

# CHELSEA CORE SELECTION



Core funds from the Chelsea Selection – individually researched and analysed.

## UK EQUITIES

SPOTLIGHT

### ARTEMIS UK SELECT

This fund is a concentrated portfolio of the best 40-50 stocks found by Ed and Ambrose, as they aim to combine top-down macroeconomic views with fundamental bottom-up analysis. The fund has a multi-cap approach and targets individual stocks the managers believe offer a non-consensus insight. This means the fund will never hold a stock just because it represents a significant proportion of its benchmark. In addition to this, the fund also has the ability to hold short positions in selected holdings where the managers believe a company may have negative prospects and can consequently make money from a falling share price. Ed and Ambrose have an excellent long-term track record.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.82% <sup>+</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	2.73%
UNIT TYPE	ACC/INC

### IFSL MARLBOROUGH MULTI-CAP GROWTH

This fund takes an unconstrained approach and can invest in businesses of all sizes, although Richard Hallett, manager since 2005, won't invest in any stock worth less than £100m. The portfolio typically holds between 40-50 stocks, with a one-in, one-out limit and each stock taking a maximum of 4% of the portfolio. Richard doesn't make big macroeconomic calls, but looks at individual firms and their prospects for the next two to five years. He buys firms that can grow regardless of the economy and avoids cyclical businesses.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.81% <sup>+</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	0.9%
UNIT TYPE	ACC/INC

### LIONTRUST SPECIAL SITUATIONS

This UK multi-cap fund is a 'best ideas' portfolio, encompassing any stock regardless of size or sector. However, there will usually be around 50% in small and mid-cap stocks. The managers, Antony Cross, Julian Fosh, Victoria Stevens and Matthew Tonge, look for firms with 'intellectual capital' or strong distribution networks, recurring revenue streams and products with no obvious substitutes. They also like to invest in companies where management teams have a significant personal equity stake. The fund is concentrated with 40-50 stocks.

CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.81% <sup>+</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	2.07%
UNIT TYPE	ACC/INC

### LIONTRUST UK MICRO CAP

Investing in Britain's smallest businesses, with a market capitalisation of less than £150m, this fund applies the team's proven 'economic advantage' investment process to micro-caps - a part of the market that tends to be under-researched. The fund was launched in March 2016 and is run by a team of five. The team undertakes detailed fundamental research, preferring to avoid simplistic screens, which they feel can be misleading. They aim to invest only in profitable companies, which must have at least one intangible asset, such as high recurring revenues or a strong brand. This is a long-term, low-turnover strategy. **NB This fund carries a large bid-offer spread, currently around 4%, at the time of going to print.**

CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	1.25% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	1.34% <sup>+</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.88%
UNIT TYPE	ACC

### MI CHELVERTON UK EQUITY GROWTH

Fund manager James Baker puts his extensive experience of investing in small and medium-sized businesses into practice with this fund, choosing to invest the majority of the portfolio in highly cash-generative smaller companies able to fund their own growth. James is supported by co-managers Edward Booth and Henry Botting. The initial screening process considers all UK stocks below the FTSE 100, with the managers looking for: revenue growth; cash conversion; balance sheet strength; high gross margins and the ability for companies to fund themselves. Stocks must meet four out of the five criteria to pass the screen, leaving about 250 stocks to analyse further.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.87% <sup>+</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.52%
UNIT TYPE	ACC/INC

### WS GRESHAM HOUSE UK MICRO CAP

Manager Ken Wotton leverages the extensive resource of the private equity background of his team – who also run the Baronsmead VCT range – to focus on four areas: technology; consumer goods; healthcare and business services for differentiated companies with unique businesses. The team often know these companies from their nascent stages and will actively engage with management to help the business deliver on its plans. Stocks are ranked on a conviction score to formalise the buying, sizing and selling of the 40-50 holding portfolio.

CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.90% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.96% <sup>++</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.53%
UNIT TYPE	ACC/INC

## ALL CORE SELECTION FUNDS ARE AVAILABLE AT 0% INITIAL CHARGE

**The Chelsea Risk Rating** Least risky | 1 | 10 | Most risky

This is our proprietary rating to aid you in your fund choice. Our research team assesses the overall risk of a fund by analysing a number of factors including: the level of risk involved in the region/sector in which the fund invests; the size of the companies within the fund; the number of stocks held; the risk controls imposed by the manager; the use of derivatives and currency issues.

