

VT Momentum Diversified Cautious Fund (A)

31 May 2024

For professional advisors only

INVESTMENT OBJECTIVE & STRATEGY

The VT Momentum Diversified Cautious Fund aims to deliver a real return for investors over the medium to long term of CPI +3% net of fees, with anticipated volatility in the range of 4-7%. The Fund aims to operate within the 'low' risk profile as defined by Distribution Technology, the independent fund rating agency. The Fund will invest across a range of asset classes using third party investment funds, and is classified in the IA Mixed Investment 0-35% Shares sector. The minimum investment horizon for the Fund should be thought of as four years.

INVESTMENT TEAM (SINCE 01.12.2022)



Mark Wright
Lead Oversight
Portfolio Manager



Tom Delic
Second Oversight
Portfolio Manager



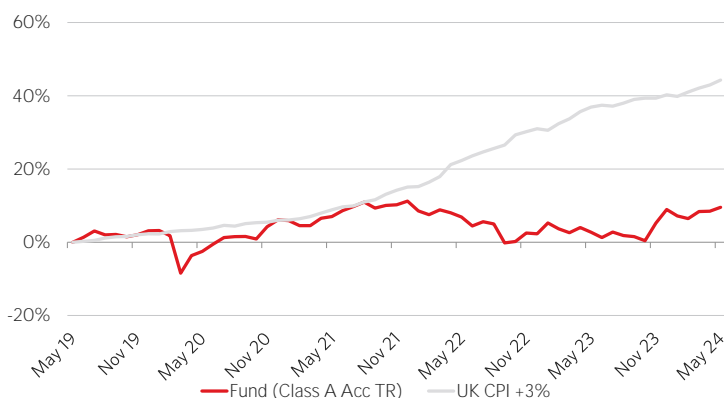
Gary Moglione
Portfolio Manager



Richard Perfect
Portfolio Manager

Our investment approach is team based with all portfolio managers having specific areas of research focus and access to and input from the wider Momentum Global Investments team.

FIVE YEAR HISTORICAL CUMULATIVE PERFORMANCE



Sources: Morningstar, Valu-Trac Investment Management, MGIM.

Fund performance is calculated on a total return basis, net of all fees and in GBP terms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance.

CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception ¹ annualised
Fund return Class A Acc TR	1.0	2.9	4.1	6.6	2.4	9.5	2.6
UK CPI +3%	0.9	2.3	3.5	5.4	32.5	44.3	5.9
Difference	0.1	0.6	0.6	1.2	(30.1)	(34.8)	(3.3)

DISCRETE ANNUAL PERFORMANCE (%)	31 May 2024	31 May 2023	31 May 2022	31 May 2021	31 May 2020
Fund return Class A Acc TR	6.6	(3.9)	(0.1)	9.7	(2.5)

VOLATILITY (%) (since inception, annualised)	Anticipated range	Realised ¹
Fund volatility Class A Acc TR	4-7	5.8

MONTHLY COMMENTARY

- During May we added Burberry Group to the UK equity portfolio. Burberry is the only UK-based luxury fashion brand with a global reach, with its designs popular across Asia and the Middle East. Post the boom in luxury spend as the world emerged from COVID-related lockdowns, the business has fallen out of favour with investors, with sales in both China and the US suffering from a slowdown in discretionary spend. The shares trade on their lowest price-to-sales ratio since 2009 and offer a dividend yield of 5%, whilst the balance sheet is strong. The company now has a new CEO and new Chief Design Officer, both of whom have a track record of improving the performance of fashion businesses that have lost traction. We also believe that the company is prime takeover candidate, being an attractive asset for listed companies, such as LVMH, who are building portfolios of luxury fashion brands.
- We also introduced Secure Trust Bank (STB) within UK equities. STB is a specialist lender that has refocused on four key lending divisions, including retail finance, vehicle finance, commercial finance and property finance. The shares have de-rated to trade at just 0.4x book value which we believe offers significant upside. Indeed, the shares reacted positively after our investment to a trading update that reported trading had remained in-line with expectations and that further cost savings had been identified to improve the bank's cost to income ratio. The update also stated that lending quality had improved in the highest growth divisions (retail finance and vehicle finance) which together represent 70% of revenue.
- Another addition during the month was in Specialist Assets. BioPharma Credit provides financing to life sciences companies, secured against royalties and related cash flows generated from the sales of an approved product such as a drug. The company operates in a niche space requiring specialist knowledge which larger lenders such as banks lack. With the opportunity set of potential investments increasing and long-term structural growth in place for pharmaceutical sales, the trust adds an attractive and diversified return stream to the portfolio. The trust has paid a reliable dividend to shareholders since inception and targets a net total return of 8-9% per annum. On current valuations, the shares trade on a discount of over 10% to net asset value and offer a dividend yield of around 8%.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY



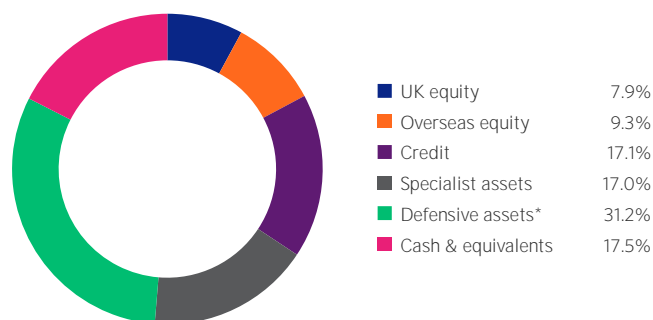
FUND RATINGS



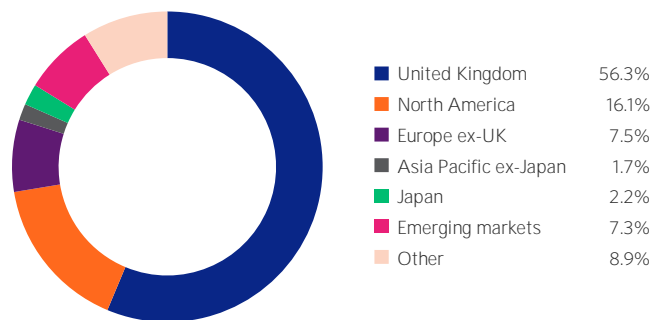
Sources: Bloomberg Finance LP, Valu-Trac Investment Management, MGIM, unless otherwise stated.

¹Performance statistics prior to 05.02.2015 are those of the former MI Momentum Factor 3 Fund [GB00B8KLLT47], which has now closed. On 05.02.2015 this Fund merged with the MI Momentum Diversified Growth Fund [GB00B40M9847] (which had a performance target of LIBOR 3 Months GBP +3%) and was renamed MI Momentum Factor 3 Fund. The merged Fund was renamed to MI Momentum Focus 3 Fund on 01.08.2017 and subsequently renamed to VT Momentum Diversified Cautious Fund on 28.05.2021.

ASSET ALLOCATION



GEOGRAPHIC ALLOCATION



As at 31.05.2024, allocations subject to change. Source: MGIM

*Defensive assets have reduced/negative correlation to equity markets to provide a more defensive element during times of stress. Defensive assets consists of a variety of investments such as gold**, government bonds, short ETFs, alternative/uncorrelated strategies and managed futures strategies. **Exposure to physical gold is achieved through investments in exchange traded certificates (ETC) which aim to provide the performance of gold, as measured by the LBMA Gold Price (PM), which is a recognised benchmark for gold. A Gold ETC is a certificate which is secured by gold bullion, held within the vaults of a nominated custodian.

