



# VT MOMENTUM DIVERSIFIED INCOME

MONTH END JUNE 2021

FOR PROFESSIONAL ADVISERS ONLY

**momentum**  
global investment management

## INVESTMENT OBJECTIVE & STRATEGY

To generate a high level of income with the prospect of maintaining the real value of capital over the long term, by investing in a multi-asset portfolio managed with a focus on value. The Fund may include directly invested UK equities with a bias towards mid-cap stocks, and overseas equity, fixed income, specialist assets and managed liquidity held through third party funds.

## INVESTMENT TEAM



Richard Parfect  
Lead Oversight  
Portfolio Manager



Tom Delic  
Second Oversight  
Portfolio Manager



Mark Wright  
Portfolio Manager



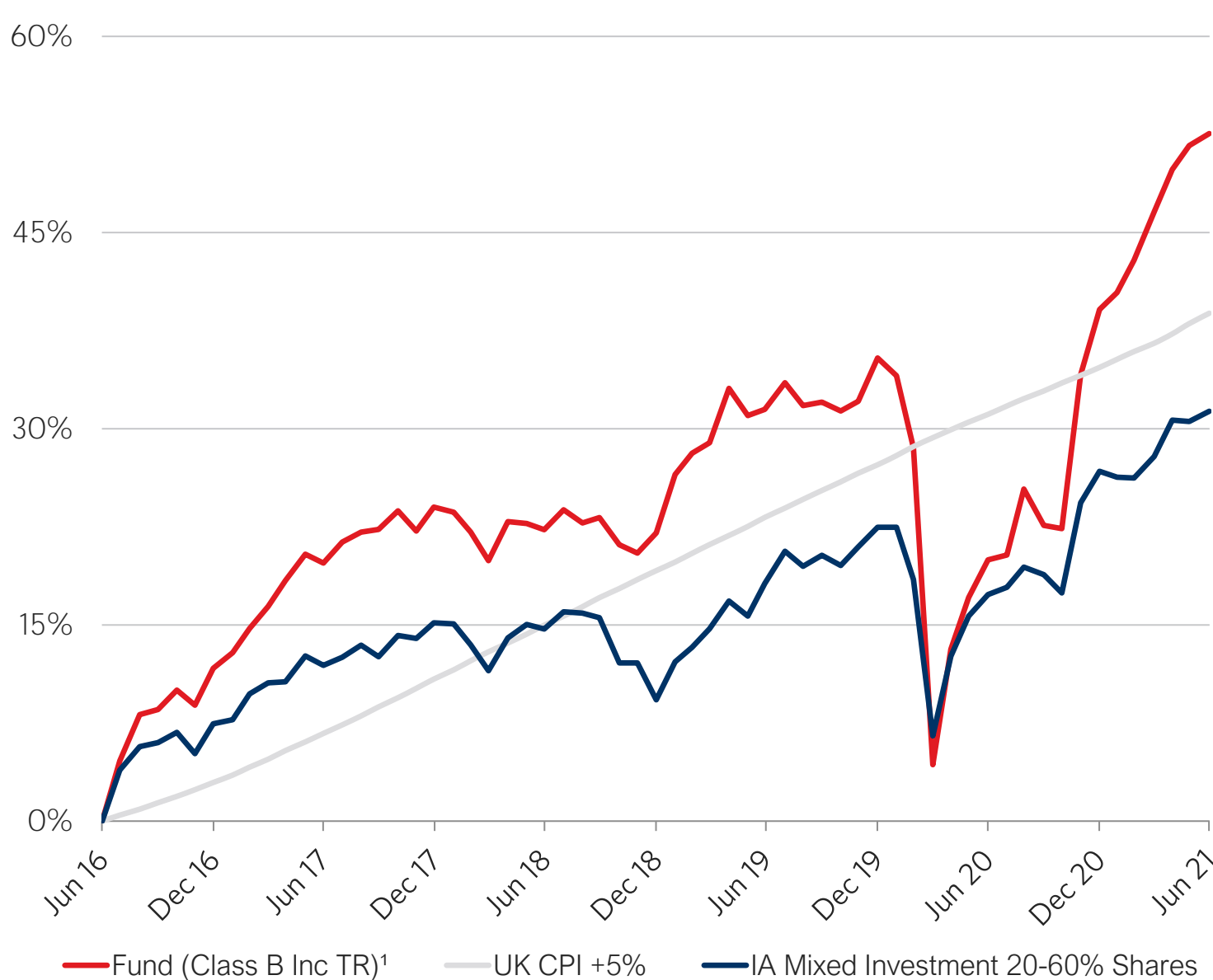
Gary Moglione  
Portfolio Manager



Alex Harvey  
Portfolio Manager

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 Investments team.