We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 5 for further details.

## BLACKROCK CONTINENTAL EUROPEAN INCOME

Andreas Zoellinger manages this core European income fund, which invests predominately in large-cap stocks. The fund is supported by the highly regarded BlackRock European team, which is made up of 18 investment professionals. All members of the team, including fund managers, undertake fundamental research. Bottom-up research is key to the fund's performance. The fund has a preference for quality sustainable dividends with the potential for growth and inflation protection. The final portfolio has around 50 stocks. Income is paid in February, May, August and November.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.91% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	3.36%
UNIT TYPE	ACC/INC

## FIDELITY GLOBAL DIVIDEND

This is a solid core global income fund, which aims to pay a regular and growing dividend, whilst preserving capital. Manager Dan Roberts invests in predictable, resilient businesses, which can continue to generate strong cash flows, even when times get tough. Dan mainly invests in larger companies, although his overall portfolio looks very different from the benchmark, and he may avoid some countries or sectors altogether. The fund typically outperforms a falling market but can struggle when markets rise strongly. Income is paid in February, May, August and November.

CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.91% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.61%
UNIT TYPE	ACC/INC

## IFSL EVENLODE INCOME

Long-term thinking is key for this fund. Managers Hugh Yarrow and Ben Peters believe the market gets obsessed with short-term factors and overlooks key fundamentals. Their stocks typically have difficult-to-replicate business models, strong market positioning and low borrowings. They will never invest in highly capital-intensive areas such as mining or oil and gas. As such, the fund often performs well in down markets. While not the highest-yielding fund, its compounding approach has allowed a consistent and growing payout level from a very concentrated portfolio. Income is paid in February, May, August and November.

CHELSEA RISK RATING	5
ANNUAL MANAGEMENT CHARGE	0.88% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.88% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	2.77%
UNIT TYPE	ACC/INC

## M&G GLOBAL DIVIDEND

The notion that the discipline of paying dividends leads to greater corporate responsibility, which in turn leads to share price outperformance, is the investment philosophy behind this fund. Manager Stuart Rhodes' main aim is to grow distributions over the long term, whilst maximising total return by investing across a wide range of geographies, sectors and market capitalisations. The process is bottom-up and value-driven. The fund has around 50 stocks, typically held for three years, and Stuart predominantly invests in developed markets. Income is paid in March, June, September and December.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	0.66% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.48%
UNIT TYPE	ACC/INC

## MAN GLG INCOME

Manager Henry Dixon has an unconstrained mandate, allowing him to invest across the market-cap spectrum. Henry has a clear and repeatable process, targeting stocks with good cash generation, trading below the replacement cost of their assets i.e. 'value' stocks. Initial stock screens are combined with bespoke in-house models to highlight stocks for further research. Henry also has the flexibility to invest in a company's bonds if he believes they offer better value than its shares. He will have 40-60 holdings and a yield typically above 4%, which pays monthly.

CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.90% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	5.03%
UNIT TYPE	ACC/INC

## MONTANARO UK INCOME SEED

Montanaro are specialists in small and medium-sized companies. This fund is co-managed by industry veteran Charles Montanaro and Guido Dacie-Lombardo and invests in quality growth businesses, backed by strong management teams. The fund seeks to grow its dividend over time. One of its differentiating features is the fund's refusal to buy stocks listed on AIM (Alternative Investment Market) as the team believes these are too risky. The final portfolio is 40-50 stocks. Early supporters of this fund, including Chelsea clients, have access to the significantly cheaper seed share class. Income is paid in March, May, August and November.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.40% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.52% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	3.60%
UNIT TYPE	ACC/INC

## WS GUINNESS GLOBAL EQUITY INCOME

Co-managed by Dr Ian Mortimer and Matthew Page, this fund has an equally-weighted portfolio of 35 stocks to generate a modest income alongside capital growth for investors. The managers are unconstrained by any benchmark and can therefore invest wherever they see the best opportunities. They have a well-defined process, focusing only on firms which are generating returns above their cost of capital, and which are generating good cashflows. This allows them to pay a sustainable dividend, as well as reinvesting in growing their business. Stocks will also need to show an attractive valuation opportunity, meaning the portfolio will be a balance of styles and be able to weather a variety of market conditions. Income is paid in January and July.

CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.79% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.79% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	2.06%
UNIT TYPE	ACC/INC

**N.B.** Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 5 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 25/09/2024. Yields as at 25/09/2024 and taken from Income units where applicable.

- \* A performance fee may be applied; see the Key Investor Information Document for further details.
- \*\* Cheaper share class available. Please contact us on 020 7384 7300.
- # The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).
- † OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.
- ^ Includes Chelsea discount.

## EUROPE

## BLACKROCK EUROPEAN DYNAMIC

Giles Rothbarth took over sole charge of the fund in January 2020, after Alister Hibbert stepped down as lead manager, and he runs it with the same conviction and flexibility, being prepared to have large over and underweight positions at both the stock and sector level. The fund primarily focuses on large-cap companies, though can hold some more medium-sized stocks, and will move between different styles depending on the stock and economic backdrop. This means turnover can often be higher than its peers and the portfolio is concentrated, with around 50 holdings. Giles has the support of BlackRock's very well-resourced European equity team, which we consider to be one of the best around.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.91% <sup>†</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	SILVER
YIELD	0.94%
UNIT TYPE	ACC/INC

## CT EUROPEAN SELECT

Manager Ben Moore focuses on buying companies with a competitive advantage, high-quality defensible earnings and consistent growth rates. His approach is growth orientated, but other factors, such as brand loyalty or pricing power, are also key. Consequently, he favours certain sectors and may choose not to invest in some sectors altogether. He likes companies with strong market share in emerging markets. The fund is fairly concentrated and typically has around 40 holdings, of which around 80% are in large-caps.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.79% <sup>†</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	BRONZE
YIELD	0.77%
UNIT TYPE	ACC/INC

## IFSL MARLBOROUGH EUROPEAN SPECIAL SITUATIONS

Manager David Walton invests across the market-cap spectrum but by far his main emphasis is on small and micro-cap companies, which he believes is the most inefficient part of the market. He wants to invest in companies with first-class management, strong growth prospects and a share price which doesn't yet reflect a company's potential. The fund has around 100 holdings and is well diversified across different sectors and countries.

CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.80% <sup>†</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	NEUTRAL
YIELD	2.07%
UNIT TYPE	INC

## LIONTRUST EUROPEAN DYNAMIC

Liontrust European Dynamic is a concentrated fund of around 30-40 holdings. The managers, James Inglis-Jones and Samantha Gleave, believe cash flow is the single most important determinant of shareholder return. They look at around 1,200 companies that have sufficient liquidity within Europe. They then create a 'Cashflow Champions Watchlist'. Stocks are ranked in order of attractiveness across two screens - a quality screen and a value screen - with the top 20% comprising the Cashflow Champions. The managers then conduct fundamental research on each company, carefully examining annual reports and accounts. This is a core European holding which will adapt the portfolio to prevailing market conditions.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.85% <sup>†</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	GOLD
YIELD	1.75%
UNIT TYPE	ACC/INC

SPOTLIGHT

## US

## FIDELITY INDEX US

This is a low-cost tracker fund which aims to match the performance of the S&P 500 over time. The US market is dominated by some of the largest companies in the world and has historically been a very efficient market, where only the very best active managers have outperformed. A tracker fund such as this is a cost-efficient way to access this market. Fidelity has a strong track record in this space and this fund is particularly cheap.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.06% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.06% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	GOLD
YIELD	1.05%
UNIT TYPE	ACC/INC

## PREMIER MITON US OPPORTUNITIES

This fund brings together the talents of two managers, Nick Ford and Hugh Grieves, who both have strong track records. Between them, they have run both small and large-cap, and value and growth mandates meaning they have a wide experience of asset classes to call upon. They run a concentrated portfolio, investing across the market-cap spectrum, with a small and mid-cap bias, to create a portfolio differentiated from their peers. They take a long-term view when investing, creating a portfolio of around just 35-45 stocks. Because of this, stock selection is imperative. They favour easy-to-understand, cash-generative businesses which they will trade at prices with considerable upside potential.

CHELSEA RISK RATING	7
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.83% <sup>†</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	BRONZE
YIELD	0.13%
UNIT TYPE	ACC

## ALL CORE SELECTION FUNDS ARE AVAILABLE AT 0% INITIAL CHARGE

**The Chelsea Risk Rating** Least risky 1 ||||| |||| 10 Most risky

This is our proprietary rating to aid you in your fund choice. Our research team assesses the overall risk of a fund by analysing a number of factors including: the level of risk involved in the region/sector in which the fund invests; the size of the companies within the fund; the number of stocks held; the risk controls imposed by the manager; the use of derivatives and currency issues.

