



# 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 has a target weighting of between 50% and 70% 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 returned +2.47% over the past three months, versus +2.50% for the IA Mixed Investment 40-85% Shares sector.\*

It's been a long and difficult journey but we're finally at a point where interest rates are now being cut after a period of the highest inflation we've seen for decades. The hope and expectation of markets is that the Federal Reserve and other central banks can engineer a soft landing for the economy. Rates are expected to fall but are not expected to go back to the extreme 0% level we saw a few years ago.

The expectation of rate cuts has caused the bond market to rally, resulting in lower bond yields and thus higher bond prices which has generated solid returns for investors. Equity markets have continued to do well, although there has been quite a big rotation out of the top US tech companies and into other parts of the market. The stock market has finally started to tire a little from the AI craze. It remains to be seen if this is a temporary blip or something more permanent. Smaller companies have also started to perform a bit better for the first time in a long time.

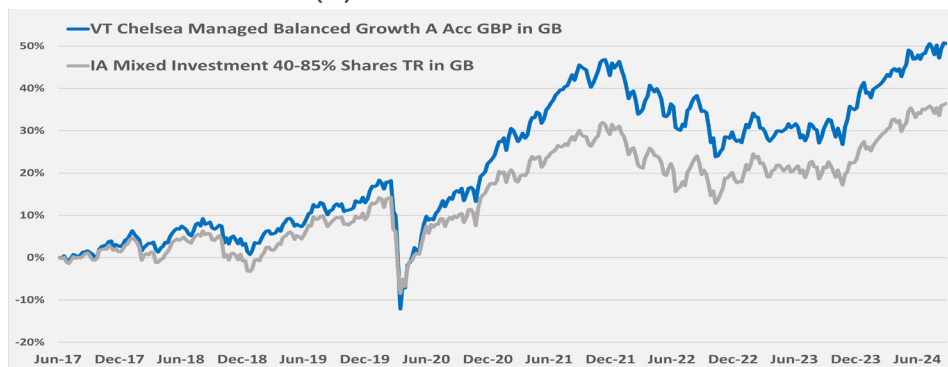
One of the fund's top ideas, and best performer for a number of years, Doric Nimrod Air Two (DNA2) came to fruition when it agreed to sell its remaining aircraft to Emirates. The trust was up another 18% in the period and we expect to receive the final cash from DNA2 early next year.

We still have Doric Nimrod Air Three (DNA3) in the portfolio, a very similar trust, and we heavily increased this position earlier in the year on the expectation that we would soon be losing DNA2. DNA3 has also performed very well off the back of the positive DNA2 news.

Target Healthcare, the care home owner, rose 8% in the period, off the back of solid results. Polar Capital Technology fell back after a very strong run of performance. Redwheel Global Emerging Markets had another period of weak performance, largely as a result of ongoing weakness in China.

We still think there are a lot of good ideas in the fund which are underappreciated by the market. We hope that inflation can remain low and steady and that economies can enjoy a much needed period of stability.

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



## Cumulative performance

	1 Year	3 Year	5 Year	Since launch
Fund (%)	15.76	4.30	35.29	50.59
IA Sector (%)	12.48	5.49	25.60	36.44

## Calendar year performance

	YTD	2023	2022	2021	2020
Fund (%)	6.51	11.16	-13.10	16.24	7.82
IA Sector (%)	7.07	8.08	-10.04	10.94	5.32



**The Chelsea research team (L to R):** Joss Murphy, Junior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling Latter, Research Director; James Yardley, Senior Research Analyst

## Fund information

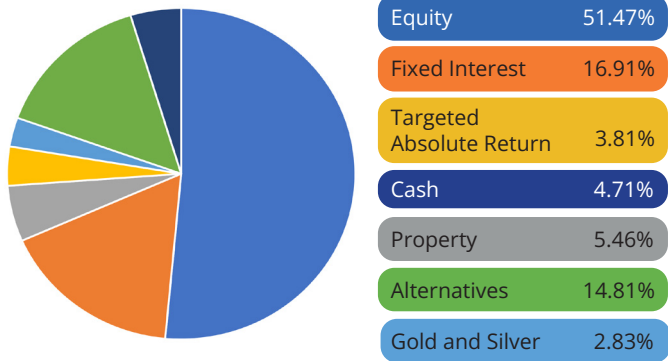
Number of holdings	43
Size of fund (£m)	48.27
OCF	0.76%

## Top 10 holdings

Fidelity Index US	5.61%
T. Rowe Price OEIC Global Focused Growth Equity	4.19%
Polar Capital Technology Trust PLC	3.81%
Man GLG UK Absolute Value CX Professional	3.81%
Chrysalis Investment Ltd	3.58%
Artemis UK Select S Acc GBP	3.51%
Greencoat UK Wind PLC	3.11%
Schoder Global Recovery	2.89%
Invesco Physical Markets PLC	2.83%
Assura PLC	2.80%

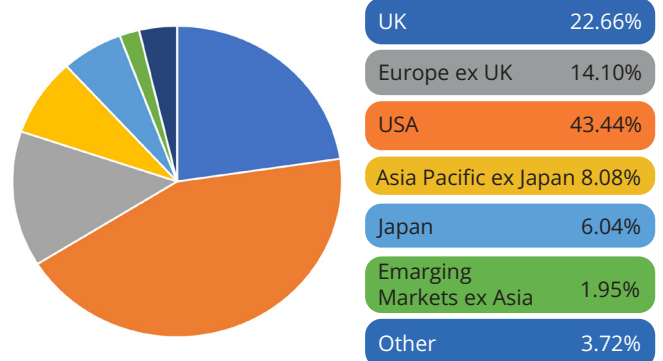
\*FE Funds Info 31/05/2024-31/08/2024 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares sector total return in sterling\*  
†Long term is 5+ years

## Asset allocation (%)



Data correct as at 31/08/2024. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



Data correct as at 31/08/2024. 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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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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