TOP FIVE HOLDINGS BY ASSET CLASS

UK EQUITIES	
1. Synthomer	0.5%
2. OSB Group	0.5%
3. Next 15 Group	0.5%
4. Marston's	0.4%
5. Kier Group	0.4%

OVERSEAS EQUITIES	
1. Robeco QI Global Sustainable Equity	3.4%
2. Morant Wright Fuji Yield	1.0%
3. VT Downing European Unconstrained Income	0.9%
4. Amundi MSCI Emerging Markets ETF	0.7%
5. Amundi MSCI Japan ETF	0.7%

CREDIT	
1. Royal London Short Duration Global High Yield Bond	3.6%
2. iShares Core GBP Corporate Bond ETF	3.4%
3. Royal London Sterling Extra Yield Bond	2.7%
4. Jupiter Global Emerging Markets Short Duration Bond	2.5%
5. Absalon Emerging Markets Corporate Debt	2.0%

SPECIALIST ASSETS	
1. Chrysalis Investments	1.7%
2. AEW UK REIT	1.4%
3. Doric Nimrod Air Three	1.1%
4. Greencoat UK Wind	1.0%
5. Syncona	1.0%

DEFENSIVE ASSETS	
1. iShares Physical Gold ETC	3.8%
2. US TIPS 0.625% 02/15/43	3.6%
3. Neuberger Berman Uncorrelated Strategies	3.1%
4. UK Gilt 0.625% 22/10/50	3.1%
5. UK Gilt 3.5% 22/10/25	3.0%

Equity holdings may include indirect holdings in the Momentum GF Global Sustainable Equity Fund
As at 31.05.2024. Source: MGIM

FUND DETAILS & FUND FACTS

FUND DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Inception	5 November 2012
Currency	GBP
Target return	UK CPI +3% (net)
Structure	UCITS
Dealing	Daily

FUND FACTS	
Minimum investment	GBP 1,000
ISIN	GB00B40M9847
SEDOL	B40M984
Citicode	04PZ
Month-end price (NAV)	137.76p

ANNUAL CHARGES ² : SHARE CLASS A	
AMC	0.75%
OCF ex IC	1.31%
IC	0.28%
OCF inc IC	1.59%

FUND WRAPPERS	
ISAs	
SIPPs	
Personal pensions	
Onshore bonds	
Offshore bonds	

² As at 29.12.2023.

OCF = Ongoing Charge Figure IC = Underlying charges of closed ended funds.

The OCF is the total expenses paid by the Fund, annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change.

Important note: The OCF calculation includes synthetic costs from underlying closed ended investments (IC) such as Investment Trusts, which optically increases the costs. For the avoidance of doubt the actual amount charged has not changed, and advisers and investors should refer to the KIID document available [here](#) for the actual fees payable.

All fund performance quoted in this factsheet is NET of all fees.

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IMPORTANT INFORMATION

Factsheet asset allocation percentages are in some cases based on the normalised (or benchmark) asset allocations of investee funds, as opposed to the actual exposures of those funds at the date of the factsheet. This reflects the expected average allocation over time which will result from decisions to hold particular funds.

Momentum Diversified Funds are sub-funds of the VT Momentum Investment Funds ICVC umbrella, an open-ended investment company which is authorised by the Financial Conduct Authority (FCA). Valu-Trac Investment Management Limited (authorised and regulated by the FCA) acts as the Authorised Corporate Director (ACD) of the VT Momentum Investment Funds ICVC. Investment in the Funds may not be suitable for all investors. This document is for information only and does not provide you with all of the facts that you need to make an informed investment decision. Investors should read the Key Investor Information Document (KIID) and seek professional investment advice prior to investment. The prospectus and KIID documents are available (in English) on the ACD's website via www.valu-trac.com. This financial promotion is issued by Momentum, the trading name of Momentum Global Investment Management Limited (authorised and regulated by the FCA), with its registered office at The Rex Building, 62 Queen Street, London EC4R 1EB.

Ratings: Defaqto is a financial information business. Profile published 08.03.2024 by Distribution Technology based on data and information as at 31.12.2023. FE Crown Fund Ratings as of 24.07.2023 do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision. All rights reserved. The views expressed are those of the fund manager at the time of writing and are subject to change without notice. Past performance is no guarantee of future results.

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