

Momentum Global Balanced Fund (Class B)

Month ended 31 May 2019

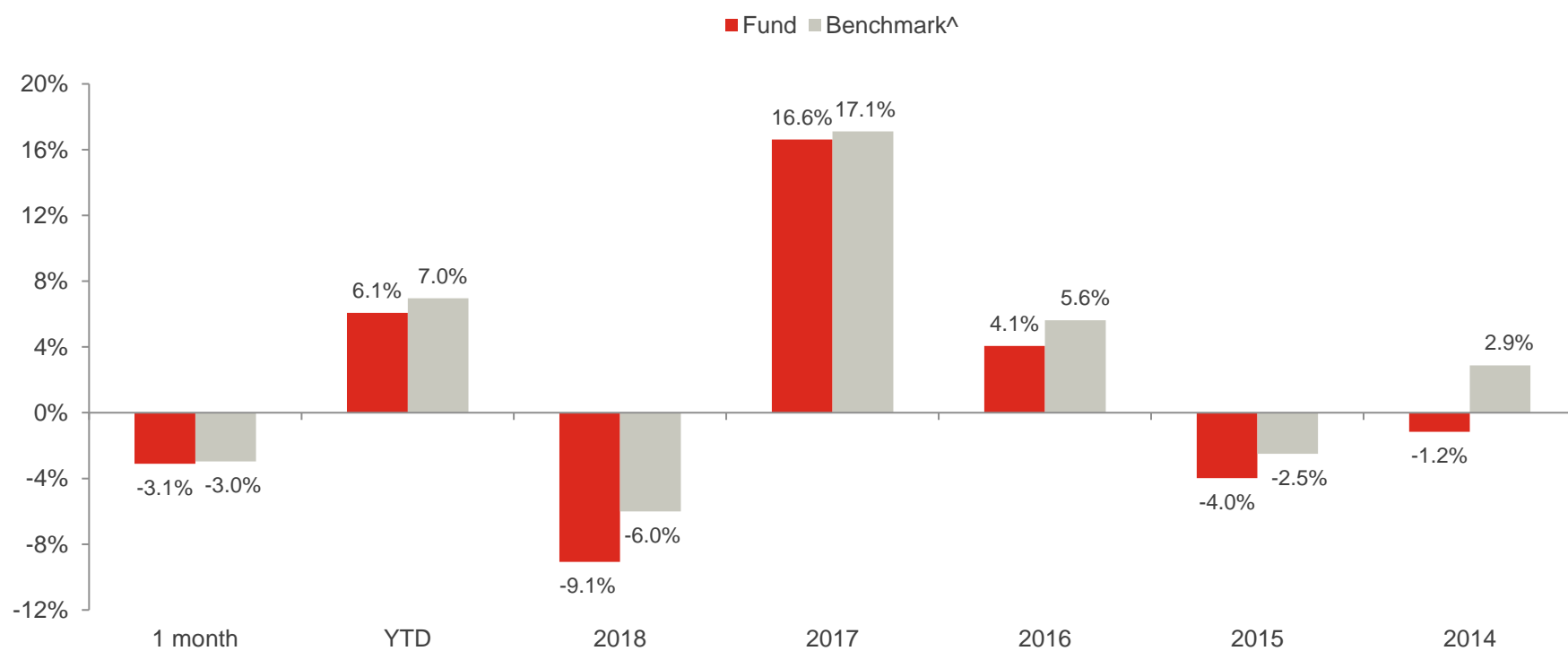
Fund details*

Investment manager: Momentum Global Investment Management	Investment timeframe: 3 years+	Currency: USD
Minimum subscription: USD 7,500	Subscriptions / redemptions: daily	ISIN: GG00B3FKLF78
Inception date (investment strategy): 30 September 2004	Inception date (fund): 18 April 2007	Initial fee: none TER ^{**} : 2.08%
Benchmark: 60% MSCI AC World, 40% ICE BofAML Global Broad Market		Price per share: USD 1.3152

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 WBI index was replaced with the ICE BofAML Global Broad Market index. This has not been applied retrospectively.

Top holdings

Holdings	Asset type	Weight
¹ US Treasury Bonds	Fixed Income	6.6%
² Robeco Global Value	Equity	5.1%
¹ iShares \$ Treasury Bond 7-10yr	Fixed Income	4.7%
¹ iShares \$ TIPS	Fixed Income	4.6%
² Jennison	Equity	4.1%
² Robeco Global Enhanced Income	Equity	3.6%
² Robeco Global Conservative	Equity	3.6%
¹ Momentum IF Global Emerging Markets	Equity	3.5%
¹ iShares MSCI Emerging Markets	Equity	3.3%
² Morgan Stanley Global Brands	Equity	3.2%

