

Momentum Global Balanced Fund (Class A)

Month ended 31 August 2022

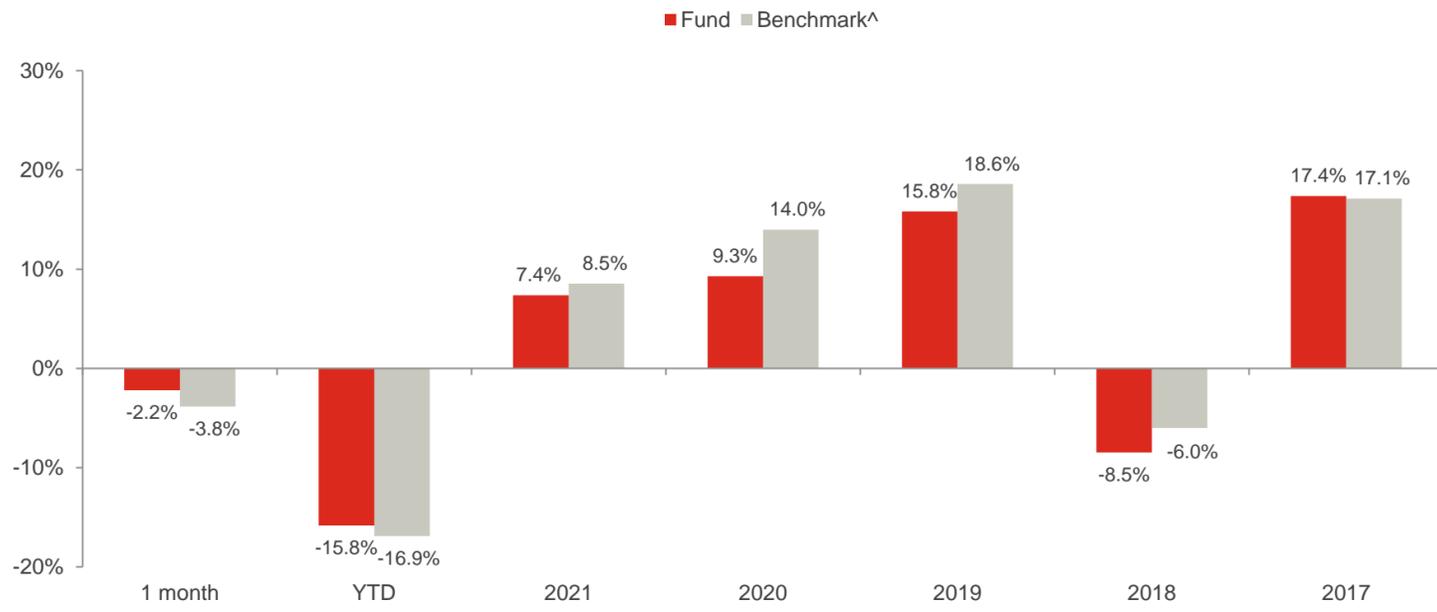
Fund details*

Investment manager: Momentum Global Investment Management	Investment timeframe: 3 years+	Currency: USD
Minimum subscription: USD 7,500	Subscriptions / redemptions: daily	Initial fee: none
Inception date (investment strategy): 30 September 2004	Inception date (fund): 18 April 2007	Price per share: USD 1.4706
Benchmark: 60% MSCI AC World, 40% ICE BofA Global Broad Market		

Investment objective

The primary objective of the Fund is to provide a balance between capital preservation and capital growth over the full investment cycle in local currency terms with a reduced level of volatility. The diversified portfolio invests into a wide range of asset classes including cash, fixed income, high yield, equities, property and alternative investment strategies. As this portfolio is global in nature, exposure will be taken in a wide range of currencies and markets. The Fund is ideally suited to investors with a medium risk tolerance with an investment horizon of three years or longer.

Fund performance



Past performance is not indicative of future returns. The fund performance is calculated on a total return basis, net of all fees and in US dollar terms.

[^] With effect from 01.07.18 the 40% allocation in the FTSE WorldBIG index was replaced with the ICE BofA Global Broad Market index. This has not been applied retrospectively.

Top holdings

Holdings	Asset type	Weight
² Robeco Multi-Factor Global Equity	Equity	22.7%
¹ US TIPS	Fixed Income	8.8%
² Morgan Stanley Global Sustain	Equity	6.2%
¹ Morant Wright Fuji Yield	Equity	4.8%
² Jennison Global Equity Opportunities	Equity	4.0%
¹ Neuberger Berman Uncorrelated Strategies	Alternatives	3.8%
¹ BlackRock US Dollar Ultra Short Bond	Money Market	3.4%
¹ Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	3.3%
¹ Momentum GF Global Emerging Markets Equity	Equity	3.0%
¹ iShares Physical Gold ETC	Commodities	2.9%

