

Investment Objective

The TM Fulcrum Diversified Absolute Return Fund aims to achieve long-term absolute returns of inflation + 3% to 5% in all market conditions over rolling five year annualised periods, with lower volatility than equity markets. In doing so the Fund aims to achieve a positive return on a rolling three year basis.

Performance



The track record shown represents TM Fulcrum Diversified Absolute Return Fund, Class C GBP (representative share class). Source: third party administrator. Prior to 01/04/12 the track record represents the net total return from the Fulcrum Diversified Absolute Return strategy, source Fulcrum Asset Management LLP. Past performance is not a guide to future performance and future returns are not guaranteed. This Fund cannot be purchased by US investors.

Returns (Periods over 1 year are annualised)

| | May | 3 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|-----|----------|--------|---------|---------|-----------------|
| Total Returns (%) | 1.9 | 2.9 | 8.7 | 3.9 | 4.7 | 3.5 |

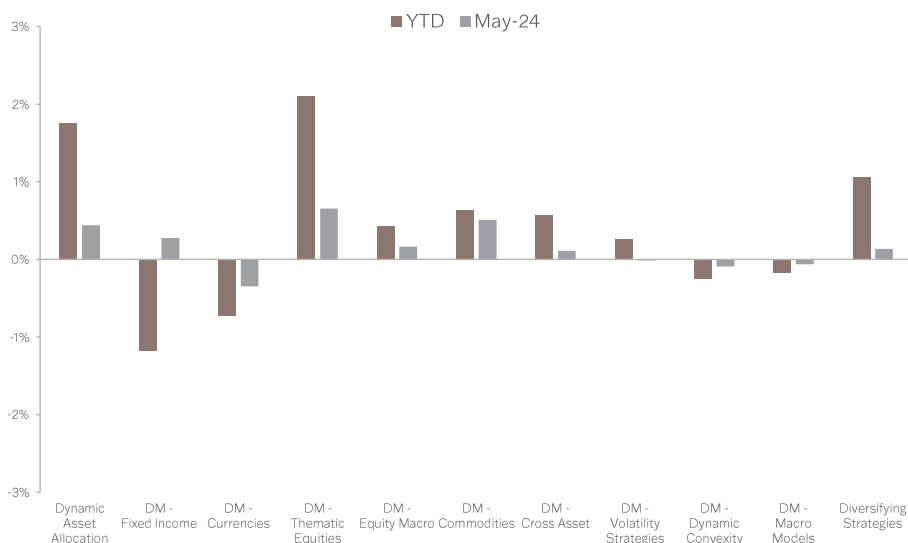
Calendar Year Returns

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------------|-----|------|------|------|------|------|
| Total Returns (%) | 4.8 | 0.9 | 6.0 | 3.2 | 5.1 | 5.0 |

12 Month Rolling Returns to May

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|-------------------|------|------|------|------|------|
| Total Returns (%) | 8.7 | -4.1 | 7.5 | 7.0 | 5.1 |

Performance contribution by strategy¹



Source: Fulcrum Asset Management LLP

¹DM represents Discretionary Macro Strategies

Key Facts

| | |
|-----------------|----------------|
| Legal Structure | OEIC (UCITS) |
| Domicile | United Kingdom |
| Fund Launch | 26/03/2012 |
| Fund AUM | £624m |
| Strategy AUM | £5.0bn |
| Company AUM | £5.8bn |

Share Class

| | |
|------------------|-------------------------|
| Share Class | C GBP |
| ISIN | GB00B7N2VD17 |
| AMC | 0.75% |
| Ongoing Charge | 1.17% |
| Currency Classes | GBP, USD, EUR, CHF, AUD |

Fund Facts

| | |
|-------------------------------|---|
| Authorised Corporate Director | TUTMAN LLP |
| Transfer Agent | FNZ TA Services Limited |
| Administrator | J.P. Morgan Europe Limited |
| Custodian | J.P. Morgan Bank N.A (London Branch) |
| Depository | NatWest Trustee and Depository Services Limited |
| Auditor | Deloitte LLP |
| Pricing | Daily |
| Dealing Frequency | Daily, 12:00 GMT |
| Report Date - Annual | 31-March |
| Report Date - Interim | 30-September |



The FE fundinfo Crown Rating relates to this fund. The rating is supplied by the respective independent rating agency and is the latest available at the time this factsheet was issued.