We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 5 for further details.

# ASIA PACIFIC, JAPAN AND EMERGING MARKETS

## FIDELITY ASIA PACIFIC OPPORTUNITIES

Singapore-based Anthony Srom manages this high-conviction fund of around 30 stocks. Higher conviction should not mean higher risk and the portfolio is carefully constructed to ensure good diversification. Stock selection is based on three factors: fundamentals, sentiment and valuation. Anthony has a contrarian instinct and understanding investor sentiment is a key factor in his decision making. Alongside the company specifics, Anthony believes it is important to consider the prospects for the industry in which a company operates. The fund invests across the market-cap spectrum but around two thirds of the holdings are in large-caps.

CHELSEA RISK RATING	8
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.90% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	-
UNIT TYPE	ACC/INC

## FSSA GREATER CHINA GROWTH

This specialist fund builds a concentrated portfolio of the best 50-60 ideas from across the Chinese, Hong-Kong and Taiwanese stock markets. Manager Martin Lau is highly experienced and very knowledgeable in this space and looks for well-managed businesses, with a strong focus on good corporate governance. These are found through individual company research. Martin looks for quality companies with barriers to entry, pricing power and sustainable growth. He also has a strict valuation discipline and won't overpay for fashionable stocks if the fundamentals are not there. Over the long term, this fund has consistently been one of the best performers in the sector. Given the single-country nature of the fund, it can be volatile.

CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	1.00% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	1.09% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	1.83%
UNIT TYPE	ACC

## GQG PARTNERS EMERGING MARKETS EQUITY

All the funds at Florida-based GQG Partners are led by founder and veteran fund manager Rajiv Jain. The fund is a concentrated portfolio of high-quality companies with durable earnings. The team emphasises the importance of future quality, rather than companies which have simply done well historically. As a result, they screen for stocks with stable financials and solid balance sheets. They also utilise a team of investigative journalists and specialist accountants to help give them an edge in examining companies.

CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	0.90% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	1.05% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	-
UNIT TYPE	ACC/INC

## JPM JAPAN

Tokyo-based manager Nick Weindling runs this domestic Japanese growth fund. When selecting stocks he incorporates a thematic approach, built on his on-the-ground knowledge and understanding of Japanese culture. Nick avoids the traditional 'old Japan' stocks, looking more for stocks that have improved corporate governance. He takes a long-term focus when highlighting opportunities, and ensures he meets company management in order to understand their business properly, aided by being fluent in Japanese. The portfolio will be checked to ensure it is aligned with the manager's macroeconomic views.

CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.81% <sup>†</sup>
FUNDALIBRE RATING	-
MORNINGSTAR RATING	GOLD
YIELD	0.53%
UNIT TYPE	ACC/INC

## JUPITER ASIAN INCOME

Well-known Asian income manager Jason Pidcock combs the Asia Pacific market in search of large companies with reliable dividends that can deliver both income and growth for investors. The fund aims to capitalise on the opportunities of today, as well as the potential of tomorrow, and the manager is not afraid to hold much more or less of certain countries than its benchmark in pursuit of this aim, with the portfolio currently having no holdings in China. The portfolio tends to have a considerable amount invested in the more developed countries in Asia, due to the importance of a reliable dividend stream. This is a reliable, more defensive fund but performance tends to be very different from its peer group and benchmark.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	1.01% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.28%
UNIT TYPE	ACC/INC

## M&G JAPAN

M&G Japan invests in Japanese firms of any size, with a bias towards small and mid-caps. The managers, Carl Vine and David Perrett, who have worked together for many years, concentrate their efforts on really getting under the skin of the businesses they look at, which adds value in an esoteric market like Japan, and leads to a concentrated portfolio of companies (typically fewer than 50 holdings) of which they have a real in-depth understanding. The fund is unconstrained with regards to the benchmark, so may deviate significantly from the benchmark's constituents. The fund has a slight value bias and has consistently outperformed under Carl's tenure.

