



# VT Chelsea Managed Balanced Growth

**VT Chelsea Managed Balanced Growth** aims to produce monthly income with some 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 +4.96% versus +5.63% for the IA Mixed Investment 40-85% Shares sector.\* The fund slightly underperformed its sector but this follows a very strong period of outperformance in the previous three months.

After a rally at the end of last year, some markets have cooled off a bit at the start of this year. Bond markets were very quick to price in a number of interest rate cuts for 2024. However, strong US jobs numbers in January and economic strength have reduced expectations for cuts.

The US stock market has had a strong start to the year, boosted by excitement surrounding artificial intelligence. The fund's holding in Polar Capital Technology trust continues to do well.

A number of distressed trusts recovered during the period which also benefited performance. One of these trusts was Chrysalis. This trust holds fast growing established private companies before they list on the stock market. In December, the fund had

an opportunity to buy some more shares at a substantial discount as a large holder needed to sell their position.

Chrysalis has a number of exciting prospects including Klarna, which is expected to IPO in the near future, and Starling Bank, which is growing quickly and now very profitable. It also announced it expects to sell one of its holdings in the near future, which should increase its value. Despite all this, the trust still trades on a 38% discount to its net asset value.\*\*\* The shares have now rallied 36% since the fund last bought them, but we continue to believe the trust is very undervalued.

Our property and renewable energy trusts continue to languish on large discounts but they keep generating a lot of income. We are frustrated by their performance but we remain confident that when interest rates do start to come down they can recover. In the meantime the fund is being paid to wait with large dividends.

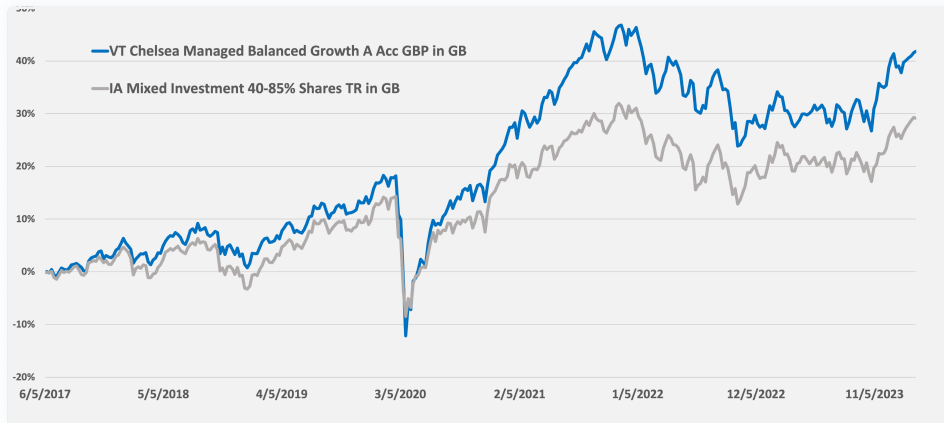


The Chelsea research team (L to R): Joss Murphy, Junior Research Analyst; Darius McDermott, Managing Director; Juliet Schooling, Research Director; James Yardley, Senior Research Analyst

## Fund information

Number of holdings	43
Size of fund (£m)	44.5
OCF	0.76%

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



## Cumulative performance

	1 Year	3 Year	5 Year	Since launch
Fund (%)	8.92%	10.15%	34.10%	41.80%
IA Sector (%)	6.22%	9.37%	27.24%	29.15%

## Calendar year performance

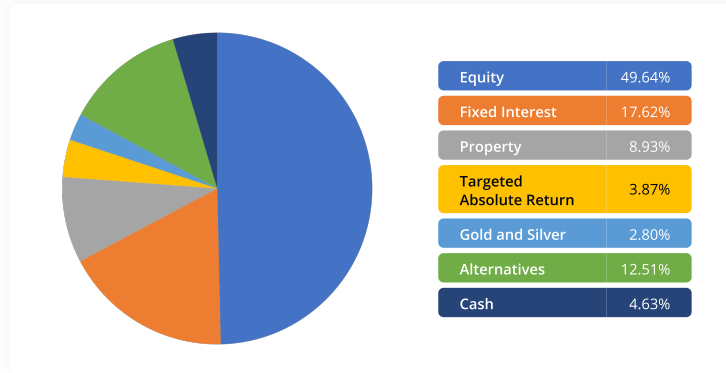
	YTD	2023	2022	2021	2020
Fund (%)	0.30%	11.16%	-13.10%	16.24%	7.82%
IA Sector (%)	1.35%	8.08%	-10.04%	10.94%	5.32%

## Top 10 holdings

Fidelity Index US	5.74%
Chrysalis Investments Ltd	5.14%
T Rowe Price OEIC Global Focused Growth Equity	4.33%
Man GLG UK Absolute Value CX Professional	3.87%
Polar Capital Technology Trust PLC	3.76%
Greencoat UK Wind PLC	3.48%
Schroder Global Recovery	2.96%
iShares \$ TIPS UCITS ETF GBP Hgd Inc	2.81%
Invesco Physical Markets PLC	2.80%
Assura PLC	2.79%

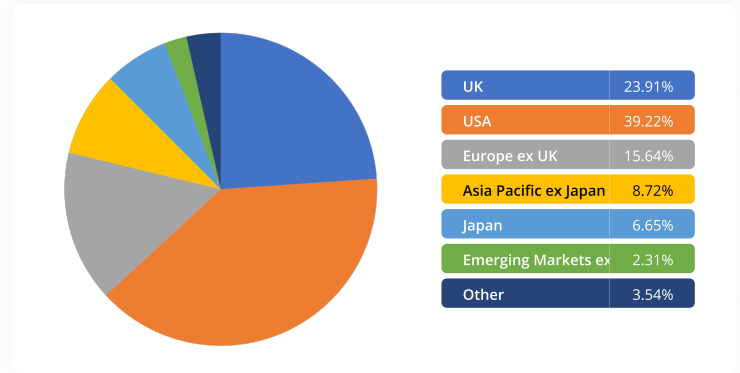
\*\*\*<https://www.theaic.co.uk/companydata/chrysalis-investments> 13/03/2024. \*FE Funds Info 30/11/2023-29/02/2024 VT Chelsea Managed Balanced Growth fund vs IA Mixed Investment 40-85% Shares sector total return in sterling. \*\*February 29/02/2024 close price 88.6p versus 65p purchase price. †Long term is 5+ years

## Asset allocation (%)



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

## Geographical equity allocation (%)



Data correct as at February 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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