

# Momentum Global Balanced Fund (Class B)

Month ended 31 May 2022

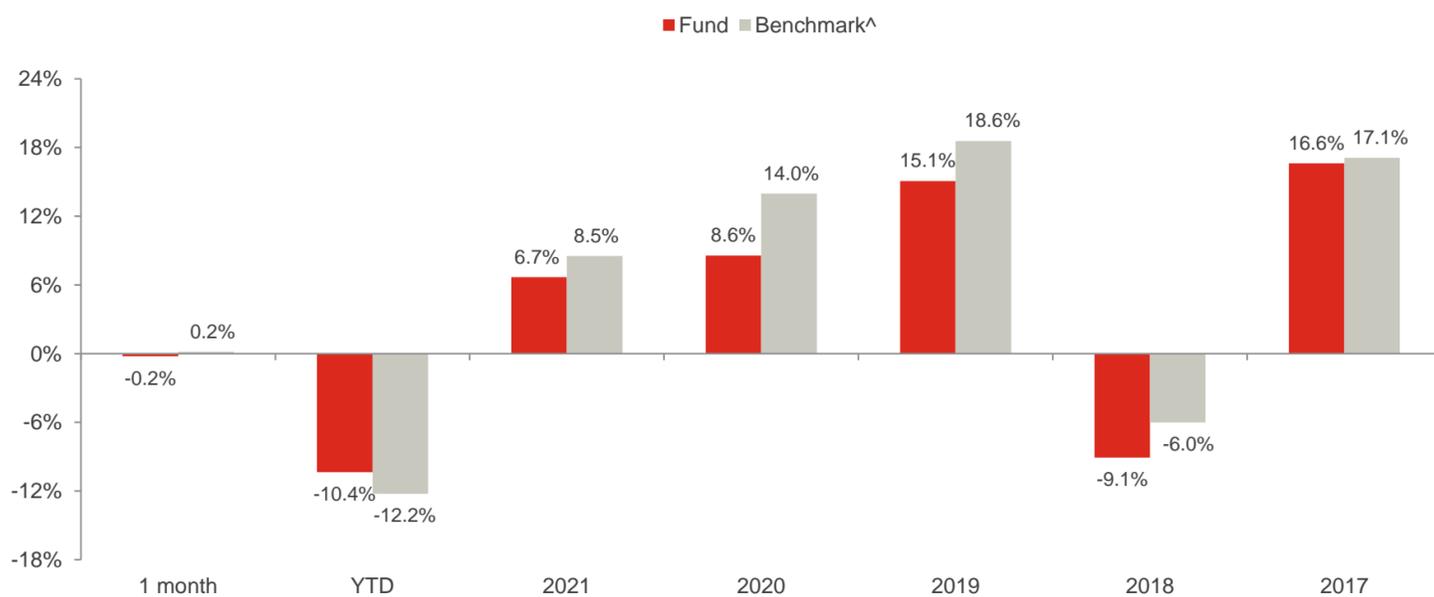
## Fund details\*

Investment manager: <b>Momentum Global Investment Management</b>	Investment timeframe: <b>3 years+</b>	Currency: <b>USD</b>
Minimum subscription: <b>USD 7,500</b>	Subscriptions / redemptions: <b>daily</b>	ISIN: <b>GG00B3FKLF78</b>
Inception date (investment strategy): <b>30 September 2004</b>	Inception date (fund): <b>18 April 2007</b>	Initial fee: <b>none</b> TER <sup>**</sup> : <b>1.99%</b>
Benchmark: <b>60% MSCI AC World, 40% ICE BofA Global Broad Market</b>		Price per share: <b>USD 1.4812</b>

## 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
<sup>2</sup> Robeco Multi-Factor Global Equity	Equity	21.9%
<sup>1</sup> US TIPS	Fixed Income	8.1%
<sup>2</sup> Morgan Stanley Global Sustain	Equity	5.7%
<sup>1</sup> Momentum GF Global Emerging Markets Equity	Equity	5.4%
<sup>1</sup> Aviva Global Convertibles	Fixed Income	5.0%
<sup>1</sup> Morant Wright Fuji Yield	Equity	3.8%
<sup>2</sup> Jennison Global Equity Opportunities	Equity	3.4%
<sup>1</sup> Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	3.4%
<sup>1</sup> Neuberger Berman Uncorrelated Strategies	Alternatives	3.3%
<sup>1</sup> Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	3.0%

