

# Momentum Global Balanced Fund (Class A USD)

29 December 2023

Factsheet

## 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.

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 Investment Management team.

## Lead portfolio managers



Richard Stutley, CFA



Jade Coysh

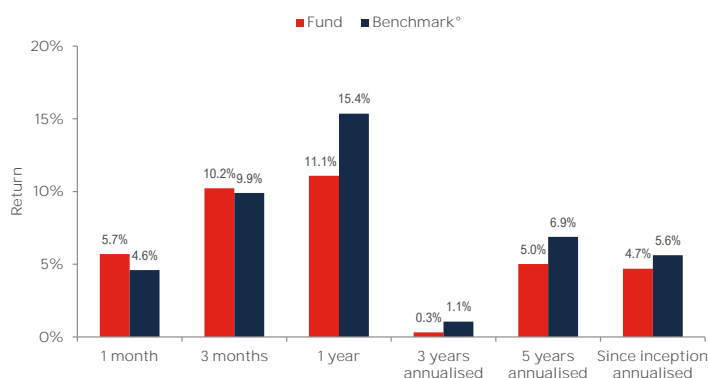
**Capital** (probability of capital loss or negative return in any 12-month period)

**Range** (expected range of returns around the benchmark in any 12-month period)

very low    medium    very high



## Fund performance



## Cumulative returns



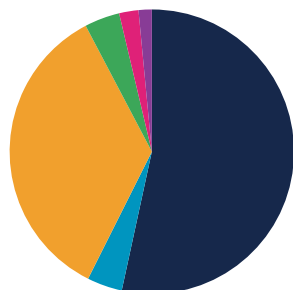
## Cumulative performance

Performance (%)	1 month	3 months	1 year	3 years	5 years	Since inception
Fund	5.7	10.2	11.1	0.9	27.7	142.1
Annualised volatility						11.0

Highest annual return 34.4 (Mar 2009 - Feb 2010)

Lowest annual return (34.9) (Mar 2008 - Feb 2009)

## Strategy allocation



<b>Equities</b>	<b>53.4%</b>
North America equity	28.8%
Japan equity	6.1%
Europe ex-UK equity	5.8%
Asia ex-Japan equity	5.3%
United Kingdom equity	4.7%
Other equity	1.6%
Australasia equity	1.1%
<b>Specialist assets</b>	<b>4.0%</b>
Infrastructure	2.1%
Property	1.0%
Private equity	0.9%

<b>Fixed income</b>	<b>34.9%</b>
Government bonds	14.2%
Inflation-linked bonds	7.8%
Investment grade credit	4.0%
Crossover credit	3.0%
Emerging market debt	2.8%
High yield credit	1.1%
Loans	1.0%
Asset backed securities	1.0%
<b>Commodities</b>	<b>4.0%</b>
<b>Alternatives</b>	<b>2.2%</b>
<b>Cash &amp; equivalents</b>	<b>1.5%</b>

Source: Morningstar, Lipper Hindsight, Momentum Global Investment Management, Northern Trust International Fund Administration Services (Guernsey) Limited. 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. NAV to NAV figures have been used for the performance calculations. The performance is calculated for the Fund. The individual investor performance may differ, as a result of various factors, including the actual investment date. Investment performance calculations are available for verification upon request. Annualised returns are period returns re-scaled to a period of 1 year. This allows investors to compare returns of different assets that they have owned for different lengths of time. Actual annual figures are available to investors upon request. Current asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes. \*Benchmark comprises two components: i) prior to 01.07.18 the benchmark was a composite of 60% MSCI AC World Index, 40% FTSE WorldBIG index; ii) from 01.07.18 to present the benchmark is a composite of 60% MSCI AC World index, 40% ICE BofA Global Broad Market index.

