

# Momentum Managed Portfolio 4\*

month ended 31 October 2018

## Portfolio details

Investment manager	Momentum Global Investment Management (MGIM)				
Inception	1 January 2010	Tactical version	.v33	AMC	0.25% +VAT
MGIM management from	1 February 2016	Minimum investment	£1,000	TER†	0.95%
Target volatility	6-9%	Target return	UK CPI +3-4% (net)		

## Investment objective & strategy

To achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 4 is designed to target a real return of 4% above inflation over the longer term and is aimed at investors who have a low tolerance for risk.

## Portfolio performance\* (%)

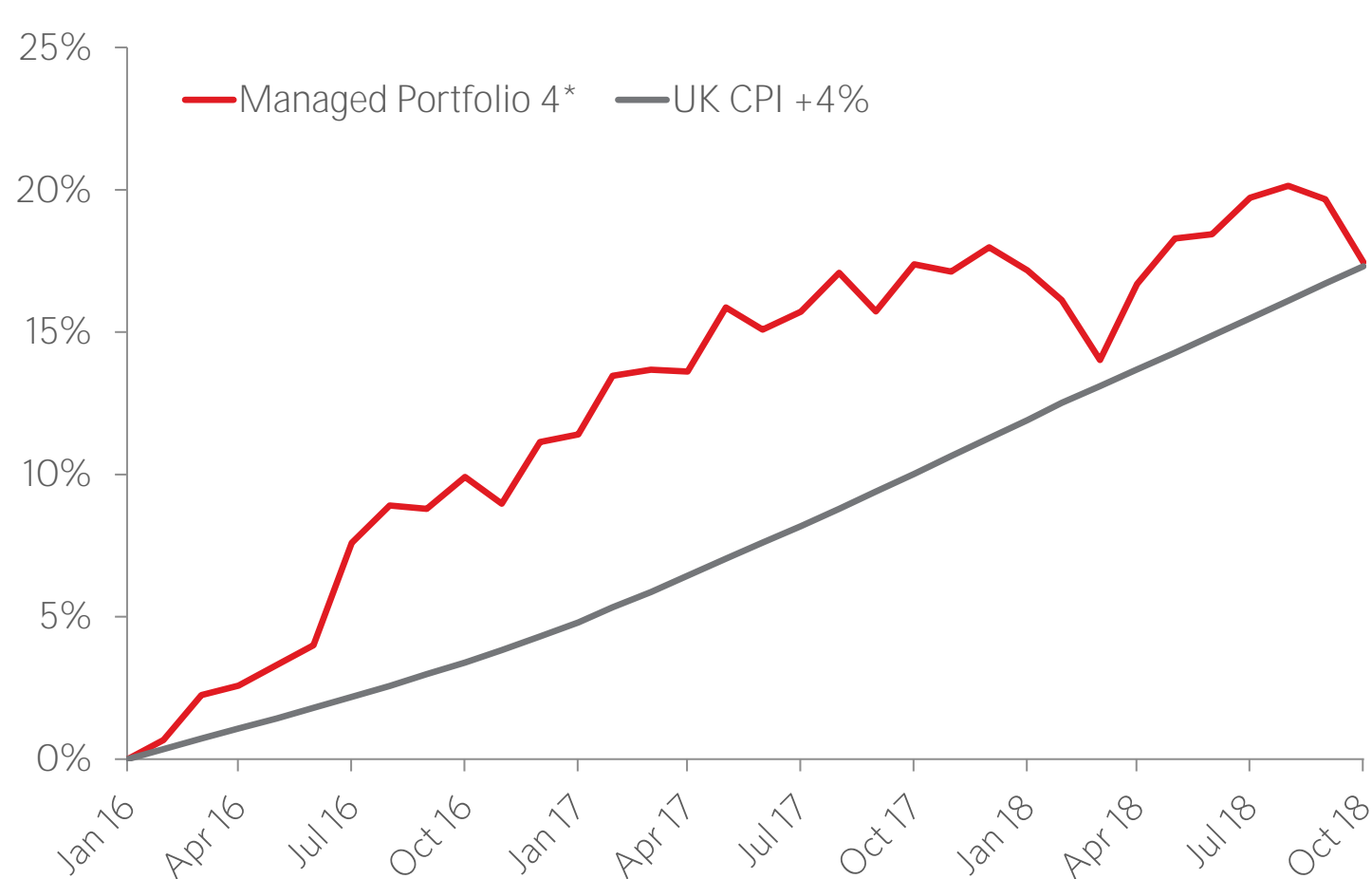
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	2017	2016 <sup>1</sup>	2015	2014	2013	Since launch (annualised)
Portfolio return	(1.9)	(1.9)	0.7	0.1	4.9	4.3	6.2	9.1	1.9	4.8	6.0	4.7
UK CPI +4%	0.5	1.6	3.2	6.6	5.8	5.5	6.7	4.7	4.0	5.5	6.6	6.3
Difference	(2.4)	(3.5)	(2.5)	(6.5)	(0.9)	(1.2)	(0.5)	4.4	(2.1)	(0.7)	(0.6)	(1.6)

## Annualised performance to last quarter-end\* (%)

	Sep 17 - Sep 18	Sep 16 - Sep 17	Sep 15 - Sep 16	Sep 14 - Sep 15	Sep 13 - Sep 14
Portfolio return	3.4	6.4	10.0	0.7	5.3

Past performance is not indicative of future returns. The portfolio performance is calculated on a total return basis, net of all fees and in GBP terms. Source: FE Analytics

## Historical cumulative performance<sup>1</sup>



Source: FE Analytics, MGIM

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.