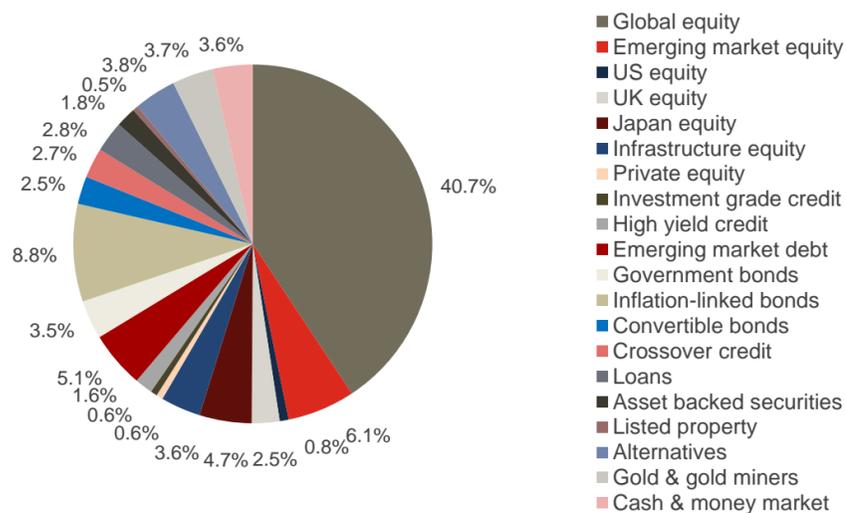
¹ Direct holding

² Indirectly held in the Momentum GF Global Equity Fund

Investment statistics (since investment strategy inception)

Current month return:	-2.2%
Cumulative return:	116.7%
Annualised return:	4.4%
Annualised volatility:	10.8%

Strategy allocation



■ Market commentary

The rally in equity markets that started in mid-June continued into August, taking Wall Street 17% off its June low, but was ultimately overwhelmed by the global energy crisis and extraordinary falls in bond markets through the month, reversing most of the gains of the previous two months. The two dominant factors driving markets in August were a massive surge in natural gas and power prices in Europe; and a further hawkish shift by central banks to counter the persistence of high rates of inflation.

Persistent inflation, the tight labour market, and an increasingly hawkish tone from the Fed, dispelled any thoughts that the Fed was tilting to a dovish stance. There are clear signs of a downturn in the housing market as interest rates rise, disposable incomes come under pressure and consumer confidence falls. Forward looking data is pointing to a significant slowdown in the US, Europe, and the UK. The challenges faced in Europe and the UK in reining in inflation are much greater than in the US as Putin uses gas supplies as a weapon of war, cutting supplies to the EU by 75-80%. European gas prices rose by 60% from the end of July before dropping back to a rise of 17% over the month, and UK prices were even more volatile, more than doubling in three weeks before falling sharply to end the month 13% higher.

Developed markets, measured by the MSCI World index, returned -4.2% over the month, with the US returning -4.1% while the UK returned -1.2% in local currency terms. Emerging markets rose 0.4% in local terms. Bond markets returned -4.1% in June, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries returning -2.5% and US corporate investment grade bonds returning -2.9%.

The next few months are set to be a critical period. Uncertainty is intense and is reflected in high volatility in financial markets as well as commodities, particularly energy. With the world in a marked slowdown, and markets jittery, the resolve of central banks is set to be tested, but there is currently unanimity among the major central banks that fighting inflation is the over-riding objective and monetary policy must be tightened significantly further. We recognise the high levels of uncertainty and the inevitable nervousness this creates, but with careful diversification, it is more important than ever to ride out short-term volatility to participate in full in longer-term opportunities.

Source: Bloomberg Finance LP, Momentum Global Investment Management.

■ Risk warnings and important notes

Investment in the Fund may not be suitable for all investors and financial advice should be sought before proceeding with an investment. Past performance is not indicative of future returns and there can be no assurance that the performance of the Fund will achieve its stated objective. All performance is calculated on a total returns basis, net of all fees and commissions and in US dollar terms

Collective investments are generally medium to long term investments and are traded at ruling prices. The value of the Fund and any income arising from it are not guaranteed and may fall, as well as rise, due to the value of its holdings, the income derived from them, and changes in interest rates. The Fund will hold shares or units in underlying funds which invest internationally, which will be exposed to exchange rate fluctuations, and may erode any potential gains.

Higher risk investments, such as small companies (even in developed markets), emerging markets, single country debt, equity funds, high yield and sub-investment grade debt may be more prone to sudden and larger falls in value in comparison to other investments. Unregulated funds may permit a greater degree of leverage than is permitted with regulated funds that are available to the general public in South Africa, which increases volatility and the risk of larger losses should the fund's value decrease.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. It is not possible to immediately assess the proper market price of these investments, as they will only be realisable on their dealing days.

A fund of fund collective investment scheme only invests in other collective investments, which levy their own charges. The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and are subject to change thereby impacting the Fund's performance. Commissions and incentives may be paid and, if so, would be included in the overall costs. Deductions of charges and expenses mean that you may not get back the amount you invested.

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This document should be read in conjunction with the Prospectus of Momentum Mutual Fund ICC Limited and the Fund Supplement, in which all the current fees and expenses charged to the Fund are disclosed. For a detailed description of such fees and expenses, please refer to these Scheme Particulars which are available upon request from Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF.

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