This communication is issued by Momentum Global Investment Management Limited, of 62 Queen Street, London EC4R 1EB • Issue date: 16 January 2024

## Portfolio holdings

## Top 20 holdings

<sup>iii</sup> Robeco Multi-Factor Global Equity	Equity	20.3%
<sup>i</sup> US Treasury Bonds	Fixed Income	14.2%
<sup>i</sup> iShares \$ TIPS	Fixed Income	7.8%
<sup>iii</sup> Morgan Stanley Global Sustain	Equity	6.4%
<sup>iii</sup> Jennison Global Equity Opportunities	Equity	4.5%
<sup>i</sup> iShares US Corporate Bond Index	Fixed Income	4.0%
<sup>i</sup> Morant Wright Fuji Yield	Equity	4.0%
<sup>i</sup> Momentum GF Global Emerging Markets Equity	Equity	3.7%
<sup>i</sup> Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	3.0%
<sup>i</sup> iShares Physical Gold ETC	Commodities	2.8%
<sup>i</sup> Schroder UK Recovery	Equity	2.6%
<sup>i</sup> Neuberger Berman Uncorrelated Strategies	Alternatives	2.2%
<sup>iii</sup> Hotchkis & Wiley Global Value	Equity	2.1%
<sup>iii</sup> Artisan Global Value	Equity	2.1%
<sup>i</sup> Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	1.9%
<sup>iii</sup> Paradice Global SMID Cap	Equity	1.7%
<sup>i</sup> Cash	Cash	1.5%
<sup>i</sup> Prusik Asian Equity Income	Equity	1.3%
<sup>iii</sup> Contrarius Global Equity	Equity	1.3%
<sup>i</sup> iShares Gold Producers ETF	Equity	1.2%

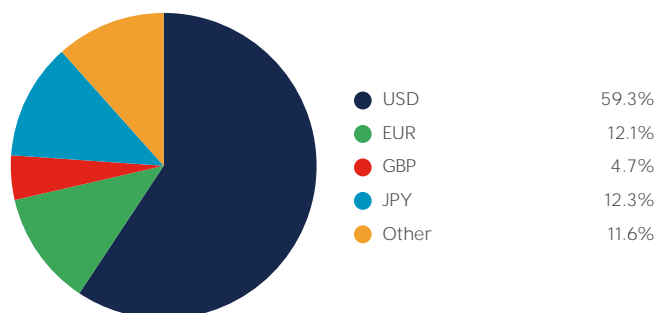
## Key information\*

Investment manager	Momentum Global Investment Management
Manager	Momentum Wealth International Limited
Custodian	Northern Trust (Guernsey) Limited
ASISA sector	Fund of funds
Inception date (fund)	18 April 2007
Inception date (investment strategy)	30 September 2004
Currency	USD
Minimum investment	USD 7,500
Investment horizon	3 years +
Subscriptions/redemptions	Daily
Fund size	USD 22.5 million
Price per share	USD 1.6426
ISIN	GG00B3FKLD54
Benchmark	60% MSCI AC World, 40% ICE BofA Global Broad Market
Income distribution	Accumulating, income received is not distributed
Valuation point	11pm (Guernsey Time) on relevant dealing day

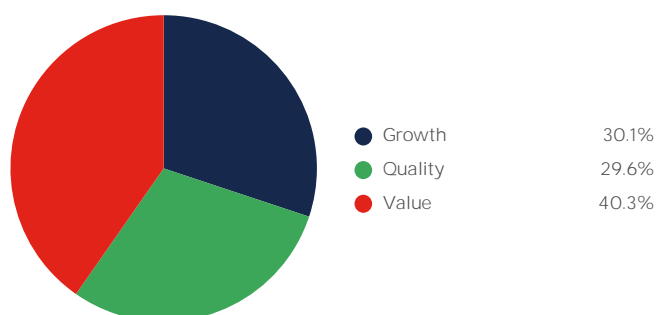
Subscriptions cut-off time: The application form to subscribe must be completed, and cleared funds received by the Administrator by no later than 12.00 noon (Guernsey time) one business day before the relevant Dealing Day.