CHELSEA RISK RATING	10
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	0.49% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.35%
UNIT TYPE	ACC/INC

## STEWART INVESTORS ASIA PACIFIC LEADERS SUSTAINABILITY

The fund is managed by David Gait and Sashi Reddy. They have a strong focus on capital preservation by considering corporate governance and social responsibility in order to maintain a sense of stewardship over investors' money. The portfolio is concentrated at 40-60 stocks, with the top 10 making up around 40% of the whole portfolio. David makes meeting company management an integral part of company analysis, and the stocks will typically be large-cap, with firms under around \$1bn removed from the stock selection process.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.80% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.84% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.73%
UNIT TYPE	ACC/INC

**N.B.** Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 5 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 25/09/2024. Yields as at 25/09/2024 and taken from Income units where applicable.

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- \*\* Cheaper share class available. Please contact us on 020 7384 7300.
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- ^ Includes Chelsea discount.

## GLOBAL

## FUNDSMITH EQUITY

Manager Terry Smith is one of the most outspoken and high-profile personalities in the City. Terry has consistently proven himself over a long and glittering career, continuing to do so with the founding of Fundsmith in 2010. The fund invests in high-quality, well-established mega-cap companies. These companies typically have high returns on equity and are resilient to technological change. The fund typically has a big overweight to consumer staples and it will often avoid some sectors entirely. Valuation discipline is a key part of the process. The concentrated portfolio will typically hold just 20 to 30 stocks.

CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.90% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.94% <sup>*</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	SILVER
YIELD	-
UNIT TYPE	ACC/INC

## IFSL EVENLODE GLOBAL EQUITY

Fund managers Chris Elliot and James Knoedler scour the globe for 'quality' companies that can achieve sustainable growth over time with minimal capital reinvestment. In essence, Evenlode's investment approach revolves around identifying market-leading companies, with high cashflow returns on capital, manageable business risks, and limited financial leverage. They find that this process has led them to predominantly fish in large-cap and growth buckets. The outcome is a concentrated portfolio of between 30-50 companies.

CHELSEA RISK RATING	6
ANNUAL MANAGEMENT CHARGE	0.85% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.85% <sup>*</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	NEUTRAL
YIELD	0.56%
UNIT TYPE	ACC/INC

## RATHBONE GLOBAL OPPORTUNITIES

Manager James Thomson has a mandate to invest across the globe, though in practice only focuses on the more developed world markets to create a concentrated portfolio of 40-60 stocks. These companies are typically out-of-favour and under-the-radar growth companies, but at attractive valuations. James is a pure stock picker and has a flexible asset allocation mandate to go with it. He likes differentiated companies that are easy to understand, with a repeatable strategy and with barriers to entry for competitors. There is also a defensive bucket of stocks less dependent on the economic environment to manage risk and protect the fund in falling markets.

CHELSEA RISK RATING	6.5
ANNUAL MANAGEMENT CHARGE	0.75% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.77% <sup>*</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	BRONZE
YIELD	0.35%
UNIT TYPE	ACC

## T. ROWE PRICE GLOBAL FOCUSED GROWTH EQUITY

Lead manager David Eiswert is supported by T Rowe Price's large global analyst network. David combines his macroeconomic view with his analysts' best ideas to build a portfolio of around 60-80 growth stocks. He targets businesses with accelerating returns on capital over the next 12 to 24 months. The fund currently has a third invested in technology and, unlike some global funds, it does invest in emerging markets.

CHELSEA RISK RATING	7.5
ANNUAL MANAGEMENT CHARGE	0.50% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.61% <sup>*</sup>
FUNDALIBRE RATING	ELITE 🏆
MORNINGSTAR RATING	GOLD
YIELD	0.29%
UNIT TYPE	ACC

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**The Chelsea Risk Rating** Least risky 1 ||||| 10 Most risky

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We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 5 for further details.

## ARTEMIS CORPORATE BOND

Manager Stephen Snowden, ably supported by his team, invests in investment grade corporate bonds in this fund, with some ability to allocate across the wider fixed income market if special opportunities arise. He takes a long-term strategic and thematic view, but will also take advantage of short-term opportunities when they present themselves. As well as assessing the wider macroeconomic picture, Stephen will do deep analysis of the fundamentals of the company behind the bond issue to ensure the portfolio can benefit from both superior stock selection, and perform in any economic climate. Income is paid in January, April, July and October.

