



VT Chelsea Managed Monthly Income

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 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* It was another good three months for the fund with a total return of +3.37% versus +3.94% for the IA Mixed Investment 20-60% Shares sector.* The fund slightly underperformed its sector but this follows a very strong period of outperformance in the previous three months.

After a rally at the end of last year, some markets have cooled off a bit at the start of this year. Bond markets were very quick to price in a number of interest rate cuts for 2024. However, strong US jobs numbers in January and economic strength have reduced expectations for cuts.

The US stock market has had a strong start to the year, boosted by excitement surrounding artificial intelligence. The fund has a natural underweight to tech stocks as they tend to not offer much of a dividend yield. Nevertheless, the fund's global equity income holdings: Guinness Global Equity Income; M&G Global Dividend and Evenlode Global Income, all rose in value.

A number of distressed trusts recovered during the period which also benefited performance. One of these trusts was Chrysalis. This trust holds fast growing established private companies before they list on the stock market.

In December, the fund had an opportunity to pick the shares up on a substantial discount as a large holder needed to sell their position. Whilst the shares don't currently yield anything, it is a position that we know well, and we didn't want the income fund to miss out on this opportunity.

Chrysalis has a number of exciting prospects including Klarna, which is expected to IPO in the near future. The shares have now rallied 36% since the fund last bought them and, whilst we continue to believe the position is undervalued, the fund has trimmed the position for risk management.** The proceeds have now been locked into a new high yielding position, boosting the fund's income.

Our property and renewable energy trusts continue to languish on large discounts but they keep generating a lot of income. We are frustrated by their performance but we remain confident that when interest rates do start to come down they can recover. In the meantime the fund is being paid to wait with large dividends.

The fund has built up a substantial income reserve which as usual will be paid out after the fund's end of year at the end of June.

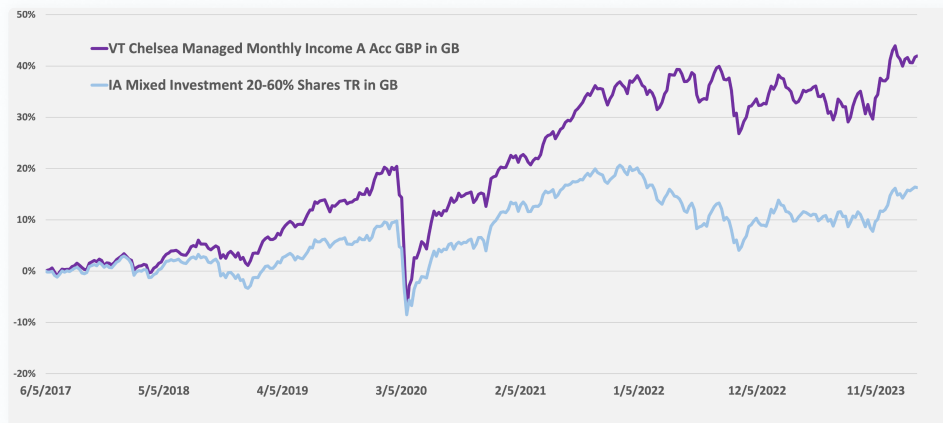


The Chelsea research team (L to R): Joss Murphy, Junior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling Latter, Research Director; James Yardley, Senior Research Analyst

Fund information

Number of holdings	37
Size of fund (£m)	54.51
OCF	0.71%
Yield	5.71%
Payment dates	Monthly last day of the month

Performance since launch (%)**



Cumulative performance

	1 Year	3 Year	5 Year	Since launch
Fund (%)	4.46%	16.85%	33.63%	41.69%
IA Sector (%)	4.63%	4.20%	15.87%	16.30%

Calendar year performance

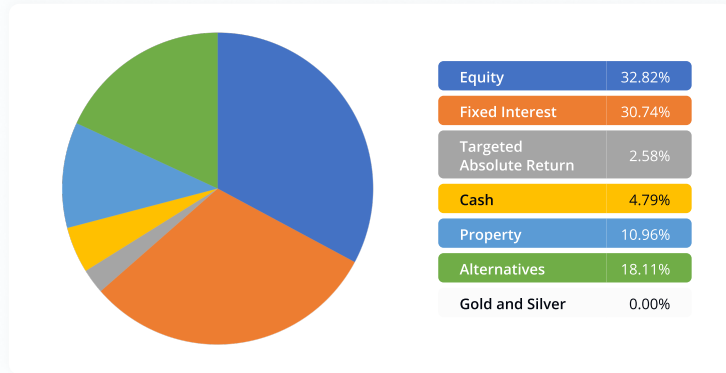
	YTD	2023	2022	2021	2020
Fund (%)	-1.56%	8.57%	-4.02%	13.84%	1.96%
IA Sector (%)	0.11%	6.81%	-9.47%	7.20%	3.51%

Top 10 holdings

Greencoat UK Wind PLC	4.15%
Assura PLC	4.06%
Man GLG UK Income Professional	3.92%
Chrysalis Investments Ltd	3.81%
GCP Infrastructure Investments Ltd	3.64%
M&G Global Dividend	3.60%
FTF ClearBridge Gbl Infrastructure	3.51%
TB Guinness Global Equity Income	3.50%
Bluefield Solar Income Fund Ltd	3.49%
Sequoia Economic Infrastructure Income Fund Ltd	3.36%

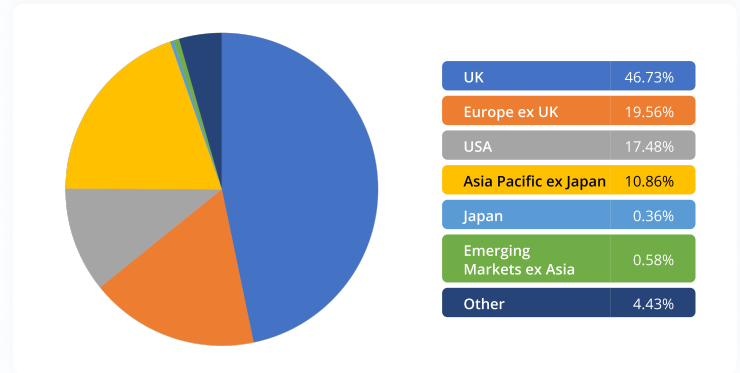
***<https://www.theaic.co.uk/companydata/chrysalis-investments> 13/03/2024. *FE Funds Info 30/11/2023-29/02/2024 VT Chelsea Managed Monthly Income fund vs IA Mixed Investment 20-60% Shares sector total return in sterling. **February 29/02/2024 close price 88.6p versus 65p purchase price. †Long term is 5+ years

Asset allocation (%)



Data correct as at February 2024. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



Data correct as at February 2024. 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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