



VT Chelsea Managed Monthly Income

June 2022

VT CHELSEA
Managed
FUNDS



The Chelsea research team (L to R): James Yardley, Senior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling Latter, Research Director; Ryan Lightfoot-Brown, Senior Research Analyst

Fund information

Launch date	5 th June 2017
Size	£44.72m
Number of holdings	38
Share class & ISIN	VT Chelsea Managed Monthly Income A Acc GB00BFONMS52
Share class & ISIN	VT Chelsea Managed Monthly Income A Inc GB00BFONMT69
Indicated yield	4.55%
Income distribution	Monthly ^{††}
Initial charge	0%
Ongoing charges figure	0.77%
Payment dates ^{††}	Monthly, last day of the month

Top 10 holdings

Taylor Maritime Investments Ltd	4.84%
Greencoat UK Wind PLC	4.53%
FTF Clearbridge Global Infrastructure	4.40%
Digital 9 Infrastructure	4.23%
Man GLG UK Income	4.05%
Fidelity Global Enhanced Income	4.02%
BioPharma Credit PLC	3.98%
M&G Global Dividend	3.97%
Sequoia Economic Infrastructure Income Fund Ltd	3.43%
Tritax EuroBox PLC	3.30%

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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

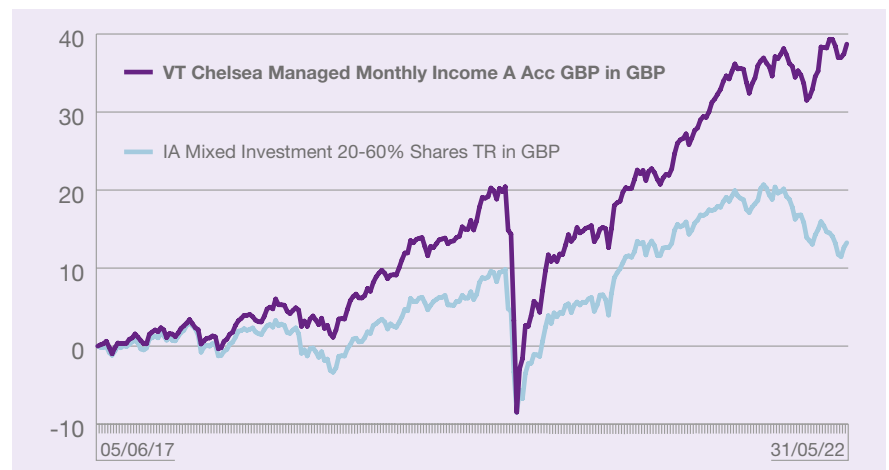
it may also invest in other assets including bonds, property, gold and targeted absolute return strategies. Exposure to assets will typically be via open-ended funds, investment trusts and exchange traded funds.

Fund commentary It's been a very tough first half of the year with the price of bonds and shares falling sharply. Markets had hoped inflation would be falling back by now, but unfortunately it is proving persistent. The Bank of England now expects inflation to peak at 11%, and it is being forced to raise interest rates as a result. Higher interest rates tend to lead to slowing economic growth. At the same time consumers are struggling with higher energy prices and are having to cut back. We have been focused on building inflation protection into the fund. We have reduced our equity and bond exposure and we own trusts with real assets and inflation linkage. Examples include Supermarket Income REIT, which owns and rents supermarkets to the likes of Tesco and Sainsbury's and FTF Clearbridge Global Infrastructure which rose 16% in the period. Taylor Maritime which owns and leases ships is benefiting from disrupted supply lines and higher commodity prices. It paid a special dividend and returned 24% in the period.* We

also added a new position, International Public Partnership (INPP), which owns infrastructure and pays a good dividend and has excellent inflation linkage.

We remain underweight bonds. With yields over 3%, US government bonds now look investable again. They can be an excellent portfolio diversifier but we are mindful that their yields are still well below the rate of inflation. So far our strategy has been working well and the fund returned 4.40% over the past 3 months beating the IA Mixed Investment 20-60% Shares sector which returned -0.86%." Looking forward a lot of bad news has already been priced into markets. We continue to be focused on generating a resilient stable dividend month on month. Higher interest rates around the world make the job of generating income a bit easier. Happily we have generated more income this year than we expected, and we now expect our final year payment to be more than twice a normal monthly payment.

Performance since launch (%)



Cumulative performance

	1 year	3 years	5 years	Since launch
Fund (%)	8.36	26.77	-	38.31
IA Sector (%)	-2.01	10.80	-	13.47

Calendar year performance

	YTD	2021	2020	2019
Fund (%)	0.13	13.84	1.96	17.11
IA Sector (%)	-5.56	7.20	3.51	11.84

All data correct as at 31st May 2022.

[†]Long term is 5+ years.

^{††}Investors may receive payment later, depending upon platform.

Past performance is not a reliable guide to future returns. *FE Funds Info 28/02/2022-31/05/2022 total return in sterling. **FE Funds Info 28/02/2022-31/05/2022 VT Chelsea Managed Monthly Income vs IA Mixed Investment 20-60% Shares total return in sterling.

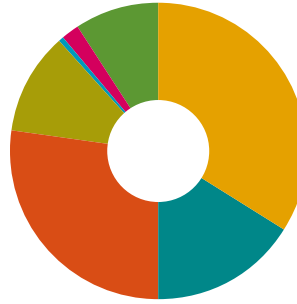
Asset allocation (%)



Equity	37.50%
Fixed Interest	23.52%
Targeted Absolute Return	2.15%
Cash	5.95%
Property	16.25%
Alternatives	13.81%
Gold and Silver	0.82%
Total	100.00%

Data correct as at 31st May 2022. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



UK	34.03%
USA	15.93%
Europe ex UK	27.38%
Asia Pacific ex Japan	10.92%
Japan	0.75%
Emerging Markets ex Asia	1.90%
Other	9.10%
Total	100.00%

Data correct as at 31st May 2022. Figures may not add up to 100% due to rounding.



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- ✓ 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.

The VT Chelsea Managed Funds are for investors who prefer to make their own investment decisions, without personal advice.

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Chelsea Financial Services, St James' Hall, Moore Park Road. London SW6 2JS