



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 has a target weighting of between 40% and 60% 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 +3.44%, versus +2.50% for the IA Mixed Investment 20-60% 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.

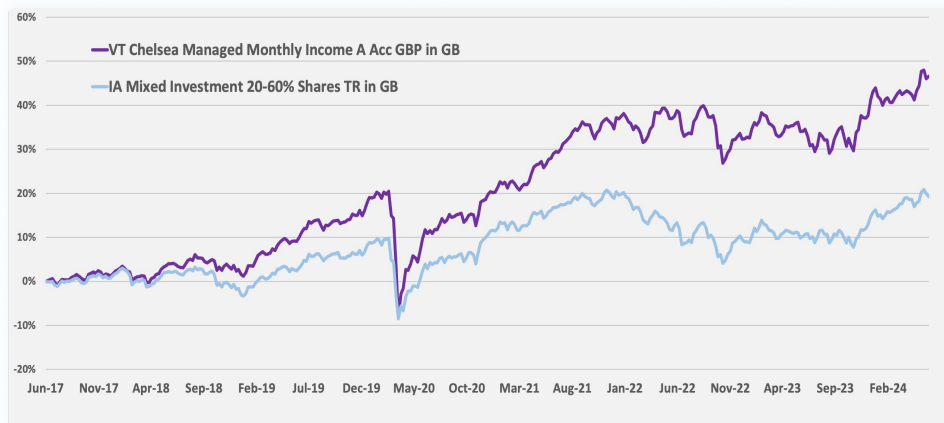
The fund's alternative investment trust and specialist property REITs make up a big proportion of the fund. Their performance has been mixed.

Some special situations have worked very well. GCP Asset Backed Income, which was trading on a huge discount, has now returned a lot of capital back to investors. GCP Infrastructure has recovered from an extreme discount and Doric Nimrod Air Two continues to perform. These have been the funds three best holdings year to date.** 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 fund has now increased its position in GP surgery owner Assura to over 4%, making it the 2nd largest position in the fund. Almost all the trust's rent is backed by the NHS and it now yields 8.5%. The trust recently announced solid results and increased its dividend again. It has increased its dividend every year since 2015.***

Overall, it's a familiar story. The fund continues to be patient. It holds a lot of high yielding deeply discounted names which are out of favour but are paying it a very good income.

Performance since launch (%)**



Cumulative performance

	1 Year	3 Year	5 Year	Since launch
Fund (%)	9.48%	14.83%	34.34%	46.57%
IA Sector (%)	8.35%	2.95%	16.41%	19.21%

Calendar year performance

	YTD	2023	2022	2021	2020
Fund (%)	1.83%	8.57%	-4.02%	13.84%	1.96%
IA Sector (%)	2.61%	6.81%	-9.47%	7.20%	3.51%



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	40
Size of fund (£m)	60.08
OCF	0.71%
Yield	5.96%
Payment dates	Monthly last day of the month

Top 10 holdings

Man GLG UK Income Professional	4.44%
Assura PLC	4.03%
Greencoat UK Wind PLC	3.89%
GCP Infrastructure Investments Ltd	3.55%
M&G Global Dividend	3.36%
FTF ClearBridge Gbl Infrastructure	3.28%
Doric Nimrod Air Three Ltd	3.26%
WS Guinness Global Equity Income	3.23%
Bluefield Solar Income Fund Ltd	3.18%
Man GLG Sterling Corporate Bd Prof Inc D	3.10%

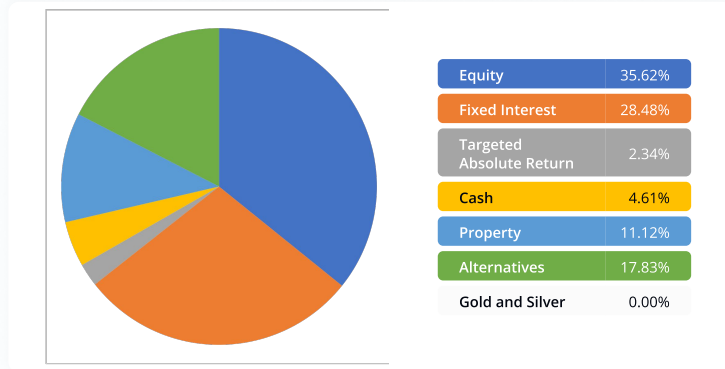
*FE Funds Info 29/02/2024-31/05/2024 VT Chelsea Managed Monthly Income fund vs IA Mixed Investment 20-60% Shares sector total return in sterling

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

***Assura annual results presentation 31 March 2024

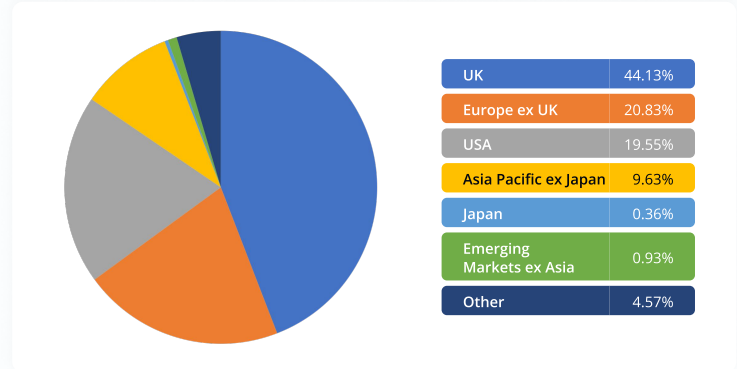
†Long term is 5+ years

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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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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