

Momentum Global Balanced Fund (Class A)

Month ended 31 January 2019

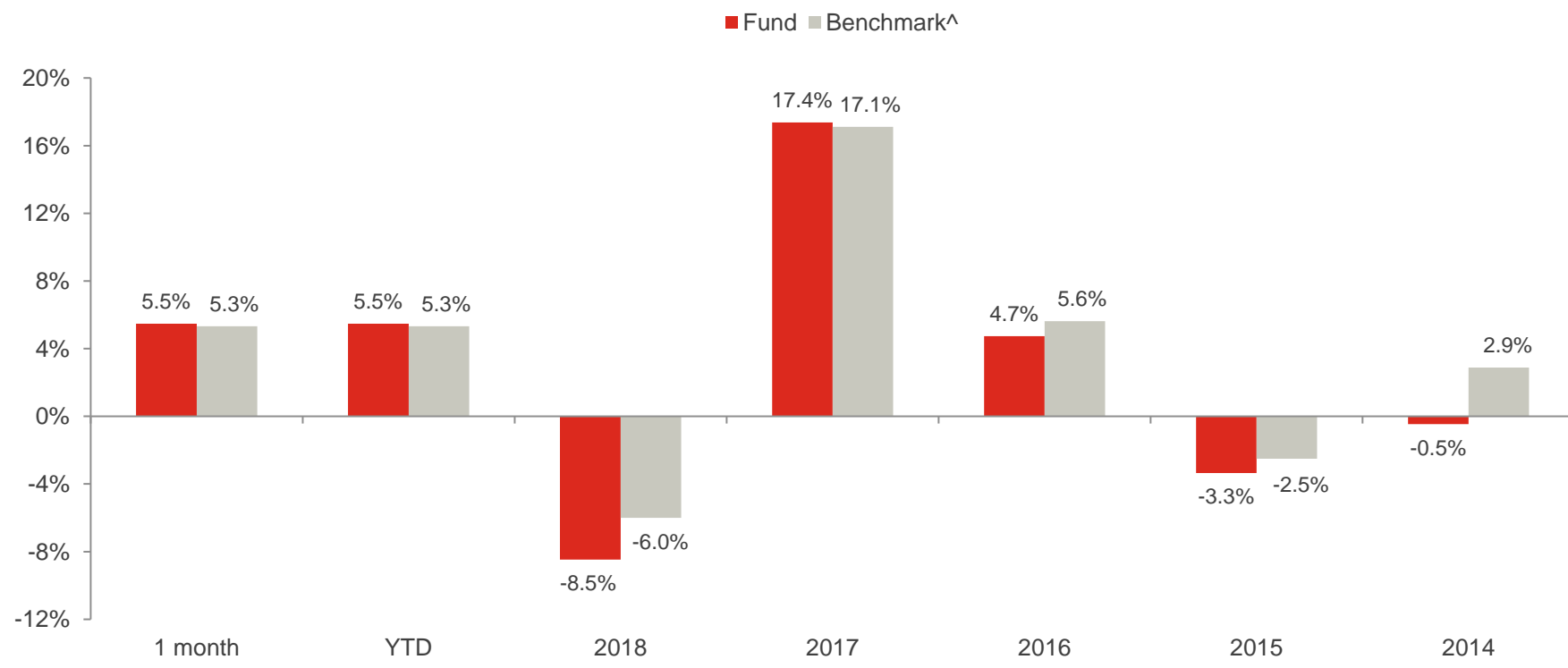
Fund details*

Investment manager: Momentum Global Investment Management	Investment timeframe: 3 years+	Currency: USD
Minimum subscription: USD 7,500	Subscriptions / redemptions: daily	Initial fee: none
Inception date (investment strategy): 30 September 2004	Inception date (fund): 18 April 2007	Price per share: USD 1.3563
Benchmark: 60% MSCI AC World, 40% ICE BofAML Global Broad Market		

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

Top holdings

Holdings	Asset type	Weight
² Robeco Global Value	Equity	5.4%
¹ iShares \$ Treasury Bond 7-10yr	Fixed Income	5.2%
¹ US Treasury Bond	Fixed Income	4.8%
¹ iShares \$ TIPS	Fixed Income	4.3%
² Jennison	Equity	4.1%
¹ iShares MSCI Emerging Markets	Equity	3.9%
² Robeco Global Quality	Equity	3.8%
² Robeco Global Enhanced Income	Equity	3.8%
¹ Momentum IF Global Emerging Markets	Equity	3.5%
² Artisan	Equity	3.2%