## FIVE YEAR HISTORICAL CUMULATIVE PERFORMANCE



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Fund return Class B Inc TR <sup>1</sup>	0.6	4.1	9.7	27.2	24.8	52.6	5.8
UK CPI +5%	0.6	1.7	3.1	5.9	20.7	38.8	-
IA Mixed Investment 20-60% Shares	0.6	2.7	3.6	11.9	14.5	31.3	4.7

DISCRETE ANNUAL PERFORMANCE (%)	30 Jun 2021	30 Jun 2020	30 Jun 2019	30 Jun 2018	30 Jun 2017	Historic net yield (%) <sup>†</sup>
Fund return Class B Inc TR <sup>1</sup>	27.2	(8.8)	7.5	2.1	19.7	4.6

Sources: Morningstar, MGIM.

Fund performance is calculated on a total return basis (including distributions), net of all fees and in GBP terms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance. The CPI +5% target was introduced in 2020.

## MONTHLY COMMENTARY

- The more hawkish tilt by the Fed in June signalled the beginnings of a future monetary policy tightening cycle and triggered an alarm in markets.
- Covid concerns resurfaced in June as the delta variant spread rapidly across the world to become the dominant form of the virus. Evidence suggests that the vaccines provide good immunity and dramatically weaken the link between infection and hospitalisation.
- Halfords Group announced a very strong set of results for their financial year, with growth across both the Retail and Autocentres segments of the business. Growth in Retail has been achieved through strong demand for cycling products, which increased 54% on a like-for-like basis, while Autocentres continues to gain market share.
- We also participated in the equity raise of Kier Group. Shares were offered at 85p, the shares are now trading above 120p.
- Following a strong recovery in the shares, we reduced the weighting to PRS REIT. The shares traded at a 10% premium to NAV and performed strongly ahead of entering the FTSE indices.
- Chrysalis Investments updated investors on its holding in payment solutions provider Klarna, which has seen significant growth over the last 2 years. The company has been expanding in Europe, following its success in the US, where the number of consumers using Klarna's platform has doubled over the last year. A new equity funding round values the company at \$45bn, implying a material mark up to Chrysalis' carrying value.

