

# Momentum Global Balanced Fund (Class B)

Month ended 30 April 2019

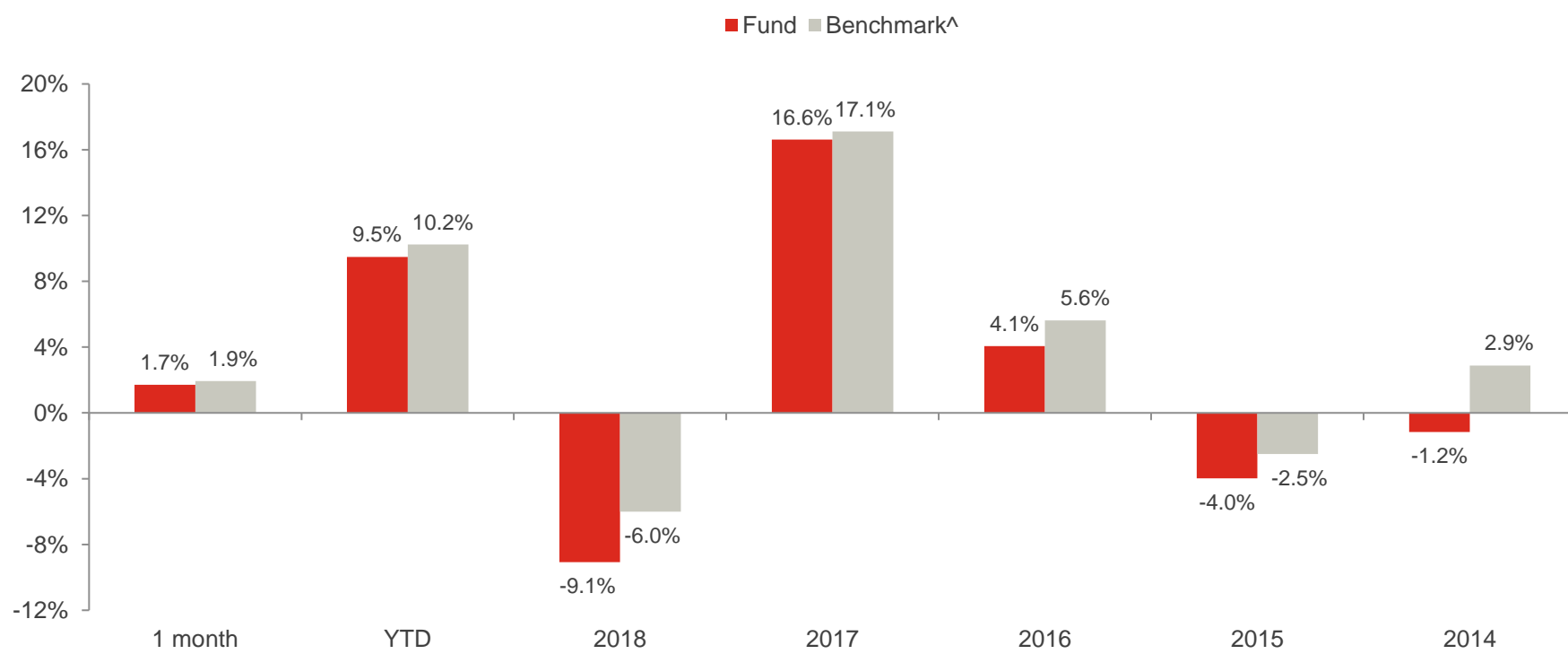
## Fund details\*

Investment manager: <b>Momentum Global Investment Management</b>	Investment timeframe: <b>3 years+</b>	Currency: <b>USD</b>
Minimum subscription: <b>USD 7,500</b>	Subscriptions / redemptions: <b>daily</b>	ISIN: <b>GG00B3FKLF78</b>
Inception date (investment strategy): <b>30 September 2004</b>	Inception date (fund): <b>18 April 2007</b>	Initial fee: <b>none</b> TER <sup>**</sup> : <b>2.08%</b>
Benchmark: <b>60% MSCI AC World, 40% ICE BofAML Global Broad Market</b>		Price per share: <b>USD 1.3574</b>

