



VT MOMENTUM DIVERSIFIED INCOME

MONTH END AUGUST 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



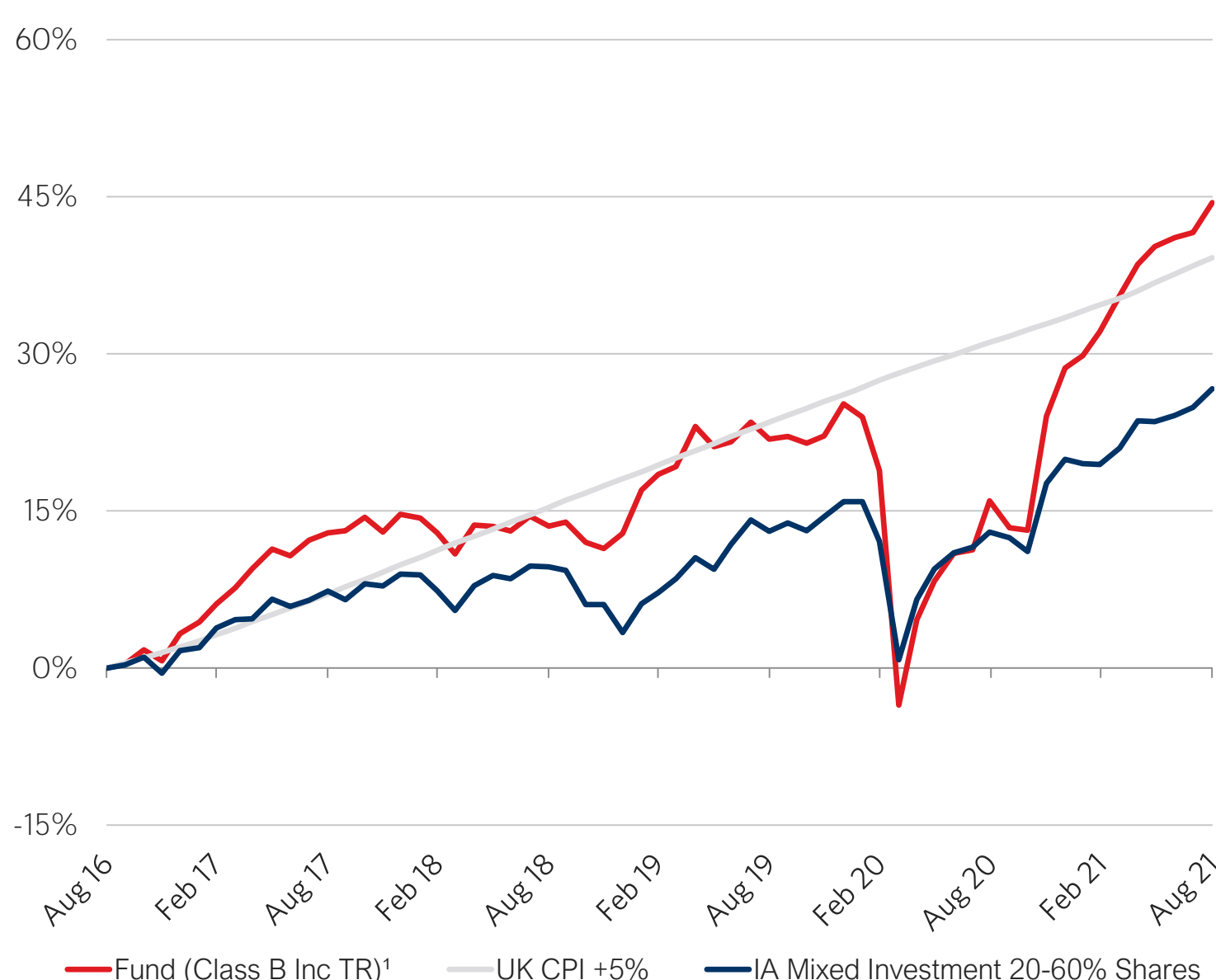
Gary Moglione
Portfolio Manager



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 ¹	2.0	3.0	9.3	24.6	27.2	44.4	5.8
UK CPI +5%	0.6	1.7	3.3	6.2	20.7	39.2	-
IA Mixed Investment 20-60% Shares	1.4	2.5	6.0	12.1	15.5	26.7	4.8

DISCRETE ANNUAL PERFORMANCE (%)	31 Aug 2021	31 Aug 2020	31 Aug 2019	31 Aug 2018	31 Aug 2017	Historic net yield (%) [†]
Fund return Class B Inc TR ¹	24.6	(4.8)	7.3	0.6	12.9	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

