

# Momentum Global Balanced Fund (Class B)

Month ended 31 August 2021

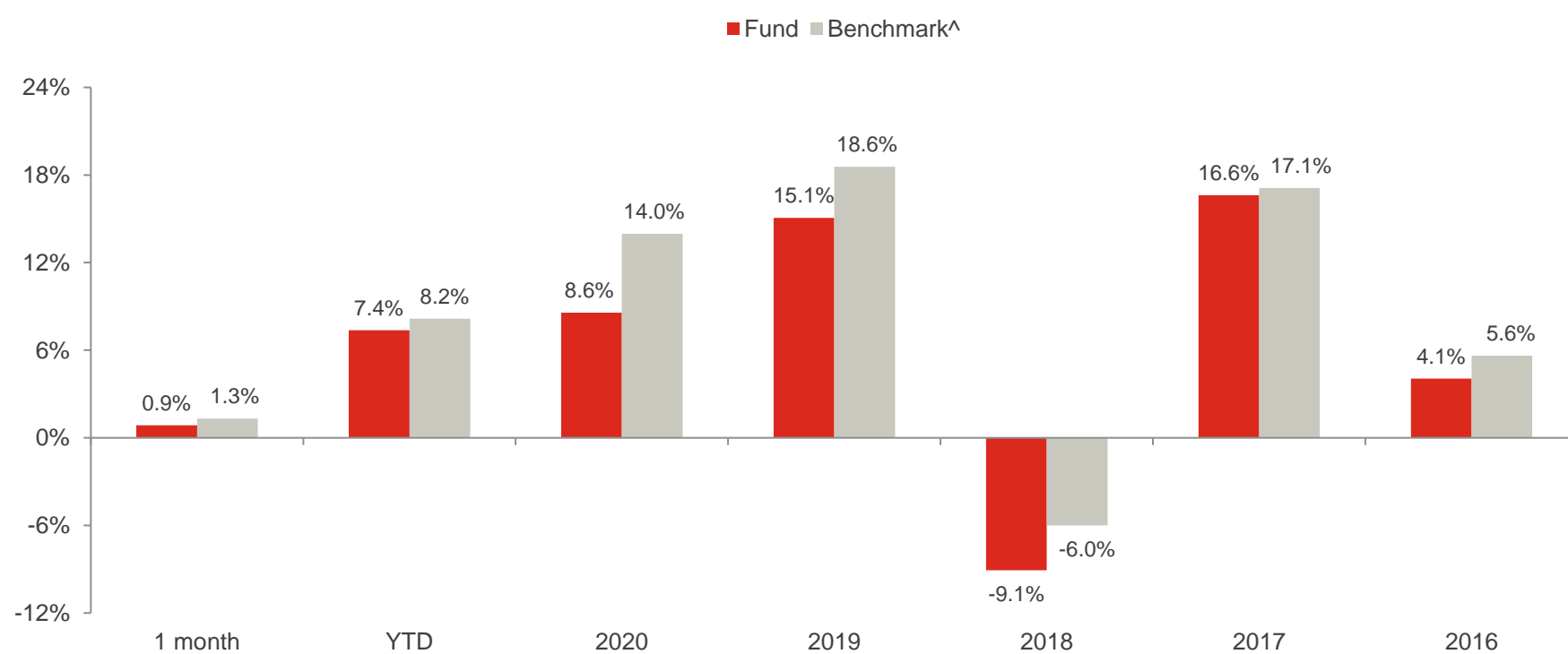
## Fund details\*

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>1.97%</b>
Benchmark: <b>60% MSCI AC World, 40% ICE BofA Global Broad Market</b>		Price per share: <b>USD 1.6631</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	20.1%
<sup>1</sup> US TIPS	Fixed Income	8.0%
<sup>1</sup> Momentum IF Global Emerging Markets	Equity	6.6%
<sup>1</sup> Maple-Brown Abbott Global Infrastructure	Equity	4.9%
<sup>2</sup> Morgan Stanley Global Sustain	Equity	4.8%
<sup>2</sup> Jennison Global Equity Opportunities	Equity	4.6%
<sup>1</sup> Aviva Global Convertibles	Fixed Income	4.6%
<sup>1</sup> Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	3.5%
<sup>1</sup> Neuberger Berman Uncorrelated Strategies	Alternatives	3.4%
<sup>1</sup> Sequoia Economic Infrastructure Income	Fixed Income	3.3%

