



VT Chelsea Managed Balanced Growth

VT Chelsea Managed Balanced Growth aims to produce capital growth over the long term†, but with lower volatility than global equities. The fund invests in UK and overseas equities, although it will also invest in other assets including bonds, alternative investment trusts, 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 returned 1.96% over the past 3 months versus 0.95% for the IA Mixed Investment 40-85% Shares sector.*

It's been an interesting start to the year. The original market enthusiasm for Trump's victory has waned as he has moved to impose aggressive tariffs. This has worried the US stock market. By contrast European markets have started the year well with defence stocks leading the way. As the US adopts a more isolationist stance, Europe has looked to boost its own defence. However, all this extra potential spending on defence has worried bond investors, which has caused yields and borrowing costs to rise.

Last year we anticipated higher defence spending and took a position in a defence ETF which has performed very well and was up another 9% in the past three months. Our physical gold exposure has also continued to perform well and was up another 8% in the period. Our UK smaller companies positions have continued to lag but look very good value.

As regular readers of our factsheets will know, for the past 18 months we have been re-building our position in alternative investment trusts. We escaped the worst of the initial investment trust sell-off, having sold many of our positions prior to the big rise in inflation and interest rates. In our view, the sell-off has now gone way too far. Trusts which previously traded on 20% premiums to their net asset values are now trading on 30%, 40% or even 50% discounts.

They are also trading on huge dividend yields, in some cases north of 10%. We have remained disciplined and we have bought more in our favoured names on weakness. This strategy has been quite painful at the start of this year. However, our patience is starting to be rewarded.

Very recently Assura, received a bid from private equity giants KKR and Stonepeak at 49.4p (it had recently traded as low as 36p).^^ As you may recall we have been banging on about Assura for some time. Its reliable, boring NHS-backed high income seemed very good value to us. We think KKR and Stonepeak are getting a steal but we are not too disappointed because there are so many other opportunities we can reinvest into. This deal is not yet finalised but the Assura board has said they are minded to accept the offer.

The next day another holding, Care REIT, also received a takeover offer at 108p and rose 30% on the day. Care REIT owns care home buildings across the country. Both Assura and Care REIT takeovers came at the start of March so they are not yet reflected in the performance figures on this factsheet, which runs to the end of February.

Activity is starting to happen in the alternative investment trust market. It's becoming impossible for private equity investors to ignore the value on offer. We have been busy reinvesting the proceeds from our recent gains as quickly as we can and we remain excited for the opportunities available.



The Chelsea research team (L to R): Joss Murphy, Research Analyst; Darius McDermott, Managing Director; Juliet Schooling Latter, Research Director; James Yardley, Head of Investments

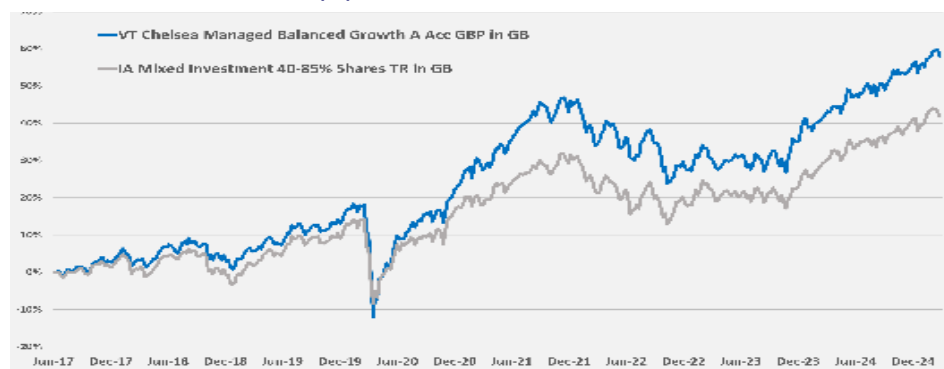
Fund information

Number of holdings	40
Size of fund (£m)	51.36
OCF	0.76%

Top 10 holdings

Fidelity Index US	5.43%
T.Rowe Price OEIC Global Focused Growth Equity	4.17%
Man GLG UK Absolute Value	3.87%
Assura PLC	3.86%
Artemis UK Select	3.76%
Chrysalis Investment Ltd	3.62%
Polar Capital Technology Trust PLC	3.62%
Greencoat UK Wind	3.22%
Invesco Physical Markets PLC	3.16%
GCP Infrastructure Investments	3.03%

Performance since launch (%)**



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.

Cumulative performance

	1 Year	3 Year	5 Year	Since launch
Fund (%)	11.38	16.75	42.42	57.93
IA Sector (%)	9.77	15.40	32.94	41.76

Calendar year performance

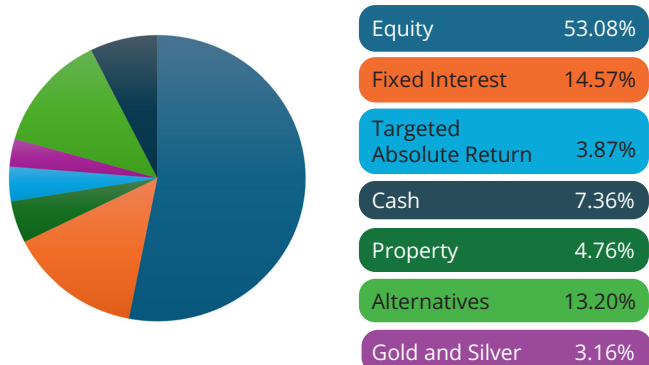
	YTD	2024	2023	2022	2021	2020
Fund (%)	1.60	9.95	11.16	-13.10	16.24	7.82
IA Sector (%)	2.08	8.98	8.08	-10.04	10.94	5.32

FE Funds Info 30/11/2024-28/02/2025 VT Chelsea Managed Cautious Growth vs IA Mixed Investment 20-60% Shares sector total return in sterling

†Long term is 5+ years

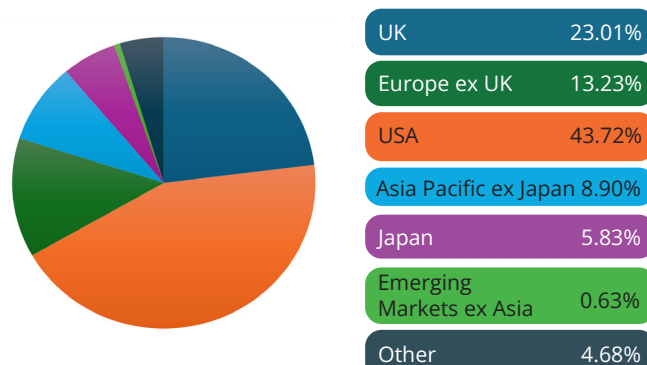
^^[https://www.theaic.co.uk/aic/news/industry-news/fifth-time-lucky-assura-backs-ps16bn-offer-from-us-private-equity-giant#:~:text=After%20knocking%20back%20four%20offers%2C%20Assura%20\(AGR,from%20a%20private%20equity%20consortium%2C%20pipping%20Primary](https://www.theaic.co.uk/aic/news/industry-news/fifth-time-lucky-assura-backs-ps16bn-offer-from-us-private-equity-giant#:~:text=After%20knocking%20back%20four%20offers%2C%20Assura%20(AGR,from%20a%20private%20equity%20consortium%2C%20pipping%20Primary)

Asset allocation (%)



Data correct as at 28/02/2025. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



Data correct as at 28/02/2025. 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

Our awards



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All performance data is sourced from FE Fund Info. 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.

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