Redemptions cut-off time: Written notice to redeem must be received by the Administrator by 12 noon (Guernsey time) one Business Day before the relevant Dealing Day.

## Currency allocation



## Equity style allocation



## Manager commentary\*\*

- » In the face of considerable headwinds, 2023 turned out to be a much better year for investors than expected, with nearly all asset classes producing positive returns, mostly well above inflation and better than cash, which itself delivered the best return since before the Global Financial Crisis. However, the gains were heavily concentrated in the final two months of the year, with nearly all equity and bond markets ending at or very close to their high for the year.
- » Within equities the concentration of returns was extraordinary, driven by a small number of mega-cap tech stocks in the US – the ‘Magnificent 7’. China, in contrast, was a major disappointment, failing to participate in the rally, following a weak post-Covid recovery due to issues such as an over-leveraged property sector, a fraying relationship with the US and an ongoing global re-shoring process.
- » Driving the big move in markets in November and December was a dovish policy pivot by the Fed. With broadening evidence of a softer labour market and inflation falling more rapidly than expected, the Fed signalled that rates had peaked, and for the first time in this cycle a discussion on cuts had taken place. Although we see a recession as likely in the US, UK and Europe in 2024, we expect it to be mild. Aside from unquantifiable geopolitical events, the biggest risk is probably policy overkill, if central banks keep policy too tight for too long, resulting in a deeper and more prolonged slowdown.
- » Developed markets, measured by the MSCI World index, returned 4.9% over the month, with the US returning 4.5%. Emerging markets rose 3.9% in local terms. Bond markets returned 4.3% in December, as measured by the ICE BofA Global Broad Market index, with US Treasuries returning 3.3%.
- » While unbridled optimism for the year ahead is inappropriate, the risks are in better balance than in the past 18 months, and we expect markets to make further progress, albeit with setbacks on the way. After a highly unusual year in 2023, we believe that some caution and a high degree of selectivity is required in 2024, which should increasingly favour an active investment style. Through the year we expect a tailwind for markets in the form of easing monetary policy, but given the starting point for valuations and the uncertainties ahead, we will remain broadly diversified, waiting for valuation opportunities to come along in our preferred assets and markets, and remaining wary of extended valuations and excess leverage.

Fee information	per annum (p.a.)
Initial fee	N/A
Ongoing fees	
Investment management fee	0.50%
Management and administration fee	
Up to US\$30m	0.30%
From US\$60m to US\$100m	0.25%
Over US\$100m	0.20%
Minimum	US\$ 22,000 p.a.
Custody fee	
Up to US\$30m	0.05%
From US\$30m to US\$60m	0.04%
From US\$60m to US\$100m	0.03%
Over US\$100m	0.02%
Minimum	US\$ 8,000 p.a.
Custodian fee per transaction	US\$ 25
Performance fee	0.00%
Directors' fee	US\$ 20,000 p.a.
Total Expense Ratio (TER) <sup>†</sup>	1.37%
Financial year-end TER <sup>†</sup>	1.35%

<sup>†</sup> The TERs are the percentages of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TERs. The TER to 30.09.23 is based on data for the period from 30.09.22 to 30.09.23 and the financial year-end TER is based on data for the financial year-end to 30.06.23. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

**Risk warnings and Important Information.** 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.

Momentum Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised as a Class B Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 2020. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

Momentum Global Balanced Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 46313.

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Momentum Global Investment Management Limited (MGIM) is the appointed Investment Manager of the fund and is authorised and regulated by the UK Financial Conduct Authority, with its registered address at The Rex Building, 62 Queen Street, London EC4R 1EB. MGIM is exempt from the requirements of section 7(1) of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS) in South Africa, in terms of the FSCA FAIS Notice 141 of 2021 (published 15 December 2021). For complaints relating to MGIM's financial services, please contact [DistributionServices@momentum.co.uk](mailto:DistributionServices@momentum.co.uk).

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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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