



VT MOMENTUM DIVERSIFIED INCOME

MONTH END FEBRUARY 2022
FOR RETAIL INVESTORS 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



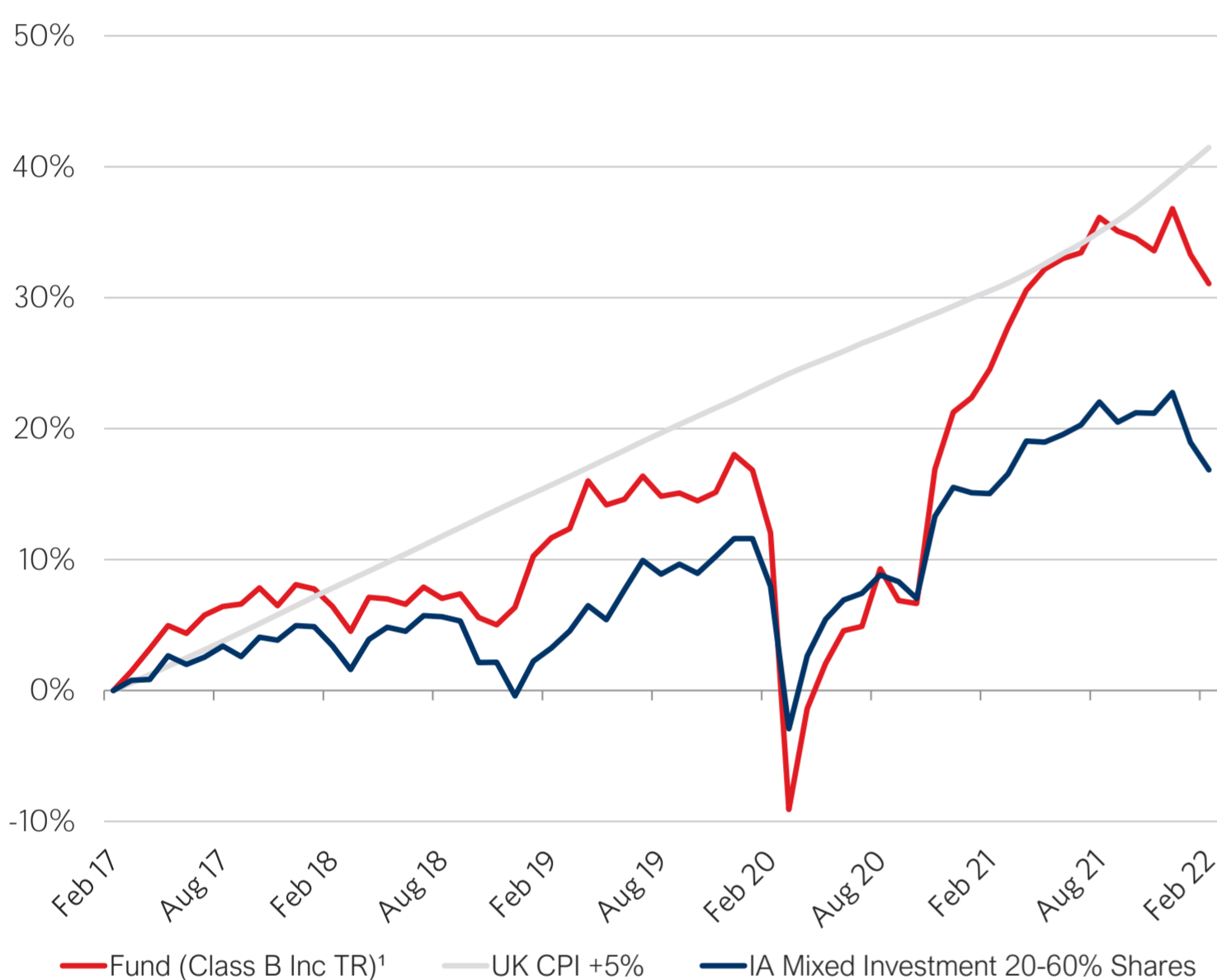
Gary Moglione
Portfolio Manager



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	(1.7)	(1.9)	(3.7)	5.3	17.4	31.1	5.5
UK CPI +5%	0.8	2.5	4.8	8.4	22.3	41.5	-
IA Mixed Investment 20-60% Shares	(1.8)	(3.6)	(4.2)	1.6	13.2	16.9	4.4

DISCRETE ANNUAL PERFORMANCE (%)	28 Feb 2022	28 Feb 2021	29 Feb 2020	28 Feb 2019	28 Feb 2018	Historic net yield (%) [†]
Fund return Class B Inc TR ¹	5.3	11.2	0.3	4.9	6.4	4.9