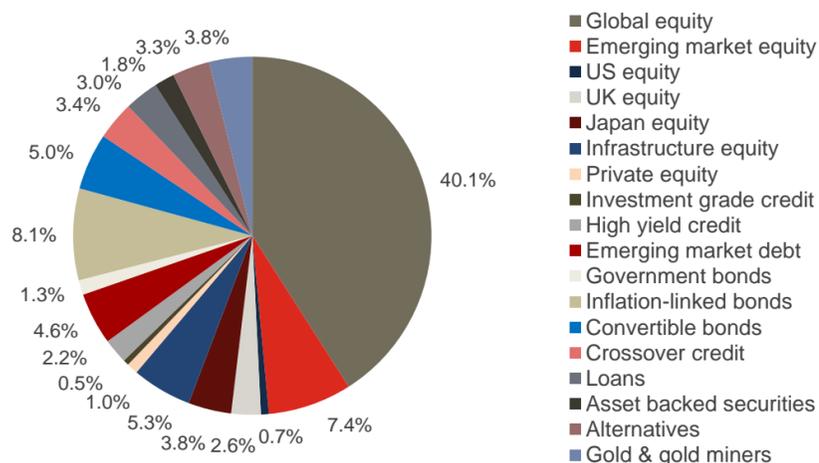
<sup>1</sup> Direct holding

<sup>2</sup> Indirectly held in the Momentum GF Global Equity Fund

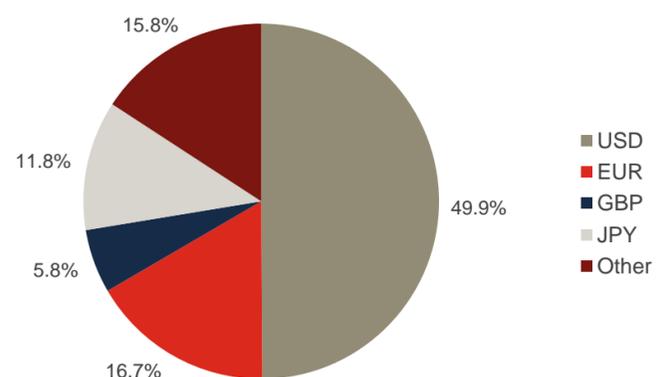
## Investment statistics (since investment strategy inception)\*\*\*

Current month return:	-0.2%
Cumulative return:	104.3%
Annualised return:	4.1%
Annualised volatility:	10.7%

## Strategy allocation



## Currency allocation



Sources: Morningstar, Lipper Hindsight, Momentum Global Investment Management, Northern Trust International Fund Administration Services (Guernsey) Limited.

\* Please refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts.

\*\* As at 31.03.22, 1.99% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio.

\*\*\* Performance figures prior to 30.07.2013, the inception date of the Class B share, have been simulated to reflect the different fee structure by adjusting the Momentum Global Balanced Fund Class A share's past performance.

## ■ Market commentary

The brutal sell-off in markets this year finally stabilised during May, although the rally was by no means uniform, and investor sentiment remained nervous in the face of intense uncertainties about inflation, growth, and the unfolding impact of the war in Ukraine.

The surge in energy and food prices triggered by Russia's invasion of Ukraine was an exogenous shock that could not have been foreseen, but central banks plainly misjudged the broadening and persistence of inflation now evident. Policy catch-up is underway in earnest, with many central banks around the world shifting rapidly to aggressive tightening. An important exception to the widespread policy tightening has been China. Strict covid lockdowns have pushed the economy into recessionary conditions, not dissimilar to March 2020. This is clearly worrying the authorities, with growth likely to be well below the 5.5% target for this year, and policy has responded accordingly.

Developed markets, measured by the MSCI World index, returned 0.1% over the month, with the US returning 0.1% while the UK rose 1.4% in local currency terms. Emerging markets rose 0.4% in local terms. Bond markets returned 0.2% in May, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries returning 0.2% and US corporate investment grade bonds returning 0.9%.

The stabilisation of markets in May is welcome, but the outlook remains extremely uncertain. The war in Ukraine has all the signs of being attritional and long; the longer it goes on the higher is the risk of escalation, and the greater the damage globally to food and energy supplies. While central bank policy tightening is now well flagged and at least in part discounted by markets, the bulk of the tightening probably lies ahead, in particular the withdrawal of liquidity is only now beginning. Economic growth is expected to slow and inflation should peak in coming months but the timing, pace and extent of these shifts is highly uncertain. This is likely to be reflected in markets, with further periods of high volatility, but as we move through the second half of the year some of these clouds should clear. Markets have already corrected materially from peak levels and valuations are significantly more attractive as a result. With careful diversification, we believe it is important to ride out the short-term volatility and stay invested for the longer-term opportunities being presented.

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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