

Momentum Global Balanced Fund (Class B)

Month ended 31 July 2019

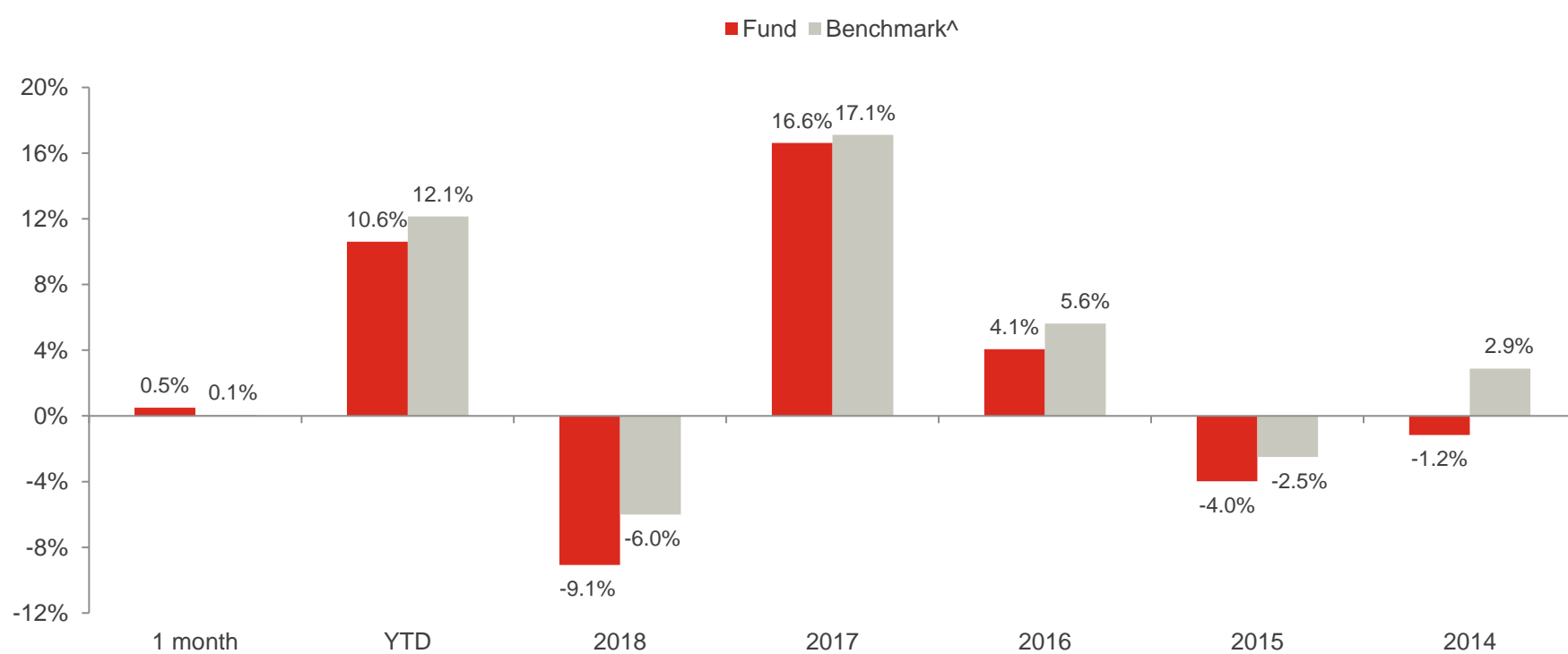
Fund details*

Investment manager: Momentum Global Investment Management	Investment timeframe: 3 years+	Currency: USD
Minimum subscription: USD 7,500	Subscriptions / redemptions: daily	ISIN: GG00B3FKLF78
Inception date (investment strategy): 30 September 2004	Inception date (fund): 18 April 2007	Initial fee: none TER ^{**} : 2.03%
Benchmark: 60% MSCI AC World, 40% ICE BofAML Global Broad Market		Price per share: USD 1.3714

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

Top holdings

Holdings	Asset type	Weight
¹ US Treasury Bonds	Fixed Income	12.1%
² Robeco Global Value	Equity	5.3%
² Jennison	Equity	3.9%
² Robeco Global Enhanced Index	Equity	3.8%
² Robeco Global Conservative	Equity	3.8%
¹ Momentum IF Global Emerging Markets	Equity	3.6%
¹ iShares MSCI Emerging Markets	Equity	3.3%
² Artisan	Equity	3.2%
² Morgan Stanley Global Brands	Equity	3.1%
¹ iShares Physical Gold ETC	Commodities	3.1%

