

# VT Momentum Diversified Growth Fund

31 May 2024

For retail investors only

## INVESTMENT OBJECTIVE & STRATEGY

To generate long term capital growth by investing in a multi-asset portfolio, managed with a focus on value. The Fund may include directly invested UK equities with a bias towards mid-cap stocks, and overseas equity, fixed income, specialist assets and managed liquidity held through third party funds.

## INVESTMENT TEAM



Mark Wright  
Lead Oversight  
Portfolio Manager



Tom Delic  
Second Oversight  
Portfolio Manager



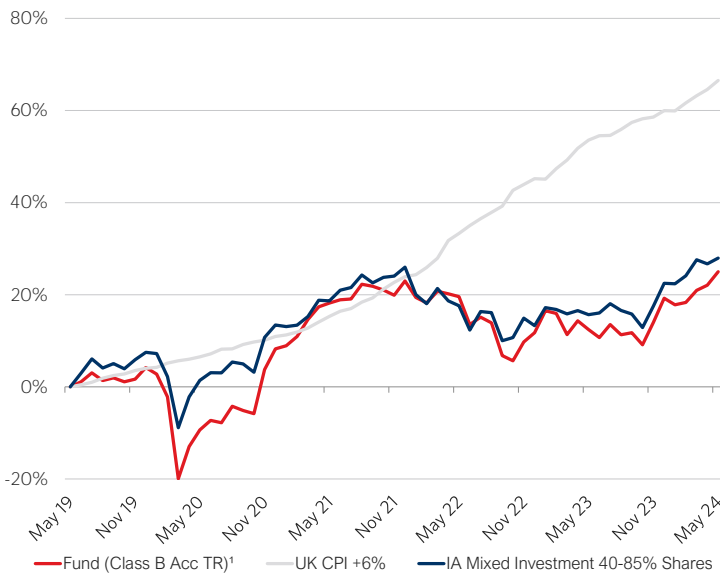
Richard Parfekt  
Portfolio Manager



Gary Moglione  
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



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Fund return Class B Acc TR <sup>1</sup>	2.4	5.6	9.7	11.2	5.8	25.0	6.3
UK CPI +6%	1.2	3.0	5.0	8.4	44.4	66.5	-
IA Mixed Investment 40-85% Shares	1.0	3.1	8.9	10.6	7.8	28.0	5.4

DISCRETE ANNUAL PERFORMANCE (%)	31 May 2024	31 May 2023	31 May 2022	31 May 2021	31 May 2020
Fund return Class B Acc TR <sup>1</sup>	11.2	(6.0)	1.2	30.4	(9.4)

Sources: Morningstar, 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. The CPI +6% target was introduced in 2020. Past performance is not a guide to future performance.

## 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



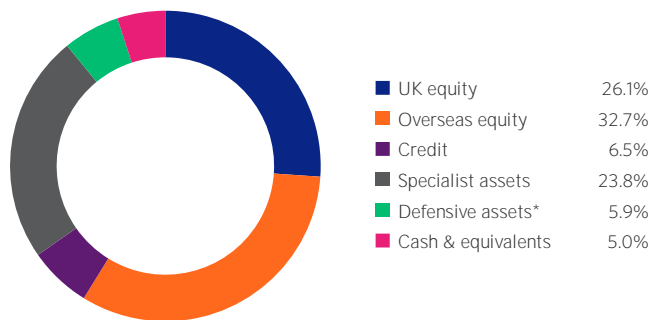
## FUND RATINGS



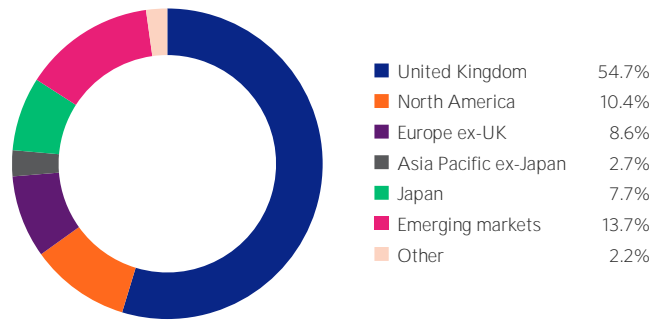
Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.

<sup>1</sup>The Fund performance refers to the 'B' Acc share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' Acc share class, unadjusted for the lower fees of the 'B' Acc share class.

## 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. Kier Group	2.1%
2. OSB Group	1.4%
3. Synthomer	1.3%
4. Next 15 Group	1.2%
5. Marstons	1.1%

OVERSEAS EQUITIES	
1. Robeco QI Global Sustainable Equity	9.3%
2. Morant Wright Fuji Yield	4.4%
3. VT Downing European Unconstrained Income	3.2%
4. Amundi MSCI Emerging Markets ETF	3.2%
5. Amundi MSCI Japan ETF	2.7%

CREDIT	
1. Absalon Emerging Markets Corporate Debt	2.5%
2. Royal London Sterling Extra Yield Bond	2.3%
3. Royal London Short Duration Global High Yield Bond	1.3%
4. TwentyFour Select Monthly Income	0.4%
-	-

SPECIALIST ASSETS	
1. Chrysalis Investments	2.6%
2. Fair Oaks Income	2.1%
3. Doric Nimrod Air Two	1.8%
4. Syncona	1.7%
5. Doric Nimrod Air Three	1.5%

DEFENSIVE ASSETS	
1. UK Gilt 0.625% 22/10/50	1.3%
2. Ninety One Global Gold	1.3%
3. Cboe VIX Futures	1.1%
4. Invesco Physical Gold ETC	0.8%
5. Neuberger Berman Uncorrelated Strategies	0.7%

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

## FUND & SHARE CLASS DETAILS

FUND DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Fund inception	8 April 2002
Currency	GBP
Target return	UK CPI +6% (net)
IA sector	Mixed Investment 40-85% Shares
Structure	UCITS
Dealing	Daily

SHARE CLASS DETAILS			
	A	B	N
Minimum investment	GBP 3,000	GBP 100,000	GBP 1,000
Minimum regular saver	GBP 50	n/a	GBP 50
ISIN	GB0031467631	GB00B7FPW579	GB00B7FW0099
SEDOL	3146763	B7FPW57	B7FW009
Citicode	OM46	0WRD	0WRC
Month-end price (NAV)	355.78p	222.43p	215.59p

ANNUAL CHARGES <sup>2</sup>			
	A	B	N
AMC	1.40%	0.75%	1.00%
OCF ex IC	1.72%	1.07%	1.32%
IC	0.34%	0.34%	0.34%
OCF inc IC	2.06%	1.41%	1.66%

FUND WRAPPERS	
ISAs	Onshore bonds
SIPPs	Offshore bonds
Personal pensions	

<sup>2</sup>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.

## CONTACT US

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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 II 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 II 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](http://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.

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