



# VT Chelsea Managed Balanced Growth

March 2021

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 <sup>th</sup> June 2017
Size	£30.29m
Number of holdings	34
Share class & ISIN	VT Chelsea Managed Balanced Growth A Acc GBP GB00BF0NMX06
Initial charge	0%
Ongoing charges figure	1.00%

## Top 10 holdings

Fundsmith Equity	6.05%
Fidelity Index US	5.24%
Merian Chrysalis Investment Co Ltd	4.77%
Man GLG UK Absolute Value	4.68%
T Rowe Price Global Focused Growth Equity	4.17%
RWC Global Emerging Markets	3.93%
MI Chelverton UK Equity Growth	3.81%
Merian Gold & Silver	3.46%
PRS Reit PLC	3.29%
Greencoat UK Wind PLC	3.14%

**VT Chelsea Managed Balanced Growth** aims to produce capital growth over the long term<sup>†</sup>, 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

**Fund commentary** The fund rose 6.37% during the three-month period, strongly outperforming the IA Mixed Investment 40-85% Shares sector which rose 2.38%.

It was another strong period for equity markets as market sentiment was boosted by the vaccine roll outs. The big story has been the resurgence of value stocks which have finally started to outperform growth. This began with the vaccine announcements in November and has continued into the new year. The prices of many commodities have soared on the expectation of stronger global economic growth. Higher growth and inflation expectations have pushed up yields on government bonds. These factors have caused investors to dump expensive growth names and rotate into cheaper unloved value names, such as banks, oil producers and miners, which can benefit from a recovery.

As a result, our value funds, such as Ninety One Global Special Situations, Man GLG Japan and JOHCM UK Dynamic were amongst our best performers in the period. Another strong performer was PRS REIT, a relatively new addition. The trust

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.

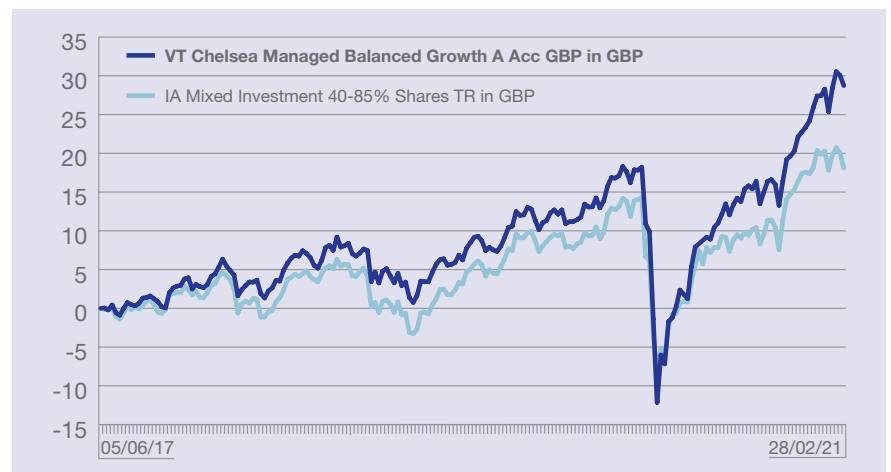
funds the building of affordable family houses and then rents them out. It's helping to solve the UK's chronic housing supply problem. Despite the strength of UK house prices last year, the trust had sold off, and was trading a large discount.

By far the best performer was Chrysalis investment trust which rose another 33% and has now more than doubled in value since we invested in the IPO at the end of 2018. The trust targets established, fast-growing private companies before they IPO and come to the public markets. A number of the trust's underlying holdings were recently revalued substantially higher.

Bonds did badly in the period and our worst performers were bond funds and trusts such as Artemis Corporate Bond, Bio Pharma Credit and GCP Infrastructure Investments trust, our underweight to bonds was a big positive in terms of relative performance.

Looking forward we think that a lot of money from the new US stimulus cheques is likely to end up in the stock market and this should be a strong positive technical factor in the short term.

## Performance since launch (%)\*\*



## Cumulative performance

	1 year	3 years	5 years	Since launch
<b>Fund (%)</b>	16.09	23.74	-	28.73
<b>IA Sector (%)</b>	10.74	16.23	-	18.09

## Calendar year performance

	YTD	2020	2019	2018
<b>Fund (%)</b>	2.23	7.82	15.30	-3.01
<b>IA Sector (%)</b>	-0.04	5.32	15.78	-6.11

Past performance is not a reliable guide to future returns. \*FE Fund Info 30/11/2020-28/02/2021 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares total return in sterling and FE Fund Info 30/11/2020-28/02/2021 total return in sterling. \*\*FE Fund Info 05/06/2017-28/02/2021 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares total return in sterling.

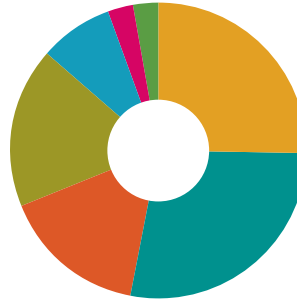
## Asset allocation (%)



Equity	54.30%
Targeted Absolute Return	6.89%
Fixed Interest	13.05%
Cash	6.13%
Property	12.57%
Gold and Silver	3.92%
Alternatives	3.14%
Total	100.00%

Data correct as at 28<sup>th</sup> February 2021. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



UK	25.28%
USA	27.93%
Asia Pacific ex Japan	15.77%
Europe ex UK	17.64%
Japan	7.92%
Emerging Markets ex Asia	2.93%
Other	2.53%
Total	100.00%

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UNITED KINGDOM

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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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