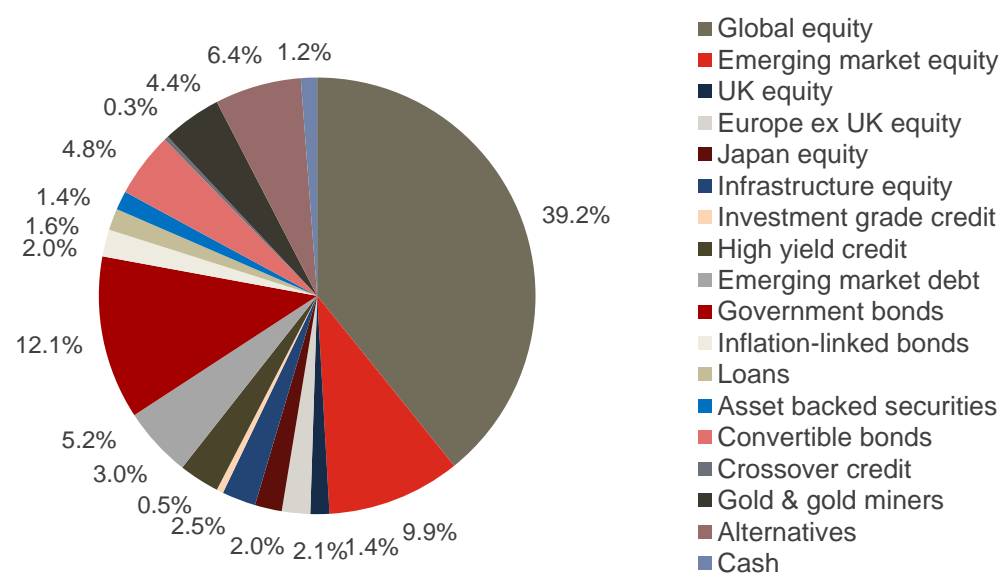
¹ Direct holding

² Indirectly held in the Momentum IF Global Equity Fund

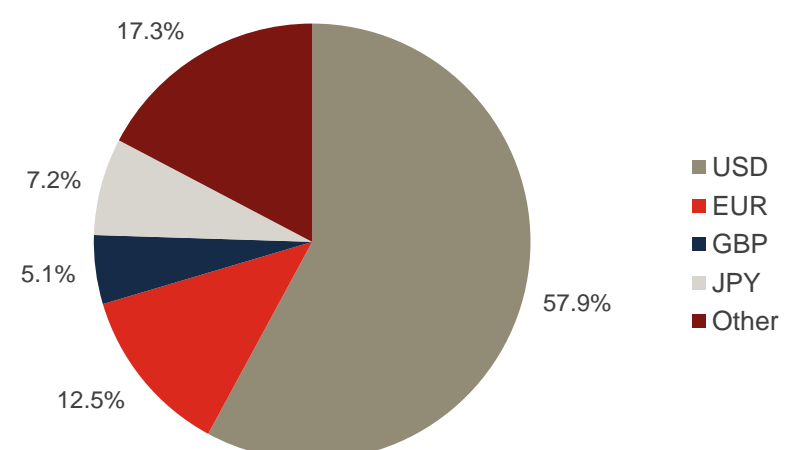
Investment statistics (since investment strategy inception)***

Current month return:	0.5%
Cumulative return:	89.1%
Annualised return:	4.4%
Annualised volatility:	10.2%

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.

** As at 28 June 2019, 2.03% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio.

*** Performance figures prior to 30.07.2013, the inception date of the Class B share, have been simulated to reflect the different fee structure by adjusting the Momentum Global Balanced Fund Class A share's past performance.

■ Market commentary

Developed market equities extended their gains in July and Wall Street reached new all-time highs, whereas emerging markets fell 1.2%. The UK was the biggest gainer in local currency terms, up 2.1%, but this was driven largely by a sharp fall in sterling which benefits the many UK listed stocks dependent on foreign earnings. Government bonds were generally firm as yields drifted lower while credit markets performed well with investment grade corporate and high yield bonds each returning 0.6% in the US and emerging market debt 0.8% over the month.

Should there have been any doubts about the scale of the manufacturing downturn across the world they were dispelled in July. Manufacturing is effectively in recession globally, led by those countries most dependent on the traded goods sector, most notably Germany with its large auto industry. The growing fear is that the downturn in manufacturing will eventually spill over into the all-important services sector, which to date has proved resilient.

These fears were exacerbated when at the end of July Trump surprised markets by announcing new tariffs from September 1st (although some increases have subsequently been postponed) of 10% on all remaining imports from China which do not yet attract tariffs, amounting to some \$300bn of goods.

At the same time inflation has been remarkably constrained, with core inflation indices in the US, Europe and Japan stuck firmly below central bank target rates. It is the combination of slowing growth, and falling and/or very subdued inflation which has been instrumental in pushing bond yields down substantially in the past 9 months and forced central banks to loosen policy, with the Federal Reserve cutting interest rates by 0.25% in July.

However, the extent of the global slowdown needs to be kept in perspective: trade and manufacturing are contracting but the service sector continues to grow, employment remains strong and the consumer is generally in good shape. There are no signs of systemic financial problems and an ensuing liquidity crunch nor of capacity shortages, inflation and a sudden tightening of policy. With inflation subdued central banks have considerable flexibility in keeping policy ultra-loose for much longer, thereby extending this extraordinary cycle.

The falls in interest rates this year, both at the short end and throughout the yield curve, across all government bond markets, provide a strong underpinning to equities and other risk assets, offsetting the more challenging conditions faced by the corporate sector after last year's benign backdrop. Against a backdrop of heightened uncertainty some consolidation is overdue, but we believe that the cycle has further to run and any falls in markets will give rise to opportunities to add to risk assets, while at all times maintaining careful diversification in portfolios to provide protection during inevitable shorter term setbacks.

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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