



# VT Chelsea Managed Monthly Income

VT Chelsea Managed Monthly Income aims to produce monthly income with some capital growth over the long term, but with lower volatility than global equities†. The fund invests in the UK and overseas equities, although it will also invest in other assets including bonds, alternative investment trusts, indirect property, 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 3.20% over the past 3 months versus -0.32% for the IA Mixed Investment 20-60% 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 been bid for this year. As we mentioned in the last factsheet, BBGI Infrastructure and Care REIT (previously Impact Healthcare) have 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.

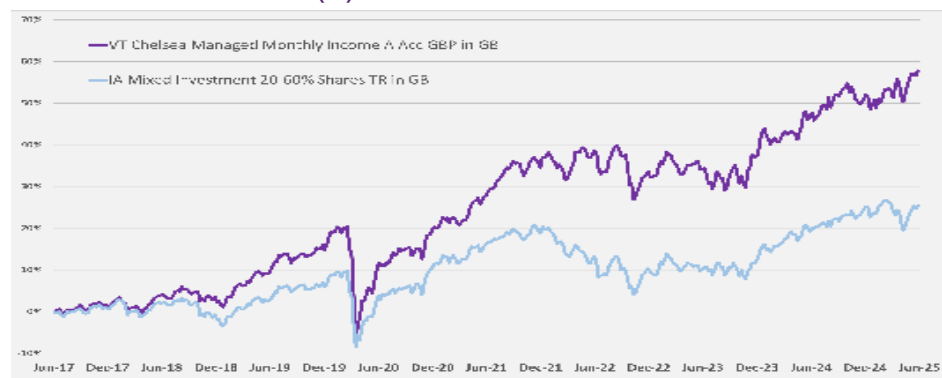
Urban Logistics is another holding set to be taken over by a larger rival. We have exited our small position. We also exited care home owner Target Healthcare REIT, following a strong run up in the shares prompted by the takeover of Care REIT. There has been a lot of activity as we seek to take profits and recycle them into our best ideas, which remain on huge discounts.

The fund substantially 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.

The fund's strong relative performance was also helped by its natural underweight to the US and US tech given its income focus. Our global equity income 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 (%)	7.65	14.07	43.90	57.78
IA Sector (%)	5.24	10.57	22.49	25.46

## Calendar year performance

	YTD	2024	2023	2022	2021	2020
Fund (%)	5.08	4.32	8.57	-4.02	13.84	1.96
IA Sector (%)	1.81	6.07	6.81	-9.47	7.20	3.51



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

## Fund information

Number of holdings	44
Size of fund (£m)	70.79
OCF	0.72%
Yield	5.83%
Payment dates	Monthly last day of the month

## Top 10 holdings

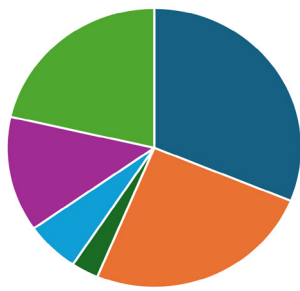
Assura PLC	4.64%
SDCL Energy Efficiency Income Trust PLC	4.31%
Nomura Global Dynamic Bond	4.05%
Man GLG UK Income	3.93%
GCP Infrastructure Investments Ltd	3.67%
Greencoat UK Wind PLC	3.57%
Primary Health Properties PLC	3.45%
M&G Global Dividend	3.35%
Doric Nimrod Air Three Ltd	3.23%
Artemis Target Return Bond	2.99%

\*FE Funds Info 28/02/2025-31/05/2025 VT Chelsea Managed Monthly Income vs IA Mixed Investment 20-60% Shares sector total return in sterling.

\*\*theaic.co.uk 06/06/2025

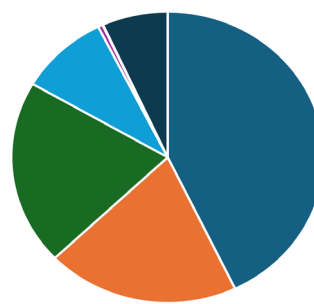
†Long term is 5+ years

## 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

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