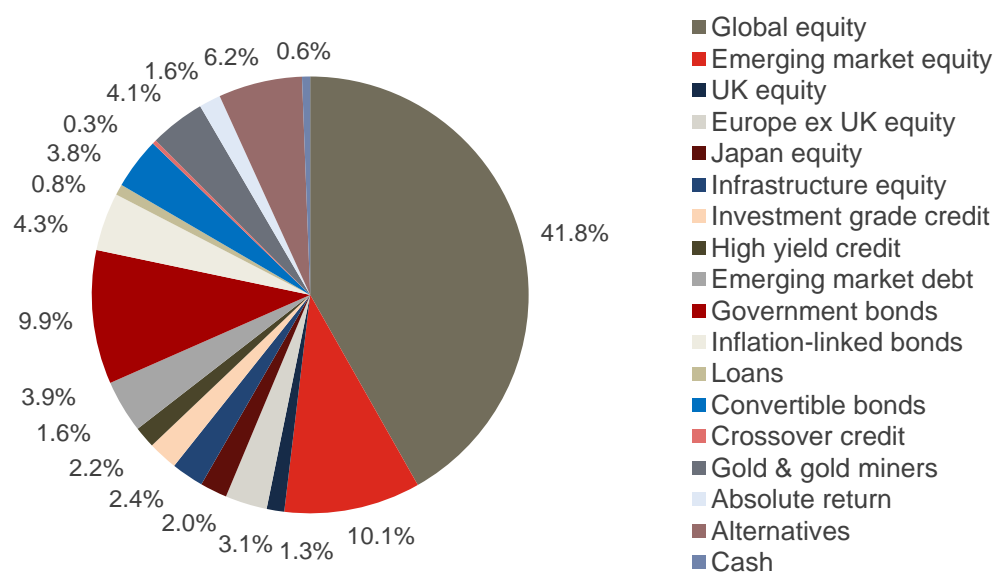
¹ Direct holding

² Indirectly held in the Momentum IF Global Equity Fund

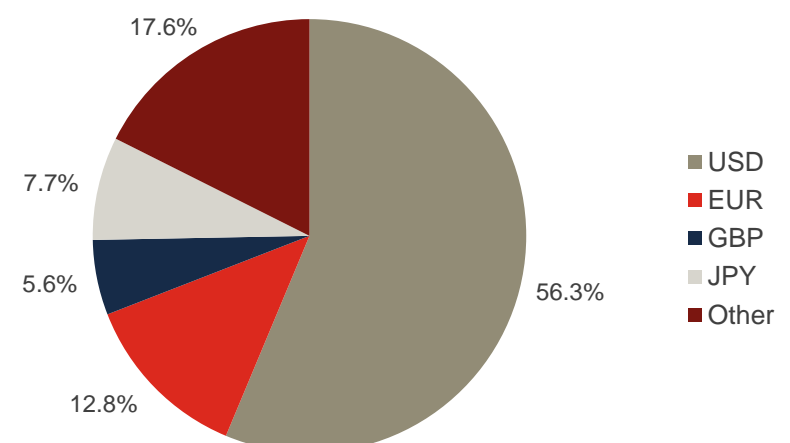
Investment statistics (since investment strategy inception)

Current month return:	5.5%
Cumulative return:	99.9%
Annualised return:	5.0%
Annualised volatility:	10.3%

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.

■ Market commentary

Following the despair of December, markets made one of their best ever starts to a new year, with virtually all asset classes and markets rising, some very sharply. The US led the way with a return of 8%, pulling the MSCI World index up by 7.8%. In this risk-on environment emerging markets outperformed developed markets, up 8.8%, with Latin America again relatively strong. While all markets were buoyant, the UK was the notable underperformer, held back by a strong pound. All market sectors rose, with technology stocks leading the way after their particularly sharp falls in Q4 last year. Even gold, which often tends to drift lower in bullish markets, continued its upward move, rallying 3% in the month.

While predictably not matching the surge in equities, bond markets participated in the rise. Global government bonds produced positive returns, even as higher risk assets rallied, as the US Fed surprised markets with a clear dovish shift and further moderation in economic data in Europe and China. Credit and emerging market bonds were particularly strong. The rally in credit was especially forceful in high yield, with US high yield returning 4.5%.

The catalyst for the surge in markets was a change in policy by the Federal Reserve, pointing to a more dovish approach. Then later in the month the Fed effectively removed its tightening bias by pointing to a patient approach, removing talk of further gradual rate increases in its policy path, noting muted inflation pressures and indicating that future policy decisions will depend on incoming data and market pricing of inflation expectations. At the same time, the other big headwind to markets, the US-China trade war, entered a critical negotiation period and early noises from both the US and China were encouraging. Economic news pointed to subdued inflation globally and a continuing slowdown of growth especially in Europe.

We believe that the sharp rally in markets in the early weeks of the year was more than justified after the big falls in Q4, when markets fell much more than the fundamentals had deteriorated. With central banks either maintaining an ultra-loose policy or, in the case of the Fed, easing back on tightening and adopting a more dovish stance, the policy backdrop remains supportive and although growth has slowed it remains positive and leading indicators generally point to further, albeit modest, growth ahead. This should continue to support markets. However, there are enough ongoing concerns to keep investors nervous and to trigger bouts of volatility. On balance we think that worst case outcomes will be avoided and we view the medium term outlook as broadly positive; we would therefore use any such periods of weakness to accumulate risk assets.

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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