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

- Markets are struggling to digest the implications of war in Europe, the rapidly evolving situation, and the intense uncertainty around its resolution. The initial reaction after the invasion was relatively subdued – with a flight to safe havens out of risk assets and equity markets generally weakening, particularly in Europe.
- In UK equities, Phoenix Group was increased. With the shares now yielding close to 8% and the dividend expected to grow organically at a low single digit per annum, we believe this was an attractive opportunity to increase our holding.
- Within the Overseas Equities portfolio, the Morant Wright Fuji Yield Fund remains the largest holding. Performance this year has been strong, with the Fund returning 5.1% to the end of February, while MSCI Japan has fallen 5.4%. We believe Japanese equities remain one of the most attractively valued markets across the globe. In addition to low valuations, Japanese corporates are very lowly leveraged. Morant Wright trades at a price to book of just 0.7x, while the average non-financial company in the portfolio holds net cash on its balance sheet equivalent to two-thirds of its market capitalisation.
- Greencoat UK Wind reported annual results for 2021, during the month. Over 2021 the UK experienced the lowest wind speeds since 2010. However, with power prices over three times higher than 2020, due to higher gas prices, net cash generation from the Group's wind farm assets covered the dividend by 1.9 times. Net asset value per share increased 11.3% over the year, driven by an increase in forecast power prices and inflation assumptions. The Company also announced it will target a dividend increase in line with December's RPI inflation print of 7.5%. Management anticipate the Group will continue to benefit from higher power prices over the next few years.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY



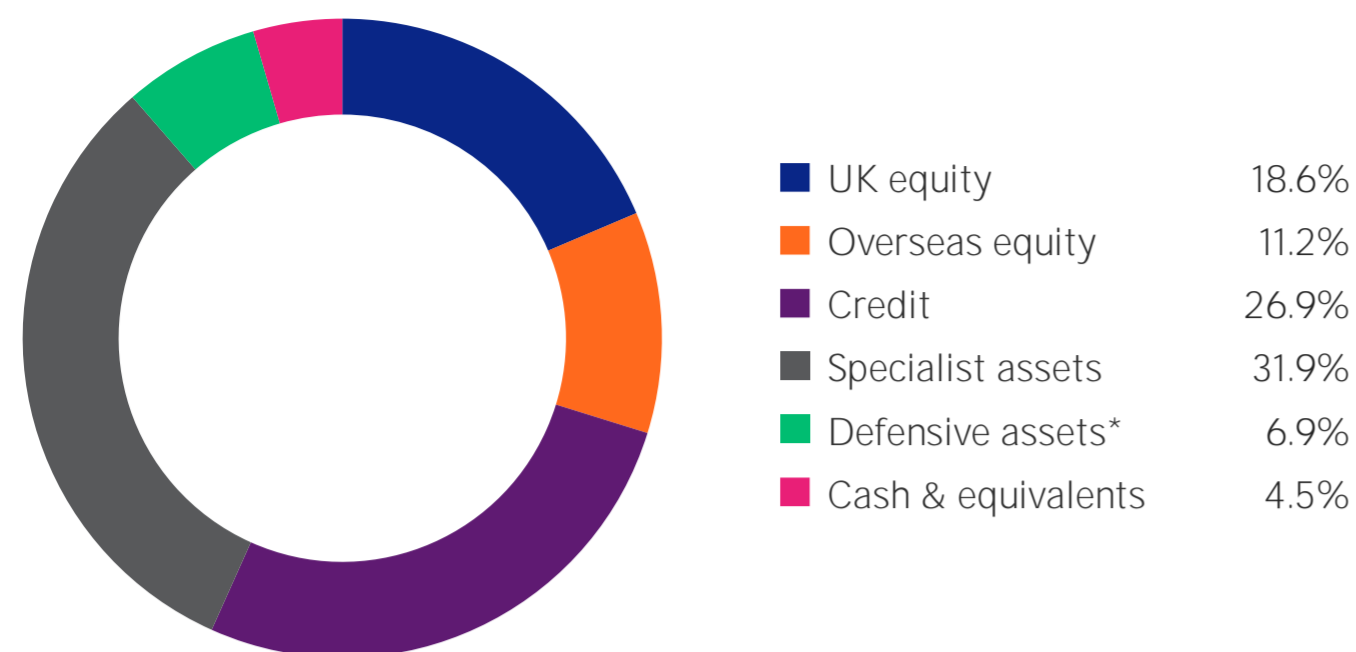
FUND RATINGS



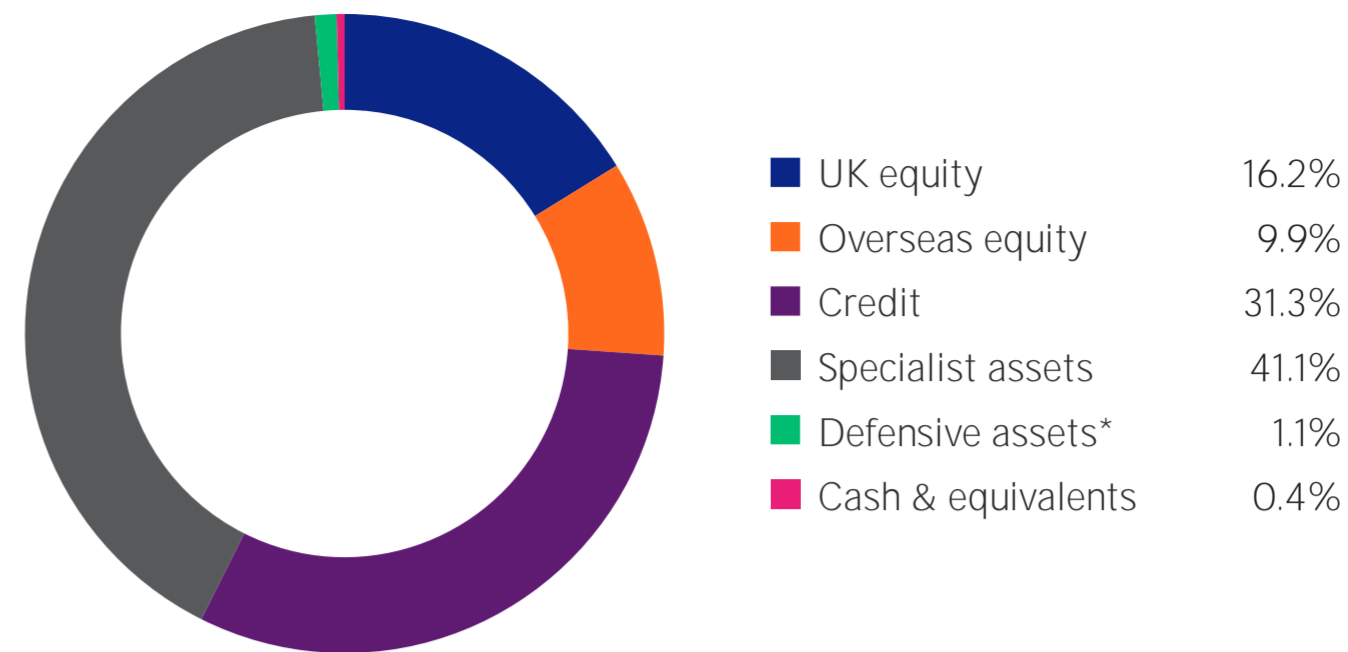
Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.

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 28.02.2022, 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. Legal & General Group		1.6%
2. M&G		1.4%
3. OSB Group		1.1%
4. BT Group		1.1%
5. Kier Group		1.0%

OVERSEAS EQUITIES		
1. Morant Wright Fuji Yield		3.9%
2. CIM Dividend Income		1.7%
3. JP Morgan European Investment Trust		1.6%
4. Samarang Asian Prosperity		1.1%
5. Prusik Asian Equity Income		1.0%

CREDIT		
1. Royal London Short Duration Global High Yield		6.9%
2. Royal London Sterling Extra Yield Bond		6.2%
3. Absalon Emerging Markets Corporate Debt		4.1%
4. Muzinich ShortDurationHighYield		4.1%
5. TwentyFour Select Monthly Income		3.7%

SPECIALIST ASSETS		
1. Fair Oaks Income		2.0%
2. Chrysalis Investments		1.9%
3. AEW UK REIT		1.8%
4. Schroder UK Public Private Trust		1.8%
5. International Public Partnerships		1.7%

DEFENSIVE ASSETS		
1. Invesco Physical Gold ETC		2.8%
2. Ninety One Global Gold		2.7%
3. UK Gilt 2.25% 09/07/23		1.1%
4. Neuberger Berman Uncorrelated Strategies		0.3%
-		-

As at 28.02.2022. 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)	92.76p	114.12p	114.45p	111.45p
AMC	1.40%	0.75%	0.75%	1.00%
OCF ²	1.72%	1.07%	1.07%	1.32%

FUND WRAPPERS	
ISAs	
SIPPs	
Personal pensions	
Onshore bonds	
Offshore bonds	

²As at 31.12.2021. 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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