Past performance is not a reliable indicator of future results.

Market commentary

Global equities and bonds saw positive returns in May, while the US dollar ended the month lower. In commodities, strong declines in energy prices offset increases in precious metals.

Markets were supported by a loosening in the global energy supply that caused oil prices to decline, alongside renewed optimism around the US inflation outlook, as data releases were closer to consensus than the upside surprises of recent months.

The US Federal Open Market Committee (FOMC) remained reluctant to signal near-term interest rate cuts, preferring to maintain its current policy given above-target inflation and a relatively robust economic backdrop, despite signs of a slight slowing in economic activity.

Strong UK GDP data for Q1 and evidence of an industrial rebound in Germany indicated a pickup in growth, although both the UK and Euro Area saw higher-than-expected inflation led by core price pressures. This created doubt around a near-term interest rate cut from the Bank of England (BoE), though officials at the European Central Bank (ECB) remained set on their long-telegraphed June interest rate cut.

In Japan, bond yields saw a significant jump as markets priced in a more prolonged hiking cycle from the Bank of Japan (BoJ), putting pressure on domestic equity markets and providing support to the Japanese yen. In China, policymakers unveiled a range of measures designed to support the ailing property sector, but overall economic and industrial sentiment saw signs of weakening.

Performance commentary

The fund posted a positive performance of +1.9% in May. Gains were spread across Dynamic Asset Allocation and Discretionary Macro, with Diversifying Strategies up on the month.

Within Dynamic Asset Allocation, gains were primarily driven by holding equities as global equity markets rallied.

Discretionary Macro performance was positive, with Thematic Equities enjoying another strong month. Grocers, held long against processed food stocks, continued to deliver strong margins and higher than expected revenue growth. AI-related hardware spending continued, benefiting the Long AI Winners theme and tightness in the shipping market benefitted our long shipping exposure.

Positions in precious metals, particularly gold and silver, fared well this month. While we have a more strategic view to be long in precious metals, some shorter-term tactical moves in recent weeks have been beneficial. Similarly, a move to a more neutral duration position by the end of May, with some intra-month moves in underlying holdings of UK and US fixed income, was a positive contributor to performance. With yields rising early in the month and then reversing with improved US inflation data mid-month, some active changes to positioning worked well for fixed income.

The volatility strategy had a slightly negative month, with losses in relative value volatility (concentrated in commodities and currencies) and some gains in dispersion, volatility carry and momentum strategies. Currencies were more challenging, with the long US dollar versus short euro view proving to be challenging for performance as the US dollar weakened over the month.

Diversifying Strategies were boosted by a positive contribution from external managers, while the trend-following strategy saw reversals in commodity markets partially offset by gains from equities and interest-rate swaps.

Positioning & Outlook

In DAA, the equity allocation increased slightly over the month as the volatility of the asset class declined. Bond allocations rose slightly due to lower volatility and improved expected returns, while commodity allocations were lifted by improved return prospects.

Within DM fixed income, we have a broadly neutral duration stance and we will look for tactical opportunities around this view. More recently, signs of slowing economic activity and continuing disinflation in the US have led to improved prospects for medium-term government bonds, although FOMC policymakers remain relatively hawkish for now.

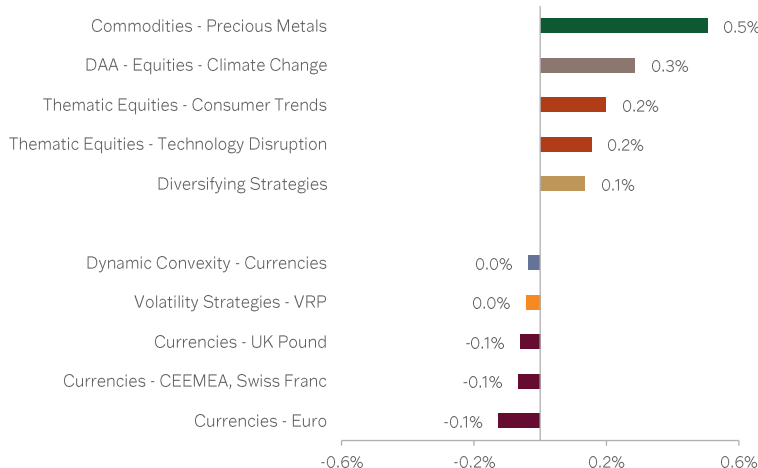
In currencies, our long dollar view offers important diversification benefits in the event of any further upside surprises to US inflation, as well as having the potential to appreciate alongside global equity markets as part of a US-led growth story, as has been evident in recent correlation shifts.