Source: Bloomberg Finance LP, MGIM

## PLATFORM AVAILABILITY



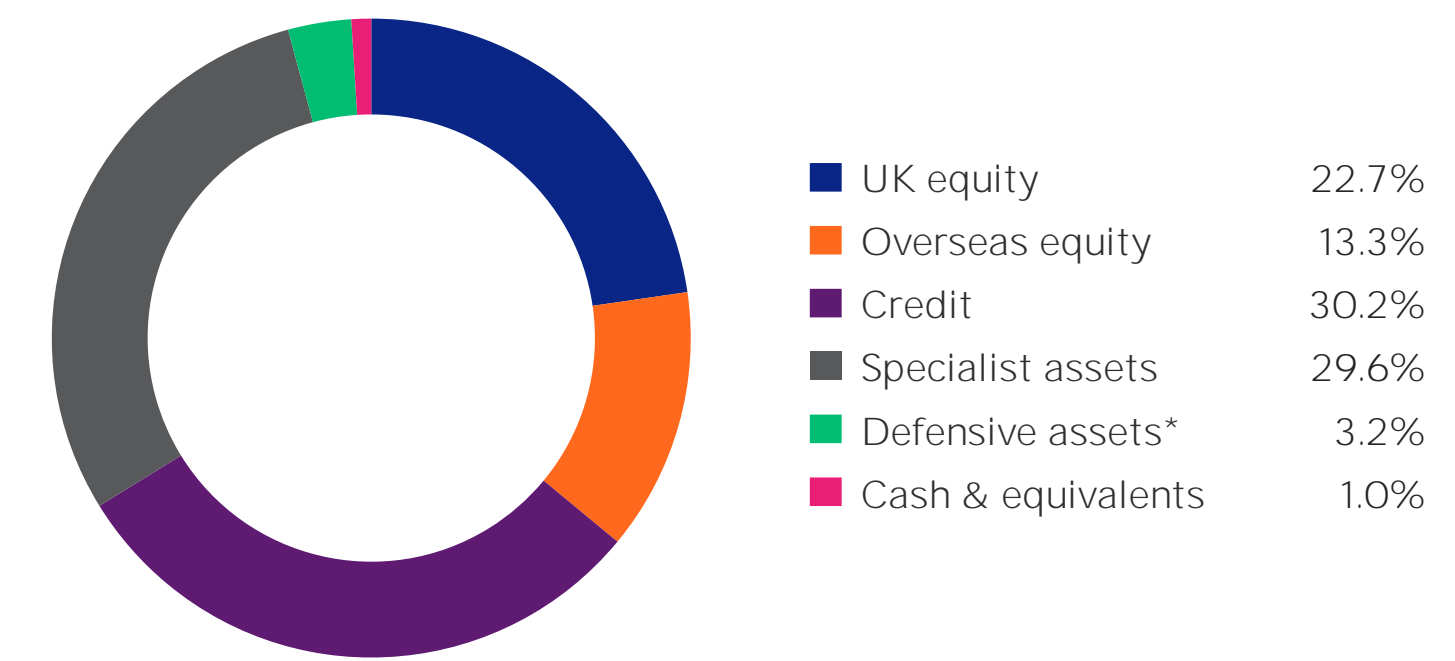
## FUND RATINGS



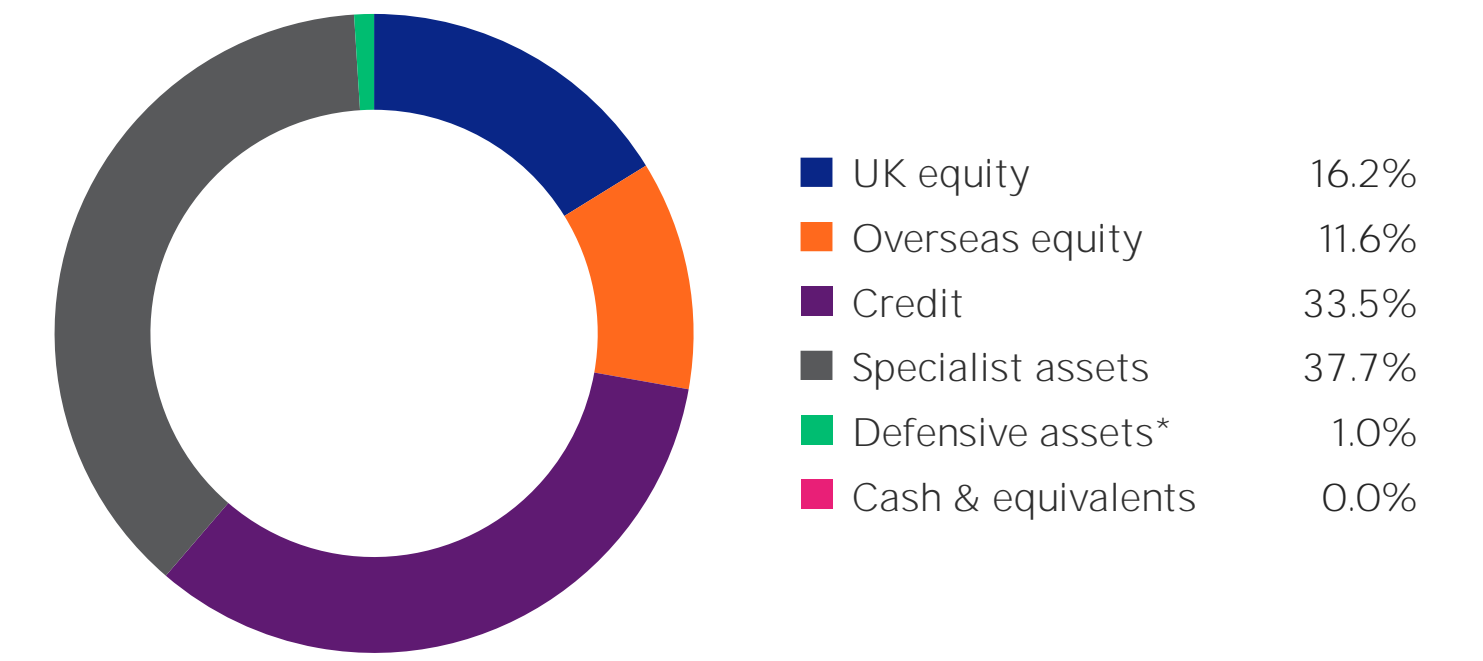
Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.