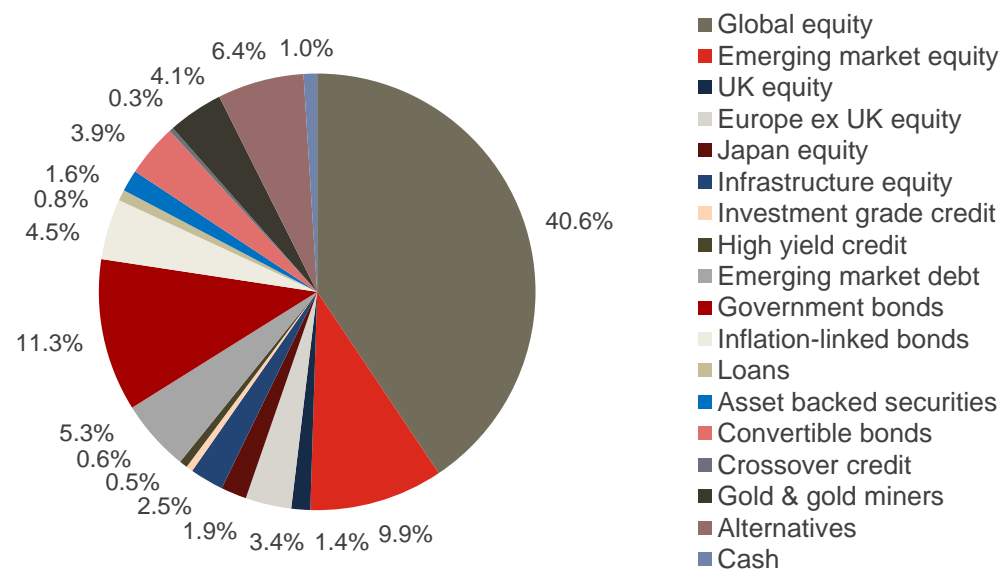
¹ Direct holding

² Indirectly held in the Momentum IF Global Equity Fund

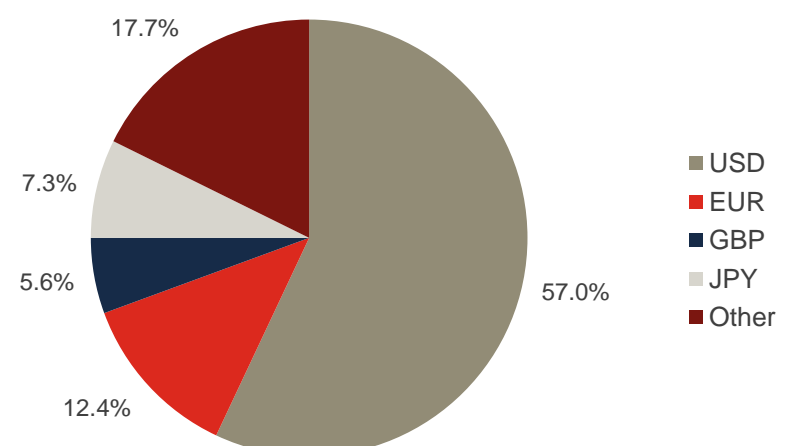
Investment statistics (since investment strategy inception)***

Current month return:	-3.1%
Cumulative return:	81.4%
Annualised return:	4.1%
Annualised volatility:	10.2%

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 29 March 2019, 2.08% 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

Following the strong performance of global equity markets through the first four months of the year, the tide changed dramatically in May with the trade war dominating the market narrative. There was a sharp shift out of risk assets, notably equities, and towards perceived safe havens, reflected in a rise of 2.9% in the Japanese yen against the US dollar and gains of 1.7% for gold. Developed equities declined 5.8% and, unsurprisingly in an environment of rising fears about global trade and growth, emerging markets weakened even more, down 7.3%.

The sudden announcement that the US would be moving ahead with tariff increases on US imports from China, and the threat to apply 5% tariffs on goods from Mexico, unnerved investors. US equities were significantly weaker, ending the month down 6.4%. UK equities declined 2.8% in sterling terms, but the pound fell sharply amid renewed Brexit uncertainty following the announcement of Prime Minister May's resignation. Elsewhere in Europe, the unfolding battle between Italy's populist government and the EU Commission came back into focus.

Bond markets were the main beneficiaries during May, with 10-year Treasury yields falling by 38 basis points while German 10-year yields fell to a new all-time low of -0.20%. This resulted in a return of 2.5% for US Treasuries. As recessionary fears surfaced credit spreads widened and investment grade bonds underperformed government bonds, returning 1.4% while high yield bonds suffered negative returns.

To say we are living through extraordinary times is beyond dispute. The current economic expansion in the US is soon set to become the longest in history, employment growth in the US and elsewhere has been very strong, monetary policy across the developed world remains ultra-loose by any historical standard and yet inflation is still remarkably subdued. Indeed, recent falls in core inflation measures especially in the US have rattled investors and raised fears of weaker growth and tougher conditions for the corporate sector ahead, and in Europe and Japan of prolonged deflation. The escalation of the US-China trade war to much broader issues than trade alone, and beyond China to the closest allies and trading partners of the US, poses a serious threat to global stability and the global economy. Some caution is therefore warranted in the short term, but we take the view that the cycle has further to run and if falls in markets continue interesting valuation opportunities will arise.

Source: Bloomberg, 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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