We remain short oil, particularly given the significant oversupply stemming from the high production capacity amongst OPEC+ members. We prefer precious metals, where we have increased our long exposure recently. In addition to providing a hedge against geopolitical risk, precious metals stand to benefit from continued buying from central banks.

Two key mega-themes, artificial intelligence, and obesity treatment, continue to be cornerstones of the thematic equities strategy. We continue to view 'Picks and Shovels' businesses as the best way to gain exposure to the secular AI trend, while uptake of anti-obesity medication remains strong.

Overall, we hold above average equity exposure, but remain nimble in our positioning, with significant diversification across strategies as well as hedging against emergent risks such as a sharp correction in equity markets.

Top 5 performance contributors and detractors

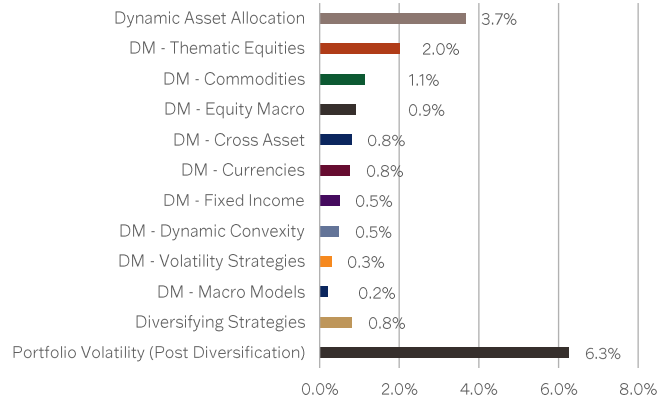


Source: Fulcrum Asset Management LLP

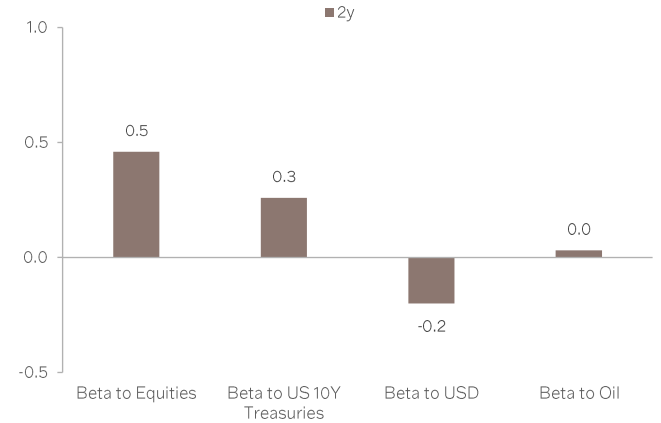
Top positions by strategy

| Strategy | Risk Contribution |
|--|-------------------|
| DAA - Equities - North America | 1.3% |
| Diversifying Strategies | 1.2% |
| DAA - Equities - Climate Change | 1.2% |
| DM - Commodities - Precious Metals | 1.2% |
| DAA - Commodities | 1.0% |
| DM - Cross Asset - Japan Macro | 0.9% |
| DM - Fixed Income - UK Rates | 0.6% |
| Dynamic Asset Allocation - Fixed Income | 0.5% |
| DM - Thematic Equities - Cyclical | 0.4% |
| DM - Thematic Equities - Consumer Trends | 0.4% |

