocated to areas offering better value.

Performance since launch (%)**



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	7.03	-	-	12.64
Benchmark (%)	2.97	-	-	5.71

Calendar year performance

	YTD	2018	2017	2016
Fund (%)	10.86	-0.96	-	-
Benchmark (%)	9.18	-5.10	-	-

All data correct as at 31st August 2019.

[†]Long term is 5+ years.

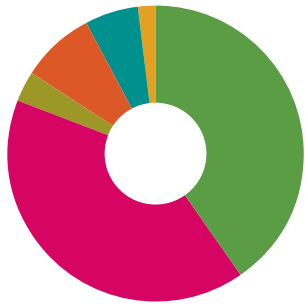
^{††}Investors may receive payment later, depending upon platform.

Past performance is not a reliable guide to future returns.

^{†††}03/09/2019 @LiontrustViews on Twitter

^{**}FE Analytics 05/06/2017-31/08/2019 total return in sterling terms. Dealing to dealing on a bid to bid basis.

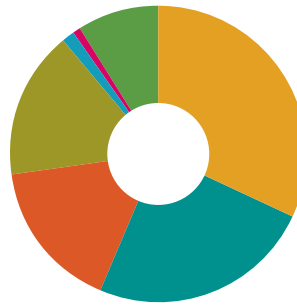
Asset allocation (%)



Equity	40.40%
Fixed Interest	40.57%
Targeted Absolute Return	0.00%
Cash	3.23%
Property	8.15%
Alternatives	5.84%
Gold and Silver	1.81%
Total	100.00%

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

Geographical equity allocation (%)



UK	31.97%
USA	24.55%
Europe ex UK	16.45%
Asia Pacific ex Japan	16.03%
Japan	1.56%
Emerging Markets ex Asia	0.66%
Other	8.79%
Total	100.00%

Data correct as at 31st 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

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 benchmark.

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