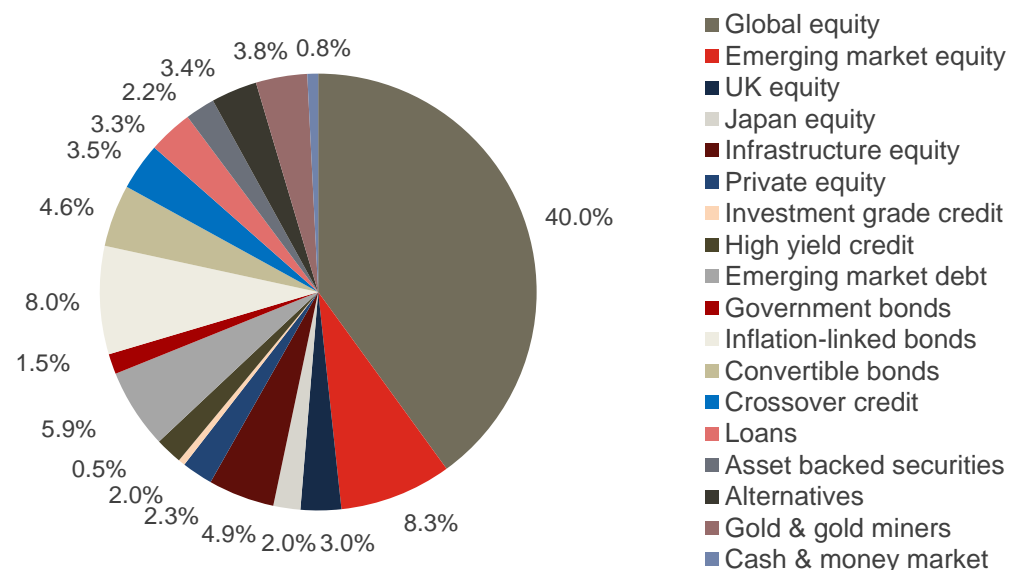
<sup>1</sup> Direct holding

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

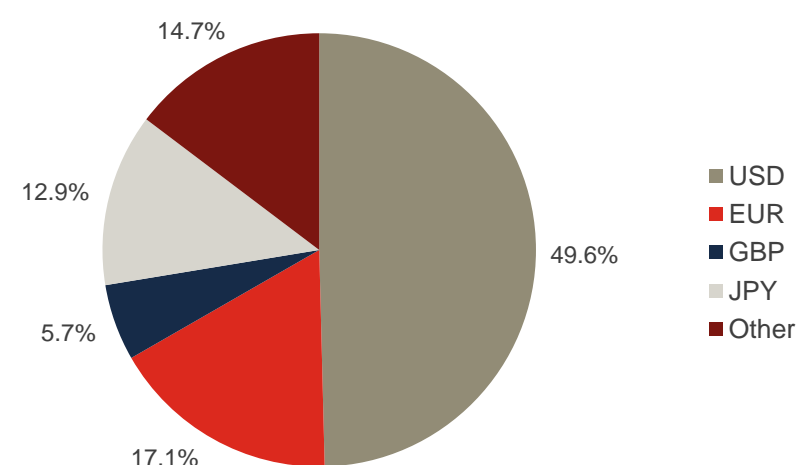
## Investment statistics (since investment strategy inception)\*\*\*

Current month return:	0.9%
Cumulative return:	129.4%
Annualised return:	5.0%
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 30 June 2021, 1.97% 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

In a relatively quiet month for markets, equities made further progress while government bond markets slipped back. With the Delta variant continuing to spread, leading to the imposition of new restrictions by China and many other countries, consumer confidence, high frequency mobility and other leading indicators weakened.

Growth is also being restrained by two other developments in recent months. First, the increasing evidence of supply shortages, especially semiconductors but spreading well beyond that, due to the surge in demand as lockdowns were eased earlier in the year and to production disruption triggered by the pandemic. The second dampener has been the slowdown in China. With the economy recovering earlier than others last year from the pandemic the authorities removed stimulus measures and focussed more on financial stability in the early months of 2021. The resulting loss of momentum was then exacerbated by tightened regulations and sanctions on a wide range of the private sector, which has soured sentiment and confidence.

Developed markets, measured by the MSCI World index, returned 2.5% over the month, with the UK and US returning 1.9% and 3.0% respectively. Emerging markets rose 2.6% in local terms.

Bond markets returned -0.5% in August, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries and US corporate investment grade bonds returning -0.1% and -0.3% respectively, compared with 0.5% from US high yield bonds.

As the impact of the pandemic progressively fades over the next 12 months, and with the combination of highly accommodative monetary policy and continuing fiscal support, the prospects are for abnormally high growth this year and next. While this will be at lower levels than the immediate post-pandemic recovery surge, it remains a strong environment for the corporate sector. We therefore remain broadly constructive about risk assets. Given the strength of equity markets over the past year, returns are likely to be harder to come by in the very short term and the Fed's tapering decision overhangs markets. It adds a dimension of risk and potentially higher volatility. But to date the Fed has flagged its intentions well and markets are prepared for some tightening. We should be prepared for some periods of volatility but we believe we are in a long market cycle and with patience and true diversification investors will be well rewarded in the year ahead.

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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