- 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.
- Strong performers across the UK equity portfolio included Babcock International and Marks & Spencer. Babcock announced the sale of consultancy business Frazer Nash for £293m, a significant step by management to completing their aim of divesting at least £400m of business across the Group. Proceeds will go towards reducing debt levels, while also simplifying the business. The shares increased over 40% in August.
- Marks & Spencer reported a strong trading update to investors during the month. Strong trading across the core categories within the food division were a particular highlight, while the Company's online offering continues to see strong growth. As a result, management indicated that full year profits are likely to be above the top end of guidance.
- Fair Oaks Income Fund continues to report a strong recovery in its net asset value (NAV) per share, with total returns on both a NAV and share price basis having now erased the losses of H1 2020. In recent months, the Company has made two investments into the equity tranches of two new US collateralised loan obligations (CLOs). The investment manager estimates total returns of between 14% and 17% per annum for the two new investments, highlighting the significant return opportunity still present within the CLO space.
- Elsewhere, Chrysalis Investments rose over 10% during the month, announcing two new investments in data infrastructure business InfoSum and consumer technology business Tactus.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY



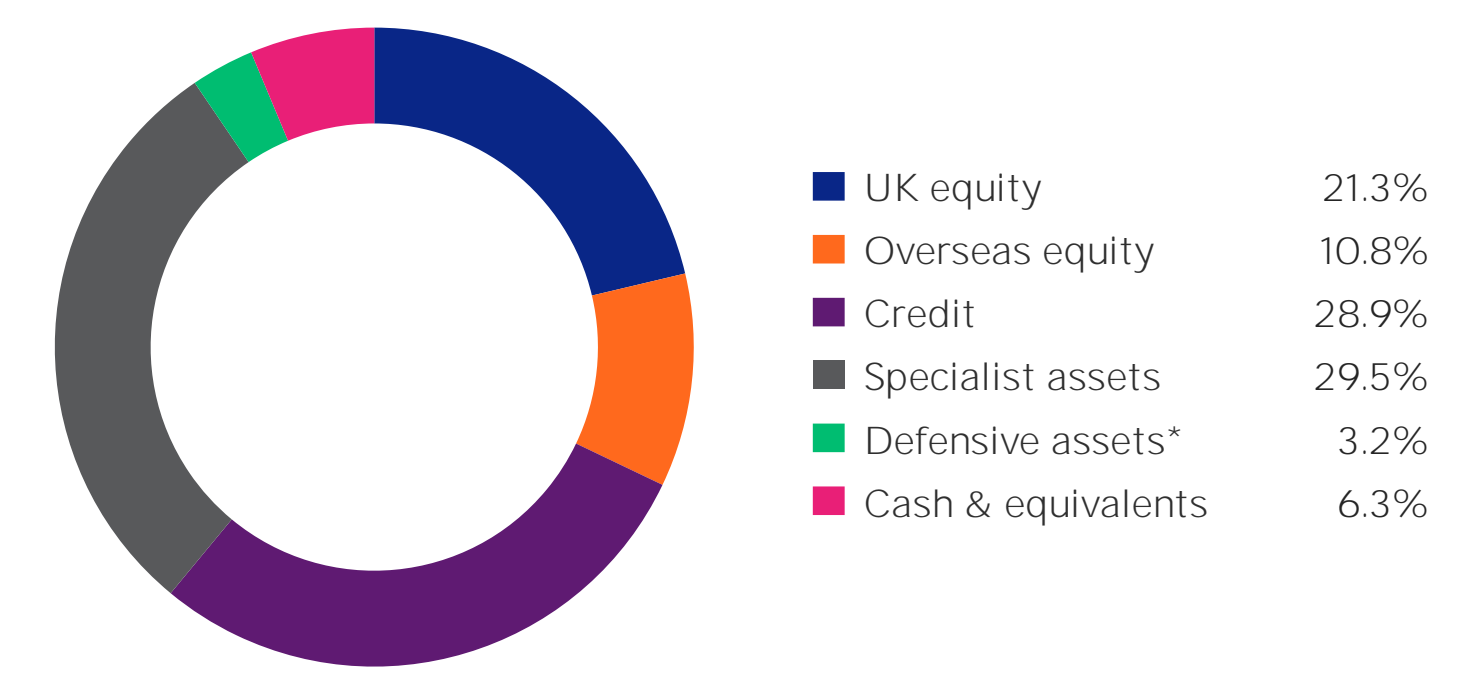
FUND RATINGS



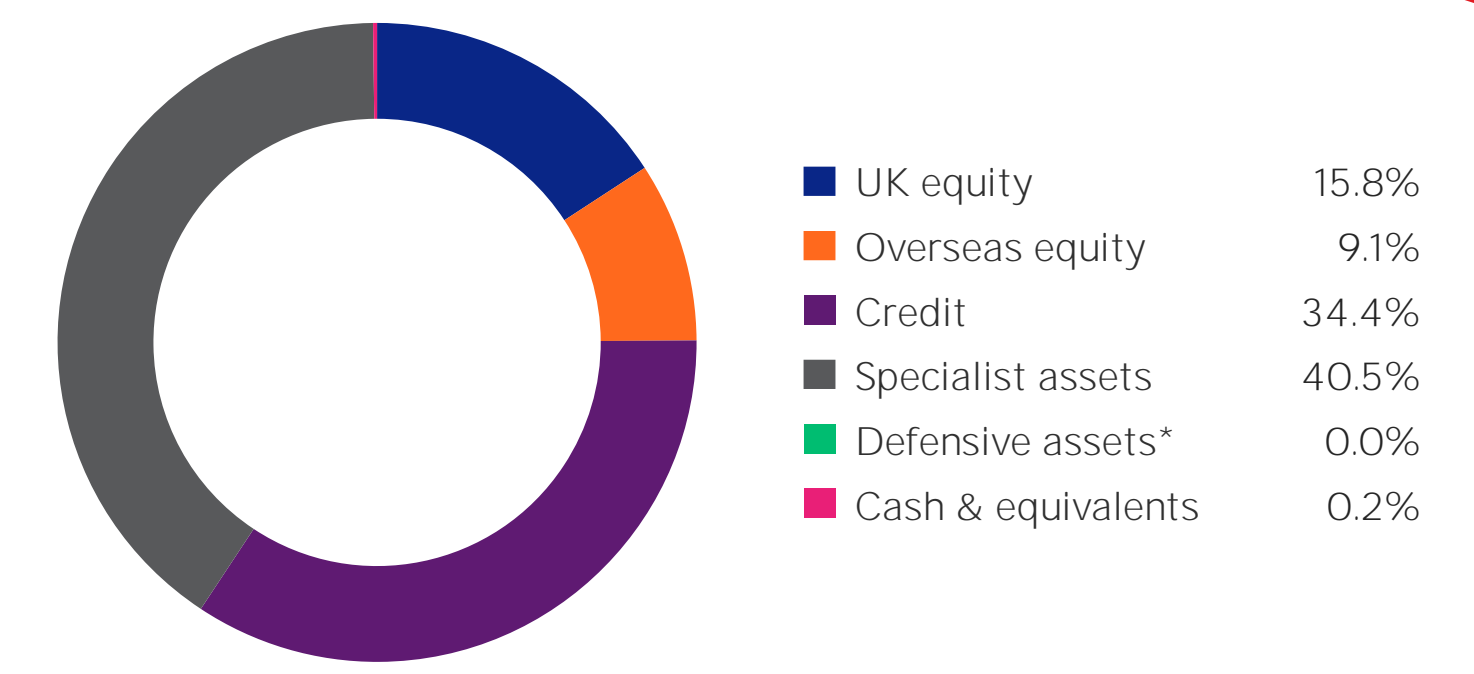
Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.

¹ 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. [†]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 31.08.2021, 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	1.7%
2. Diversified Energy	1.6%
3. Legal & General Group	1.6%
4. M&G	1.4%
5. OSB Group	1.2%
OVERSEAS EQUITIES	
1. Morant Wright Fuji Yield	3.2%
2. CIM Dividend Income	2.6%
3. JPMorgan European Investment Trust	1.8%
4. HMG Global Emerging Markets Equity	1.1%
5. Prusik Asian Equity Income	1.0%
CREDIT	
1. Royal London Sterling Extra Yield Bond	8.2%
2. Royal London Short Duration Global High Yield	6.6%
3. Absalon Emerging Markets Corporate Debt	4.5%