Risk contribution by strategy

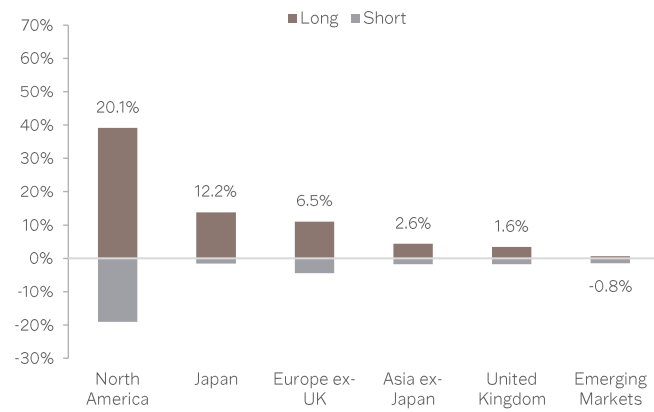


Portfolio Beta Exposures²

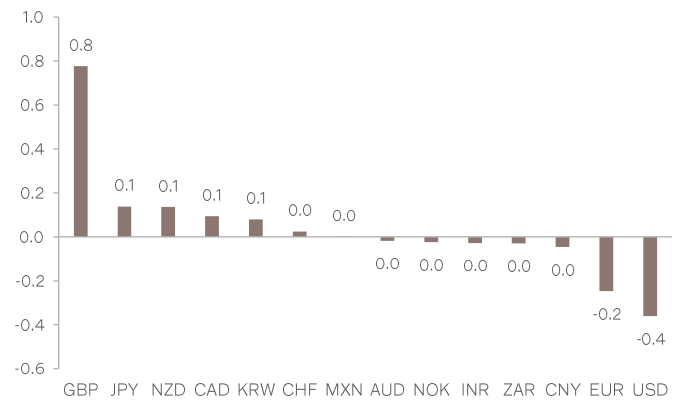


Portfolio exposures

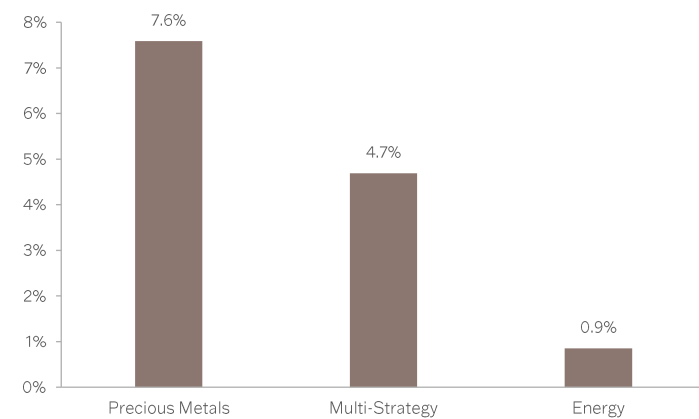
Equity – Net exposures by Region (42.4%)



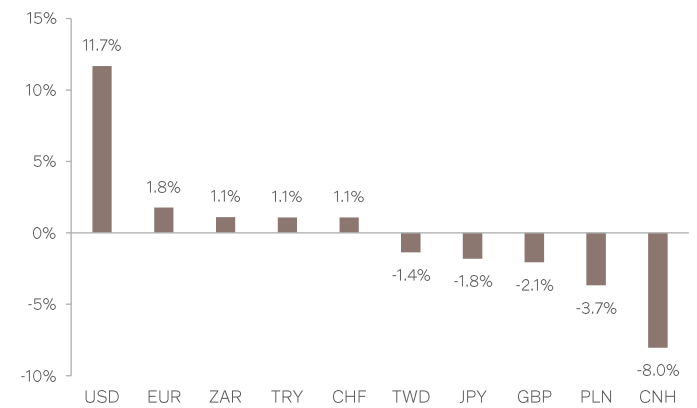
Fixed Income – Duration exposure (0.5 years)



Commodities – Net exposures by commodity (13.1%)



Currencies – Net exposures, top 5 long/short



²Global Equities: MSCI World; US Dollar: DXY; Oil: WTI
 Source: Fulcrum Asset Management LLP using RiskMetrics.
 Past performance is not a guide to future performance and future returns are not guaranteed.
 Full details on all the fund share classes are available on our website: www.fulcrumasset.com

Risk Summary

Leverage techniques may be used by the fund. A relatively small price movement in an underlying asset may amplify losses and the fund may be exposed to losses which are greater than the initial amount invested. Any derivatives usage can result in substantial losses to the fund where expectations as to how a derivative will perform prove to be incorrect or inefficient, or in adverse market conditions. Losses may occur if an organisation through which the fund transacts becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations. For a full explanation of specific risks and the fund's overall risk profile, as well as all its share classes, please refer to the Prospectus, available on the firm's website.