CHELSEA RISK RATING	2.5
ANNUAL MANAGEMENT CHARGE	0.25% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.37% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	4.71%
UNIT TYPE	ACC/INC

## MAN GLG HIGH YIELD OPPORTUNITIES

Man GLG High Yield Opportunities is an unconstrained, concentrated global high yield bond fund, driven by individual bond selection, but guided by top-down thematic ideas. Manager Mike Scott is ably supported by a team of internal credit analysts who conduct a rigorous analysis of every potential holding and their ability to meet debt obligations. Mike is very experienced and has an excellent track record in navigating the extra risk in the sector whilst achieving above average returns. Income is paid monthly.

CHELSEA RISK RATING	4
ANNUAL MANAGEMENT CHARGE	0.60% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.75% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	6.91%
UNIT TYPE	INC

## MAN GLG STERLING CORPORATE BOND

This relatively new fund is managed by Jonathan Golan, one of the most exciting young bond managers around. The fund invests in bonds with a margin of safety which is achieved through rigorous credit analysis. The fund invests globally and finds many of its best ideas off the beaten path. Each bond in the portfolio has a self-help story which is typically uncorrelated to the wider economic picture. The fund favours small and medium bond issuers which may be less well understood. So far Jonathan Golan has continued his excellent performance at Schroders with this fund.

CHELSEA RISK RATING	3.5
ANNUAL MANAGEMENT CHARGE	0.46% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.63% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	NEUTRAL
YIELD	6.07%
UNIT TYPE	ACC/INC

## M&G EMERGING MARKETS BOND

Another star of the highly-regarded M&G fixed income desk, is manager Claudia Calich, who is extremely knowledgeable about her asset class. With this fund, Claudia has the flexibility to invest across the whole emerging market bond spectrum. She can invest in both government and corporate bonds, denominated in local currencies or in US dollars ('hard' currency). Claudia pays considerable attention to the macroeconomic environment to determine the framework for the fund, before looking at the individual companies and governments to pick what she believes to be the best mix of bonds for this portfolio. Income is paid in February and August.

CHELSEA RISK RATING	4.5
ANNUAL MANAGEMENT CHARGE	-
ONGOING CHARGES FIGURE (OCF)	0.68% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	SILVER
YIELD	6.85%
UNIT TYPE	ACC/INC

## NOMURA GLOBAL DYNAMIC BOND (HEDGED)

With an unconstrained approach, Dickie Hodges utilises the full range of bond and derivative securities available to him, including government, corporate, emerging market and inflation-linked bonds. Using a blend of top-down and bottom-up stock selection, he aims to deliver a yield of around 3-6%, depending on market conditions. The team also target capital growth so will not increase the yield of the fund at the expense of capital. Dickie is extremely knowledgeable about bond securities and derivatives and uses this skill set and flexible mandate to exploit opportunities. The fund is a good option for all market conditions in terms of both yield and capital return.

CHELSEA RISK RATING	4
ANNUAL MANAGEMENT CHARGE	0.60% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.75% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	4.50%
UNIT TYPE	INC

## RATHBONE ETHICAL BOND

This fund has been an early pioneer in the ethical fixed income space, and has the credentials to back it up, with manager Bryn Jones having been at the helm for 20 years. The fund has clear ethical exclusions, including mining, arms and gambling, which removes approximately one third of the index. Every position must also have at least one positive ESG quality. Bryn is looking for a relatively high income from this portfolio of approximately 80-200 stocks. He will move his allocations depending on his confidence in the economic and political outlook, as well as tapping into any structural themes he sees developing. Income is paid in February, May, August and November.

CHELSEA RISK RATING	2.5
ANNUAL MANAGEMENT CHARGE	0.63% <sup>#</sup>
ONGOING CHARGES FIGURE (OCF)	0.67% <sup>†</sup>
FUNDALIBRE RATING	ELITE
MORNINGSTAR RATING	GOLD
YIELD	4.90%
UNIT TYPE	ACC/INC

**N.B.** Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 5 for more information. For performance statistics please refer to pages 18-19.

Data sourced from FE (Financial Express) fund info for period up to 25/09/2024. Yields as at 25/09/2024 and taken from Income units where applicable.

- \* A performance fee may be applied; see the Key Investor Information Document for further details.
- \*\* Cheaper share class available. Please contact us on 020 7384 7300.
- # The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).
- † OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.
- ^ Includes Chelsea discount.