



VT Chelsea Managed Balanced Growth

December 2021

VT CHELSEA
Managed
FUNDS



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Fund information

Launch date	5 th June 2017
Size	£41m
Number of holdings	40
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NMX06
Initial charge	0%
Ongoing charges figure	1.22%

Top 10 holdings

Chrysalis Investments Ltd	4.27%
T Rowe Price Global Focused Growth Equity	4.26%
Digital 9 Infrastructure	3.97%
Fidelity Index US	3.97%
Fundsmith Equity	3.93%
Greencoat UK Wind PLC	3.88%
Taylor Maritime Investments Ltd	3.69%
Man GLG UK Absolute Value	3.68%
MI Chelverton UK Equity Growth	3.26%
Supermarket Income REIT PLC	3.15%

VT Chelsea Managed Balanced Growth aims to produce capital growth over the long term[†], but with lower volatility than global equities. The fund has a target weighting of between 50% and 70% in UK and overseas equities, although it may also invest in

Fund commentary Is inflation transitory? Central banks have insisted it is. However, that changed recently when Federal Reserve (Fed) chair Jerome Powell said it was time to retire the word. In effect he was admitting the Fed had made a mistake and signalling that higher interest rates are coming to help tame inflation.

We've all become used to an era of cheap easy money. Some increase in interest rates is to be expected. It was necessary to take emergency action at the start of the pandemic but now much of the economy is returning to normal it makes sense to reverse these emergency measures. The market has already priced these rate rises in. It's only if rates rise faster than expected that there is cause for concern which could happen if inflation persists.

There is strong evidence for both sides of the inflation camp. On the one hand, shipping rates and some commodities have started falling suggesting inflation may be peaking. On the other hand some wages are rising. Many people have changed their lives since the pandemic started and a lot have retired and left the workforce. The result is a shortage of workers in many industries.

There is a mix of different fund styles in the portfolio which remains increasingly positioned towards growth. Technology is only becoming more disruptive whatever happens with inflation and we want to invest on the right side of that disruption. Unlike many other sectors tech doesn't suffer much from the rising input

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.

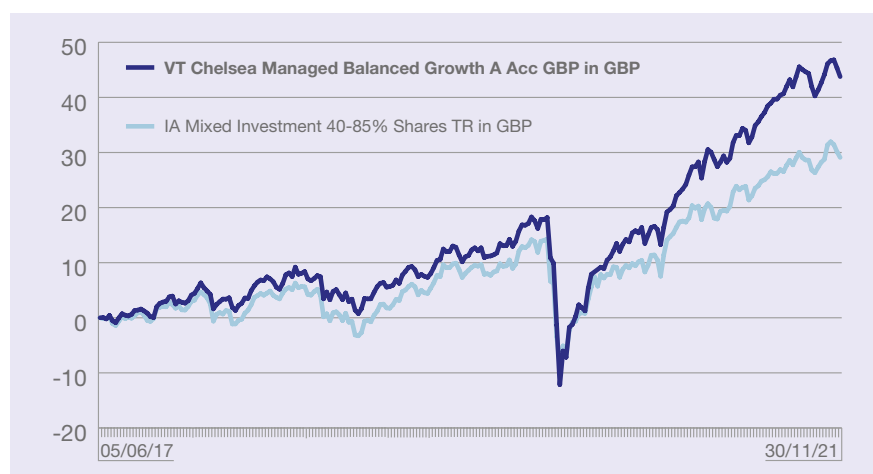
costs which come with higher inflation. Demand for semi-conductors is insatiable. The world simply can't keep up with the huge demand which has been accelerated by the boom in AI and datacentres.

Earlier this year, when tech was out of favour, the fund added a new position in Polar Capital Technology trust which was trading at a discount. It has performed well but the discount has persisted. A sign perhaps that the market is not as in love with tech stocks as many believe. The fund recently bought a new position in Life Science REIT. A property investment trust focused on investing in life science properties in London, Oxford and Cambridge. The pandemic has showed us just how important this industry is and unlike other jobs you can't take your lab home with you!

When the fund invests in property there is a tendency to do so in very specialist niches. The fund continues to hold positions in digital infrastructure, care homes and warehouses all of which are benefitting from long term structural growth. Life Sciences REIT is the latest addition. Very few bonds are held and this has helped our performance. Our investment in Taylor Maritime Investments, which owns and leases ships, has done very well so far and is up 20% since its IPO in May.**

Overall it has been another strong year with the fund up 14.17% in the first 11 months of the year, well ahead of the IA Mixed Investment 40-85% sector average 9.28%.* We look forward to finding many more investment opportunities in the new year.

Performance since launch (%)***



Cumulative performance

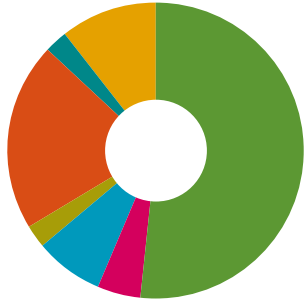
	1 year	3 years	5 years	Since launch
Fund (%)	18.80	37.55	-	43.77
IA Sector (%)	11.93	28.03	-	29.10

Calendar year performance

	YTD	2020	2019	2018
Fund (%)	14.17	7.82	15.30	-3.01
IA Sector (%)	9.28	5.32	15.78	-6.11

Past performance is not a reliable guide to future returns. *Source: FE Fund Info 01/01/2021-30/11/2021 total return in sterling. **FE Fund Info 01/01/2021-30/11/2021 total return in sterling. ***FE Fund Info 05/06/2017-31/05/2021 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares total return in sterling.

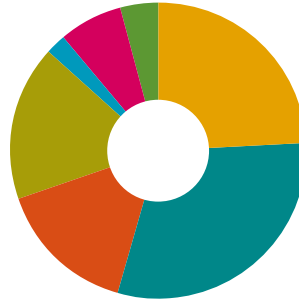
Asset allocation (%)



Equity	51.76%
Targeted Absolute Return	4.79%
Fixed Interest	7.41%
Cash	2.52%
Property	20.59%
Gold and Silver	2.54%
Alternatives	10.40%
Total	100.00%

Data correct as at 30th November 2021. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	24.28%
USA	30.44%
Asia Pacific ex Japan	15.22%
Europe ex UK	16.91%
Japan	2.29%
Emerging Markets ex Asia	6.87%
Other	3.99%
Total	100.00%

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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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