



VT Chelsea Managed Cautious Growth

March 2021

VT CHELSEA
Managed
FUNDS



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Fund information

| | |
|-----------------------------|---|
| Launch date | 5 th June 2017 |
| Size | £10.87m |
| Number of holdings | 30 |
| Share class & ISIN | VT Chelsea Managed Cautious Growth A Acc GB00BFONMV81 |
| Share class & ISIN | VT Chelsea Managed Cautious Growth A Inc GB00BFONMW98 |
| Indicated yield | 2.04% |
| Income distribution | Half yearly ^{††} |
| Initial charge | 0% |
| Ongoing charges figure | 1.18% |
| Payment dates ^{††} | 31 st August, 28 th February |

Top 10 holdings

| | |
|--|-------|
| Man GLG UK Absolute Value | 6.66% |
| Fundsmith Equity | 6.34% |
| Liontrust Special Situations | 5.38% |
| Fidelity Global Dividend | 5.20% |
| JOHCM Global Opportunities | 4.56% |
| Jupiter UK Special Situations | 4.25% |
| Vontobel TwentyFour Absolute Return Credit | 3.86% |
| Merian UK Specialist Equity | 3.49% |
| Merian Gold & Silver | 3.47% |
| PRS Reit PLC | 3.43% |

VT Chelsea Managed Cautious 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 40% and 50% 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 The fund rose 3.50% during the three-month period, strongly outperforming the IA Mixed Investment 20-60% Shares sector which rose 1.51%.

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 and Jupiter Special Situations were amongst our best performers in the period. Another strong performer was PRS REIT, a relatively new addition. The trust funds the

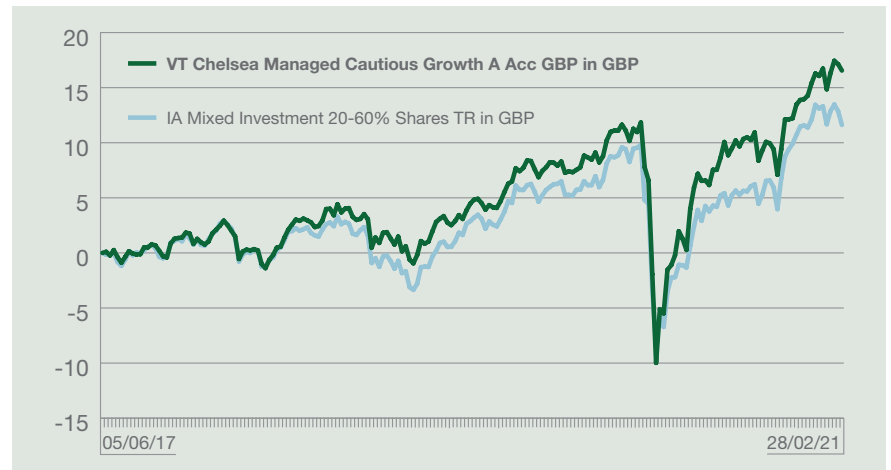
building of affordable family houses and then rents them out. It's helping to solve the UK's chronic housing supply problem. Despite the strength of UK house prices last year, the trust had sold off, and was trading a large discount.

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, GCP Infrastructure Investments trust and Allianz Strategic bond. However, 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 |
|---------------|--------|---------|---------|--------------|
| Fund (%) | 8.15 | 15.69 | - | 16.55 |
| IA Sector (%) | 6.51 | 10.97 | - | 11.61 |

Calendar year performance

| | YTD | 2020 | 2019 | 2018 |
|---------------|-------|------|-------|-------|
| Fund (%) | 0.99 | 4.00 | 11.47 | -2.51 |
| IA Sector (%) | -0.42 | 3.51 | 11.84 | -5.10 |

Past performance is not a reliable guide to future returns. *FE Fund Info 30/11/2020-28/02/2021 VT Chelsea Managed Cautious Growth vs IA Mixed Investment 20-60% 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 Cautious Growth vs IA Mixed Investment 20-60% Shares total return in sterling.

All data correct as at 28th February 2021.

[†]Long term is 5+ years.

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

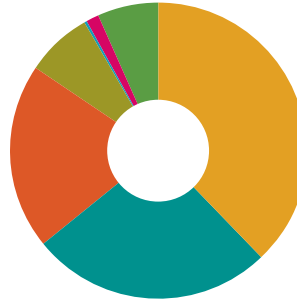
Asset allocation (%)



| | |
|--------------------------|---------|
| Equity | 35.55% |
| Targeted Absolute Return | 14.30% |
| Fixed Interest | 18.16% |
| Cash | 10.00% |
| Gold and Silver | 3.47% |
| Alternatives | 4.26% |
| Property | 14.25% |
| Total | 100.00% |

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

Geographical equity allocation (%)



| | |
|--------------------------|---------|
| UK | 38.04% |
| USA | 26.25% |
| Europe ex UK | 20.17% |
| Asia Pacific ex Japan | 7.39% |
| Emerging Markets ex Asia | 0.24% |
| Japan | 1.51% |
| Other | 6.40% |
| Total | 100.00% |

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