4. TwentyFour Select Monthly Income	4.0%
5. Muzinich ShortDurationHighYield	3.7%
SPECIALIST ASSETS	
1. Chrysalis Investments	2.4%
2. Fair Oaks Income	2.1%
3. Schroder UK Public Private Trust	1.8%
4. Ediston Property Investment Company	1.8%
5. AEW UK REIT	1.8%
DEFENSIVE ASSETS	
1. Ninety One Global Gold	2.2%
2. Invesco Physical Gold ETC	1.0%
-	-
-	-
-	-

As at 31.08.2021. 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)	98.84p	121.20p	118.88p	118.52p
AMC	1.40%	0.75%	0.75%	1.00%
OCF ²	1.80%	1.15%	1.15%	1.40%

FUND WRAPPERS	
ISAs	
SIPPs	
Personal pensions	
Onshore bonds	
Offshore bonds	

²As 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

Momentum Diversified Funds are sub-funds of the VT Momentum Investment Funds II ICVC umbrella, an open-ended investment company which is authorised by the Financial Conduct Authority (FCA). Valu-Trac Investment Management Limited (authorised and regulated by the FCA) acts as the Authorised Corporate Director (ACD) of the VT Momentum Investment Funds II ICVC. Investment in the Funds may not be suitable for all investors. This document is for information only and does not provide you with all of the facts that you need to make an informed investment decision. Investors should read the Key Investor Information Document (KIID) and seek professional investment advice prior to investment. The prospectus and KIID documents are available (in English) on the ACD's website via www.valu-trac.com. This financial promotion is issued by Momentum, the trading name of Momentum Global Investment Management Limited (authorised and regulated by the FCA), with its registered office at The Rex Building, 62 Queen Street, London EC4R 1EB. Ratings: Defaqto is a financial information business. Profile published 10.09.2021 by Distribution Technology based on data and information as at 30.06.2021. Morningstar Rating™ as of 31.08.2021 copyright ©2021 Morningstar, all rights reserved, the information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely; neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. FE Crown Fund Ratings as of 29.07.2021 do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision. All rights reserved. The views expressed are those of the fund manager at the time of writing and are subject to change without notice. Past performance is no guarantee of future results.