



# 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\*** It was another good three months for the fund with a total return of +3.64%, versus +3.07% for the IA Mixed Investment 40-85% Shares sector.\* The fund outperformed its sector over the three months.

Inflation is coming down painfully slowly and this has meant the Federal Reserve and the Bank of England have yet to start cutting rates although they are still expected to do so later in the year. These delays to rate cuts have meant the performance of bonds and some of the funds alternative investments has continued to be fairly mediocre. However, equity markets have been quite strong.

UK stocks and UK smaller companies have finally done a bit better, as investors recognise the value on offer. There have been a number of bids from private equity for cheap UK stocks. Europe has also had quite a good start to the year, with the rally led by the drug company Novo Nordisk and its revolutionary weight loss drug Wegovy. In the US, enthusiasm for AI has continued to power tech stocks and the market higher.

The fund's alternative investment trust and specialist property REITs make up around a third of the fund. Their performance has been mixed. Some special situations have worked very well.

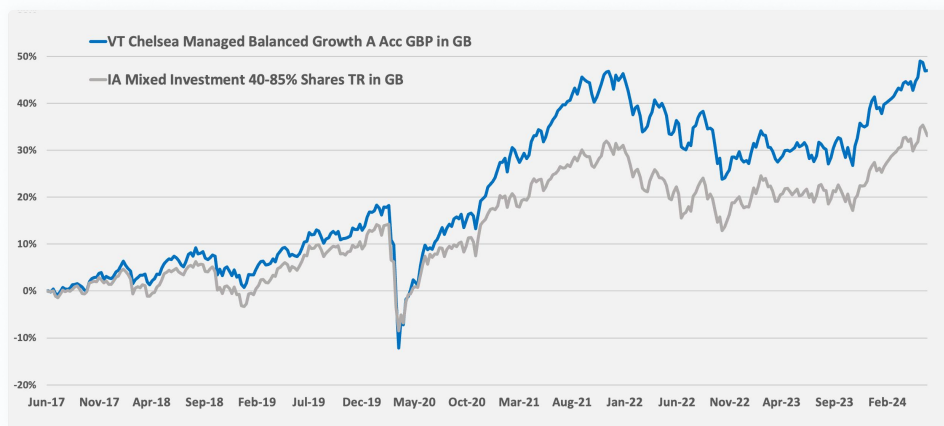
The best performer in the period was Hipgnosis Songs fund which was up 60% after two private equity companies got into a bidding war to take it over.

The fund bought into the controversial trust at a deep discount last year and has now fully sold its position. GCP Infrastructure has recovered from an extreme discount and Doric Nimrod Air Two continues to perform.\*\*

Against this, the capital performance of our positions in supermarkets, GP surgeries and renewable energy has continued to be weak. However, they continue to pay fantastic levels of growing income. The fund is quite happy to be patient and wait. We remain confident that when interest rates do start to come down, a lot of these positions have the potential to rally strongly.

The funds second top performer in the period was its small position in Schehallion trust which rallied 53%.The funds UK equity holdings did well in the period. Chelverton UK Equity Growth rose 16% following a small recovery in UK smaller companies. Overall, it's a familiar story. The fund continues to be patient. We think there is the potential for a lot of value to come through if rates fall.

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



## Cumulative performance

	1 Year	3 Year	5 Year	Since launch
Fund (%)	12.17%	8.94%	36.91%	46.96%
IA Sector (%)	10.61%	7.77%	27.46%	33.11%

## Calendar year performance

	YTD	2023	2022	2021	2020
Fund (%)	3.95%	11.16%	-13.10%	16.24%	7.82%
IA Sector (%)	4.45%	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	44
Size of fund (£m)	46.9
OCF	0.76%

## Top 10 holdings

Fidelity Index US	5.61%
Chrysalis Investments Ltd	4.33%
T Rowe Price OEIC Global Focused Growth Equity	4.25%
Polar Capital Technology Trust PLC	4.01%
Man GLG UK Absolute Value	3.85%
Artemis UK Select	3.52%
Greencoat UK Wind PLC	3.41%
Schroder Global Recovery	2.90%
Invesco Physical Markets PLC	2.81%
GCP Infrastructure Investments Ltd	2.57%

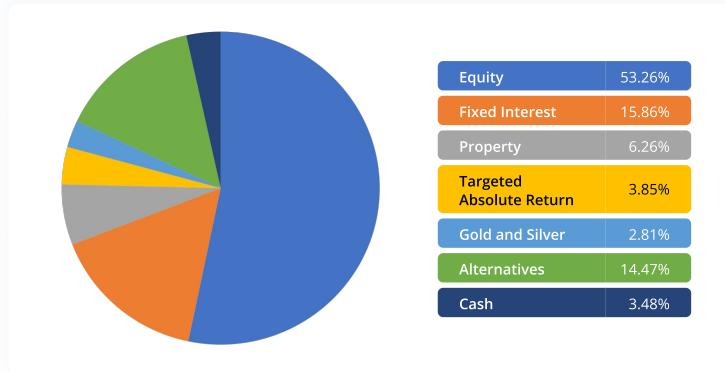
\*FE Funds Info 29/02/2024-31/05/2024 VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares sector total return in sterling\*

\*\*FE Funds Info 01/01/2024-31/05/2024 total return in sterling

\*\*\*FE Funds Info 29/02/2024-31/05/2024 total return in sterling

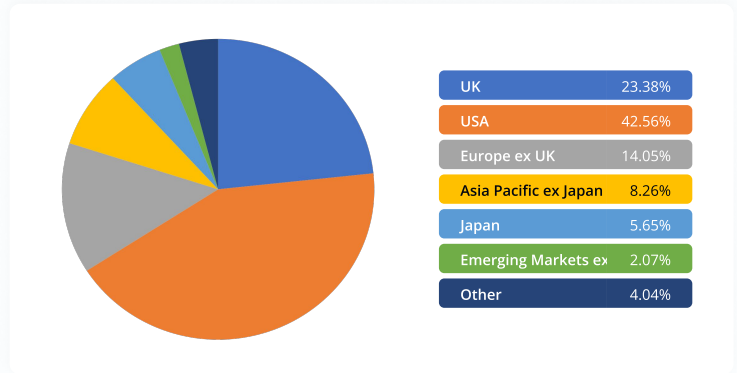
†Long term is 5+ years

## Asset allocation (%)



Data correct as at 31/05/2024. Figures may not add up to 100% due to rounding.

## Geographical equity allocation (%)



Data correct as at 31/05/2024. 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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