



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 primarily invests in UK and overseas equities, although it may also invest in other assets including bonds, 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 +2.86% over the past three months, versus +2.92% for the IA Mixed Investment 40-85% Shares sector.*

The combination of a Trump election victory and an aggressive high tax, high spend budget in the UK led to an increase in government bond yields. It also reduced hopes of future interest rate cuts next year. These higher bond yields hurt some of the fund's bond and alternative income trusts.

However, the US market did well following Trump's victory and this supported the fund's tech and US equity positions. Polar Capital Technology trust rallied 14% in the period, but remains on a stubbornly wide discount of over 12% to its stated net asset value. Chrysalis continues to be a strong performer for the fund and rallied 20%.** One of the trust's largest positions, Klarna, is expected to have an initial public offering (IPO) early next year.

Some of the fund's alternative assets had a difficult period because of higher bond yields. Assura, reported good interim results. This real estate investment trust owns GP surgeries and some private hospitals, with most of its revenue backed by the NHS. Earnings were up, the dividend grew by 4% on the previous year and the dividend is fully covered by earnings. The trust yields around 8.5% and trades on over a 20% discount to its stated net asset value.

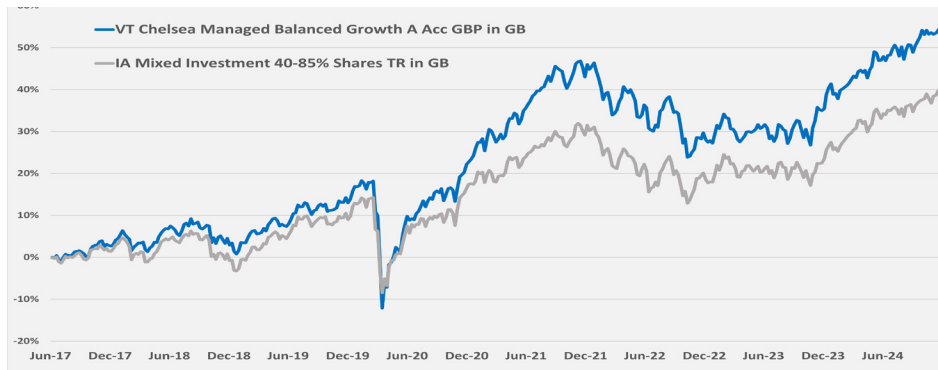
Since 2015, the trust has increased its dividend every year from a starting point of 1.8p to 3.36p today.[^] Despite this strong performance the trust's share price is down 17% year to date and 55% from its peak in 2020.^{^^}

We are happy to be patient and for the fund to keep collecting its quarterly dividends.

SDCL Energy Efficiency Income trust has been one of the fund's worst performers year to date. Prior to its recent results it was down 23%.^{^^^} But there was nothing wrong with its results. The trust sold one of its largest assets in the period, at a premium. Net cash flows of £35.8m came in above budget and more than fully covered the generous 12% dividend. The shares have subsequently rallied but remain on a 37% discount to its stated net asset value.^{^^^^} The trust is planning to sell significant stakes in two of its businesses. First round bids are expected shortly with interest 'encouragingly high'.

The fund has returned 16% over the past year including dividends.^{***} We think there are excellent opportunities currently available, particularly in the alternative investment trust space. Whilst others focused on short-term numbers panic and out of perfectly good assets, we are happy to pick them up at bargain prices. We have added further to UK smaller companies as the valuation difference with the US has become ever more extreme.

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 (%)	14.65	7.74	35.58	54.89
IA Sector (%)	14.85	8.77	27.08	40.42

Calendar year performance

	YTD	2023	2022	2021	2020
Fund (%)	9.56	11.16	-13.10	16.24	7.82
IA Sector (%)	10.19	8.08	-10.04	10.94	5.32



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	42
Size of fund (£m)	49.4
OCF	0.77%

Top 10 holdings

Fidelity Index US	6.15%
T.Rowe Price OEIC Global Focused Growth Equity	4.31%
Polar Capital Technology Trust PLC	4.20%
Chrysalis Investments Ltd	3.82%
Man GLG UK Absolute Value	3.81%
Artemis UK Select	3.58%
Assura PLC	3.28%
Greencoat UK Wind	3.21%
Invesco Physical Markets PLC	3.03%
Schroder Global Recovery	3.93%

*FE Funds Info 31/08/2023-30/11/2024 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares sector total return in sterling

**FE Funds Info 06/06/2017-30/11/2024 total return in sterling

†Long term is 5+ years

[^]Assura annual results presentation page 5 https://www.assurapl.com/sites/assura/files/annual-results-24/20240331_Assura_FY_Results_vF.pdf

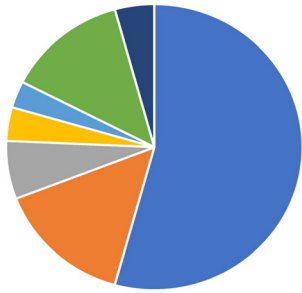
^{^^} FE Funds Info Assura (AGR) Price return in sterling 31/12/2023-29/11/2024

^{^^^}FE Funds Info SDCL Energy Efficiency Income Trust (SEIT) Price return in sterling 31/12/2023-28/11/2024

^{^^^^} theaic.co.uk SDCL Energy Efficiency Income Trust 11/12/2024

^{***} FE Funds Info 30/11/2023-30/11/2024 VT Chelsea Managed Balanced Growth total return in sterling

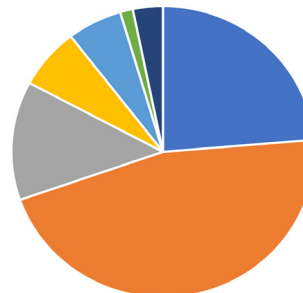
Asset allocation (%)



Equity	54.31%
Fixed Interest	14.83%
Targeted Absolute Return	3.81%
Cash	4.29%
Property	6.55%
Alternatives	13.18%
Gold and Silver	3.03%

Data correct as at 30/11/2024. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	23.69%
Europe ex UK	13.19%
USA	45.95%
Asia Pacific ex Japan	6.74%
Japan	5.86%
Emerging Markets ex Asia	1.36%
Other	3.20%

Data correct as at 30/11/2024. 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

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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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