Important Information

This material is for your information only and is not intended to be used by anyone other than you. It is directed at professional clients and eligible counterparties only and is not intended for retail clients. This is not an offer or solicitation with respect to the purchase or sale of any security. The material is intended only to facilitate your discussions with Fulcrum Asset Management LLP ("Fulcrum") as to the opportunities available to our clients. The given material is subject to change and, although based upon information which we consider reliable, it is not guaranteed as to accuracy or completeness and it should not be relied upon as such. The material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon client's investment objectives. The price and value of the investments referred to in this material and the income from them may go down as well as up and investors may not receive back the amount originally invested. Past performance is not a guide to future performance. Future returns are not guaranteed and a loss of principal may occur. Any historical price(s) or value(s) are also only as of the date indicated. We will endeavor to update on a reasonable basis the information discussed in this material.

It is the responsibility of any person or persons in possession of this material to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Fulcrum does not provide tax advice to its clients and all investors are strongly advised to consult with their tax advisors regarding any potential investment. Opinions expressed are our current opinions as of the date appearing on this material only.

References to any market or composite indices, benchmarks or other measures of relative market performance over a specified period of time ("benchmarks") are provided by Fulcrum for your information purposes only. Investors cannot invest directly in indices. Indices are typically unmanaged and the figures for the indices shown herein do not reflect any investment management fees or transaction expenses. Fulcrum does not give any commitment or undertaking that the performance or risk profile of your account(s) will equal, exceed or track any benchmark. The composition of the benchmark may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

Simulated, modeled, or hypothetical performance results may be used and have certain inherent limitations. Simulated results are hypothetical and do not represent actual trading, and thus may not reflect material economic and market factors, such as liquidity constraints, that may have had an impact on actual decision-making. Simulated results are also achieved through retroactive application of a model designed with the benefit of hindsight. No representation is being made that any client will or is likely to achieve results similar to those shown. Certain funds managed by Fulcrum Asset Management LLP use quantitative models, where this is the case, Fulcrum Asset Management LLP can and do make discretionary decisions on a frequent basis and reserves the right to do so at any point.

Certain transactions, including those involving futures, options and high yield securities and investments in emerging markets may give rise to substantial risk and may not be suitable for all investors. Foreign currency denominated investments are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment; such investments are also subject to the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. Investments referred to in this material are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should consider whether an investment is suitable for their particular circumstances and seek advice from their investment adviser.

This document is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. In particular this document is not intended for distribution in the United States or for the account of U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) except to persons who are "qualified purchasers" (as defined in the United States Investment Company Act of 1940, as amended), "accredited investors" (as defined in Rule 501(a) under the Securities Act) and Qualified Eligible Persons (as defined in Commodity Futures Trading Commission Regulation 4.7).

Switzerland: The offer and marketing of interests of the fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in Article 10(3) of the Swiss Collective Investment Schemes Act ("CISA") in conjunction with Art. 4(4) of the Swiss Federal Act on Financial Services ("FinSA"), i.e. institutional clients, at the exclusion of professional clients with opting-out pursuant to Art. 5(3) FinSA ("Excluded Qualified Investors"). Accordingly, the fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA") and no representative or paying agent have been or will be appointed in Switzerland. This document and/or any other offering or marketing materials relating to the interests of the fund may be made available in Switzerland solely to Qualified Investors, at the exclusion of Excluded Qualified Investors.

The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

For EU Investors: As at the date of this document, the fund has not been approved, notified or registered in accordance with the Alternative Investment Fund Managers Directive (Directive (2011/61/EU) (the "AIFMD") for marketing to professional investors in any member state of the EEA (each a "Relevant State"). However, such approval may be sought, or such notification or registration may be made in the future. Therefore, this document may only be transmitted to an investor in a relevant EU Member State at such Investor's own initiative.

This material has been approved for issue in the United Kingdom solely for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Fulcrum Asset Management ("Fulcrum"), Marble Arch House, 66 Seymour Street, London W1H 5BT.

Fulcrum Asset Management LLP is authorised and regulated by the Financial Conduct Authority (No: 230683).

© 2024 Fulcrum Asset Management LLP. All rights reserved.

Contact us

UK Office

Marble Arch House,
66 Seymour Street,
London, W1H 5BT, UK

Tel: +44 (0) 207 016 6450

New York Office

405 Lexington Avenue,
9th floor, New York,
NY 10174, USA

Tel: +1 646 837 6110

Japan Rep Office

1034 10F Shiba Daimon Centre
Building, 1-10-11 Shiba Daimon,
Minato-ku, Tokyo 105-0012, Japan

For further information on any of our products or services, contact our Global Client Group at ir@fulcrumasset.com or call +44 (0) 207 016 6450