## Investment team



Jernej Bukovec, CFA  
Portfolio manager



James Klempster, CFA  
Head of Investment Management

The Managed Portfolio Series is managed by Jernej Bukovec and James Klempster. Jernej and James form part of our 13 strong investment team who have collectively built and evolved our proprietary investment process over the past nineteen years. The experienced team consists of specialists in equity, fixed income and alternative asset classes as well as members who focus on asset allocation, risk management, portfolio construction and trade implementation.



Actual performance may vary subject to the timely execution of orders.

\* Managed Portfolio 4 and Managed Portfolio 4a were merged in November 2017. Historical performance figures prior to the merger in November 2017 have been simulated to represent 50% of Managed Portfolio 4 and 50% of Managed Portfolio 4a. The Managed Portfolios' returns are net of the AMC and underlying fund charges but do not take into account the platform provider's charges. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. <sup>1</sup> MGIM commenced management as at February 2016. † As at 31 October 2018, 0.95% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include platform provider's charges.

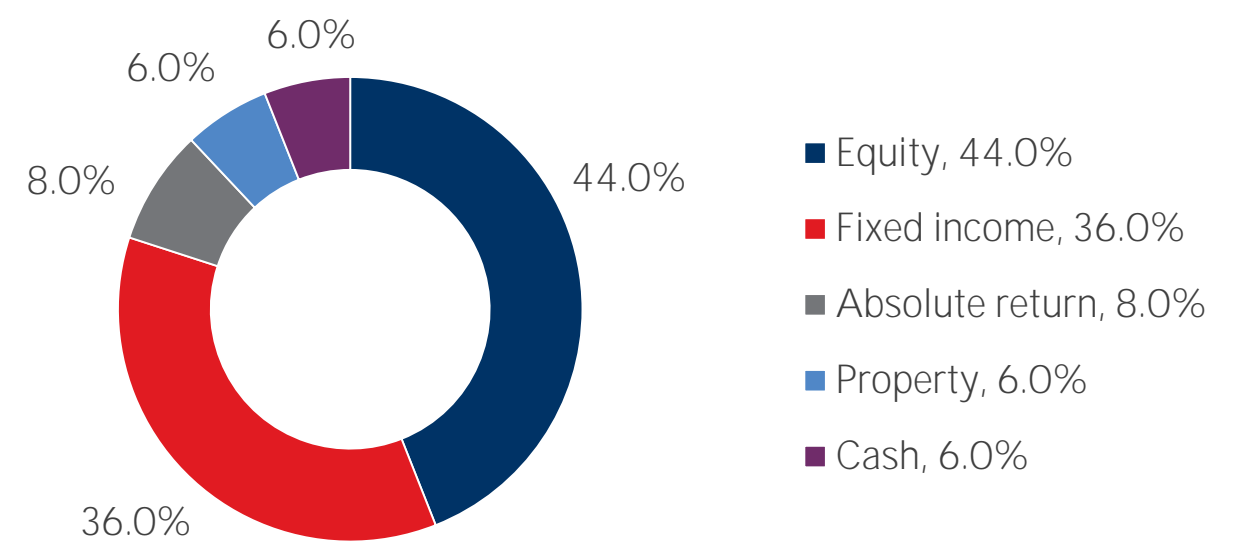
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Current holdings - top 10 funds

Holding	Weight
Schroder Recovery	11.0%
MI TwentyFour AM Dynamic Bond	8.0%
Evenlode Income	7.5%
Troy Trojan Global Equity	6.5%
Evenlode Global Income	6.0%
AXA US Short Duration High Yield	6.0%
L&G EM Government Bond USD Index	6.0%
L&G Global Inflation Linked Bond Index	6.0%
Cash	6.0%
iShares UK Gilts All Stocks Index	5.0%

Source: MGIM

Tactical asset allocation



Allocations subject to change. Source: MGIM

Market commentary

Following the relative calm of September, the return of volatility in October helped to drive a 'risk-off' market sentiment. Amidst this backdrop, in Sterling terms all major indices posted negative returns, while government bond yields outside the US were broadly lower and gold, a classic safe-haven asset, rallied 4.2%. Despite a bounce in the final days of the month, developed market equities fell 5.3%, a smaller fall than the 6.6% decline in emerging markets. US equities declined 4.8% amid investor concerns over the durability of the economic cycle following strong economic data and comments made by the Federal Reserve indicating to the possibility for further interest rate hikes, subsequently changing the valuation basis for riskier assets. UK equities fell 4.8% with uncertainty around Brexit weighing on returns. Notably, Asian equities declined 8.2% over the month, largely attributed to the deteriorating trade war between the US and China, and mounting concern that the Chinese economy is slowing. Bond markets held up far better than equities, with some government bond markets managing small positive returns including UK Gilts, returning 1.0%. In Sterling terms, US Treasuries returned 1.7% but in US dollar terms produced a negative return of 0.5%, this can be explained by the strong US dollar which appreciated 2.1% on a trade weighted basis.

Source: MGIM, Bloomberg

Platforms available



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