



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 invests in UK and overseas equities, although it will also invest in other assets including bonds, alternative investment trusts, 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 1.88% over the past 3 months versus -1.14% for the IA Mixed Investment 40-85% Shares sector.*

It's been a volatile few months for markets. Trump's initial tariffs were considerably worse than expected and caused a steep fall in the stock market. Surprisingly, despite increased fears of recession, bond yields remained stubbornly high; usually if the market expects a recession, bond yields fall as the market prices in future interest rate cuts. However, tariffs damage both economic growth and also lead to higher prices, and therefore inflation, making it much harder for central banks such as the Federal Reserve to take action and cut rates. Furthermore, there are increasing concerns about US debt sustainability. All of this uncertainty seems to have damaged the US and the US dollar's safe-haven status. We've seen gold do very well in this environment and some overseas investors have started to pull money out of the US to invest closer to home. Fortunately, having seen the market reaction, Trump has been forced to limit or postpone many of the tariffs and markets have bounced back fairly quickly as a result.

It was an excellent period of performance for the fund, with investors finally recognising the value in some of our alternative investment trust positions. Whilst UK public equity markets have been weak, private equity has recognised the value on offer and a number of the fund's holdings have seen takeover bids for this year. As we mentioned in the last factsheet, Care REIT (previously Impact Healthcare) has successfully bid for, resulting in a positive exit from the funds.

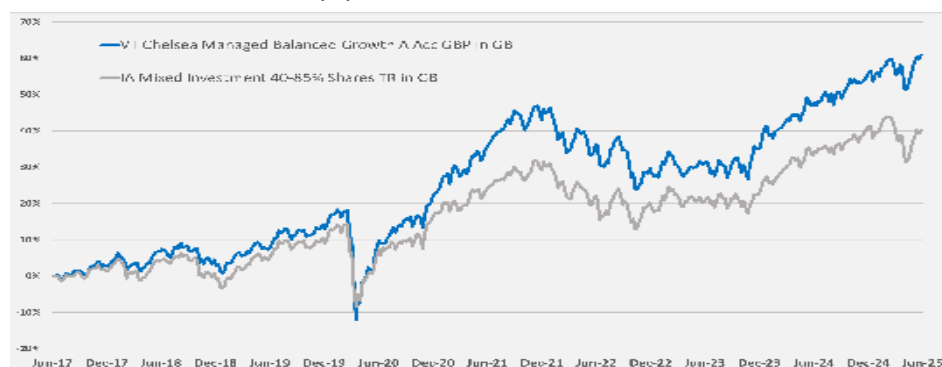
Assura, the owner of GP surgeries, is currently the subject of a bidding war between GP surgery trust PHP (also owned in the fund) and private equity giants KKR and StonePeak. Reliable NHS backed income is looking increasingly valuable in an uncertain world.

Our defence ETF rose 20% in the period benefiting from increasing geo-political uncertainty. Raynor UK Smaller companies rose 8%. UK Smaller companies are finally starting to show some signs of life after a very difficult few years. Our physical gold position gained also gained another 8%.**

The fund increased its position in SDCL Efficiency Income, which remains on a 52% discount and a 14% dividend yield. The trust is in the process of trying to sell its largest asset and how successful they are will likely determine the short-term performance of the shares. Regardless, we think the trust is incredibly good value at the current price and it is now the fund's 2nd largest position.

Our US and global equity funds were down slightly in the period as they suffered from a fall in US markets and a weakness in the US dollar. We still think there is a lot of value in the portfolio. The government is now mandating UK pension funds to invest in private UK assets. This should be supportive for many of our investment trust positions. One area which continues to lag, where we haven't yet seen much corporate activity, is with the renewable infrastructure trusts but we are hopeful this will change and are happy to be patient.

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 (%)	9.49	18.27	49.11	60.90
IA Sector (%)	5.29	14.45	32.72	40.15

Calendar year performance

	YTD	2024	2023	2022	2021	2020
Fund (%)	3.51	9.95	11.16	-13.10	16.24	7.82
IA Sector (%)	0.92	8.98	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	45
Size of fund (£m)	54.05
OCF	0.76%

Top 10 holdings

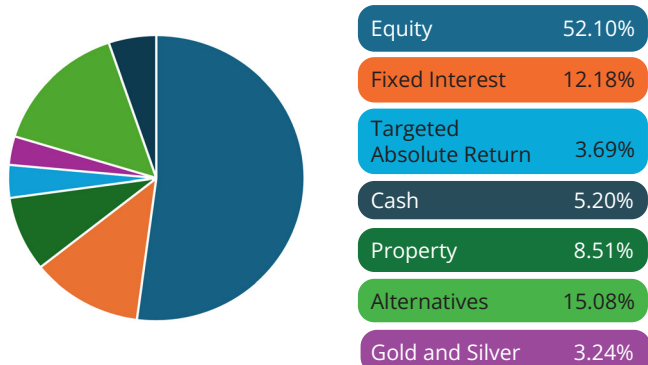
Fidelity Index US	4.62%
SDCL Energy Efficiency Income Trust PLC	3.79%
Assura PLC	3.74%
Man GLG UK Absolute Value	3.69%
Polar Capital Technology Trust PLC	3.68%
Chrysalis Investment Ltd	3.41%
T Rowe Price OEIC Global Focused Growth Equity	3.35%
Invesco Physical Markets PLC	3.24%
Artemis UK Select	3.15%
Future of Defence UCITS ETF	3.14%

*FE Funds Info 28/02/2025-31/05/2025 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares sector total return in sterling.

** FE Funds Info 28/02/2025-31/05/2025 Total Return in sterling

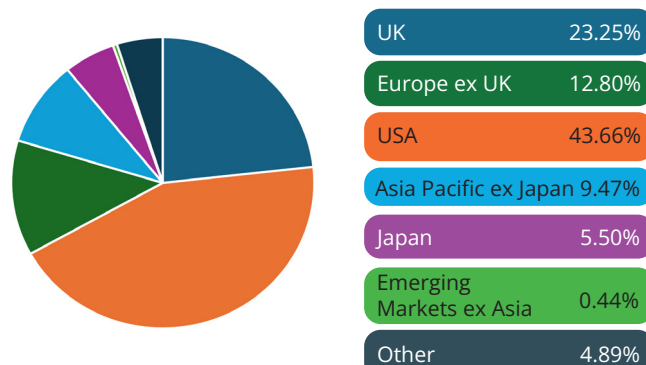
†Long term is 5+ years

Asset allocation (%)



Data correct as at 31/05/2025. Figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



Data correct as at 31/05/2025. 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

Our awards



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