<sup>1</sup> The Fund performance refers to the 'B' Inc share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' Inc share class, unadjusted for the lower fees of the 'B' Inc share class. <sup>†</sup>The Historic Net Yield reflects distributions declared over the past twelve months as a percentage of the unit price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. A portion of the Fund's expenses are charged to Capital. This has the effect of increasing the distribution(s) for the year and constraining the Fund's capital performance to an equivalent extent.

ASSET ALLOCATION



INCOME GENERATION



As at 30.06.2021, allocations subject to change. Source: MGIM  
\*Defensive assets have reduced/negative correlation to equity markets to provide a more defensive element during times of stress Defensive assets consists of a variety of investments such as gold\*\*, government bonds, short ETFs, alternative/uncorrelated strategies and managed futures strategies. \*\*Exposure to physical gold is achieved through investments in exchange traded certificates (ETC) which aim to provide the performance of gold, as measured by the LBMA Gold Price (PM), which is a recognised benchmark for gold. A Gold ETC is a certificate which is secured by gold bullion, held within the vaults of a nominated custodian.

TOP FIVE HOLDINGS BY ASSET CLASS

UK EQUITIES	
1. Kier Group	2.1%
2. M&G	1.7%
3. Diversified Energy	1.6%
4. Legal & General Group	1.6%
5. BT Group	1.3%
OVERSEAS EQUITIES	
1. CIM Dividend Income	3.4%
2. Morant Wright Fuji Yield	2.6%
3. HMG Global Emerging Markets Equity	2.4%
4. JPMorgan European Investment Trust	1.9%
5. Prusik Asian Equity Income	1.4%
CREDIT	
1. Royal London Sterling Extra Yield Bond	8.6%
2. Royal London Short Duration Global High Yield	7.1%
3. Absalon Emerging Markets Corporate Debt	4.6%
4. TwentyFour Select Monthly Income	4.1%
5. Muzinich ShortDurationHighYield	3.9%
SPECIALIST ASSETS	
1. Chrysalis Investments	2.2%
2. Fair Oaks Income	2.2%
3. Schroder UK Public Private Trust	2.0%
4. AEW UK REIT	1.8%
5. Sequoia Economic Infrastructure Income	1.8%
DEFENSIVE ASSETS	
1. Ninety One Global Gold	2.9%
2. Invesco Physical Gold ETC	0.3%
-	-
-	-
-	-

As at 30.06.2021. Source: MGIM

FUND & SHARE CLASS DETAILS

FUND DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Fund inception	8 April 2002
Currency	GBP
Target return	UK CPI +5% (net)
IA sector	Mixed Investment 20-60% Shares
Structure	UCITS
Dealing	Daily
Income distribution	Monthly

SHARE CLASS DETAILS	A	B (Inc)	B (Acc)	N
Minimum investment	GBP 3,000	GBP 100,000	GBP 100,000	GBP 1,000
Minimum reg saver	GBP 50	n/a	n/a	GBP 50
ISIN	GB0031467961	GB00B7JTF560	GB00BKV4HY34	GB00B61Y0911
SEDOL	3146796	B7JTF56	BKV4HY3	B61Y091
Citicode	OM45	OWRF	QOPS	OWRE
Month-end price (NAV)	97.32p	119.21p	116.12p	116.62p
AMC	1.40%	0.75%	0.75%	1.00%
OCF <sup>2</sup>	1.80%	1.15%	1.15%	1.40%

FUND WRAPPERS	
ISAs	
SIPPs	
Personal pensions	
Onshore bonds	
Offshore bonds	

<sup>2</sup>As at 31.12.2020. The OCF (Ongoing Charges Figure) is the total expenses paid by the fund, annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change.

CONTACT US

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IMPORTANT INFORMATION

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