## 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
<sup>1</sup> US Treasury Bonds	Fixed Income	6.3%
<sup>2</sup> Robeco Global Value	Equity	5.3%
<sup>1</sup> iShares \$ Treasury Bond 7-10yr	Fixed Income	5.2%
<sup>1</sup> iShares \$ TIPS	Fixed Income	4.4%
<sup>2</sup> Jennison	Equity	4.2%
<sup>2</sup> Robeco Global Quality	Equity	3.8%
<sup>2</sup> Robeco Global Enhanced Income	Equity	3.8%
<sup>1</sup> Momentum IF Global Emerging Markets	Equity	3.6%
<sup>1</sup> iShares MSCI Emerging Markets	Equity	3.4%
<sup>2</sup> Morgan Stanley Global Brands	Equity	3.2%

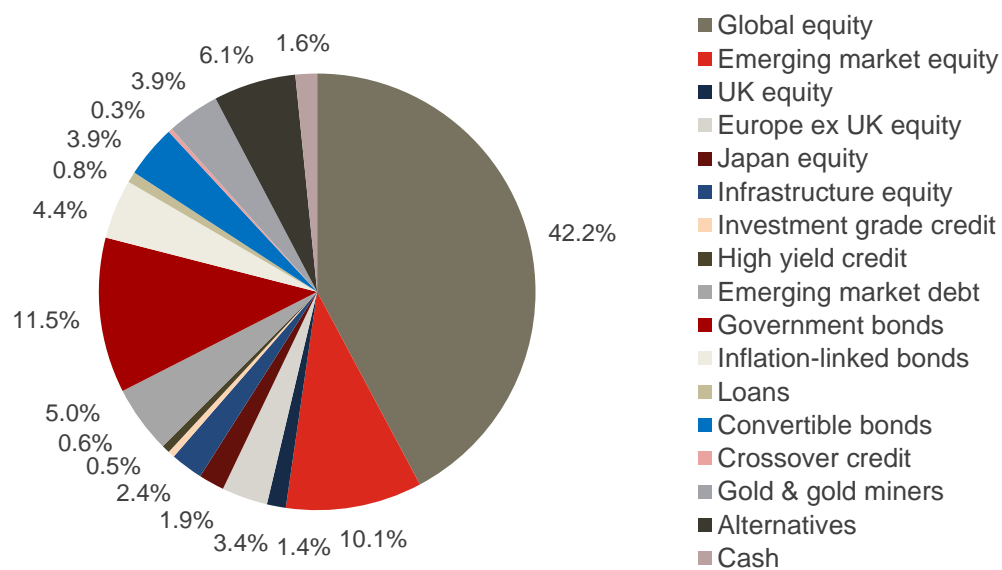
<sup>1</sup> Direct holding

<sup>2</sup> Indirectly held in the Momentum IF Global Equity Fund

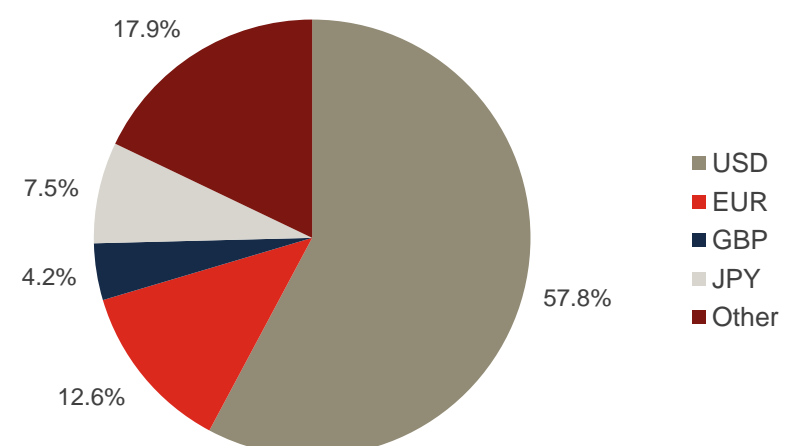
## Investment statistics (since investment strategy inception)\*\*\*

Current month return:	1.7%
Cumulative return:	87.2%
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 29 March 2019, 2.08% 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

After an extraordinary first quarter for global financial markets, risk assets continued their rally in April. All major equity markets produced solid positive returns with developed equities again outperforming emerging markets. US equities returned 4% in US dollar terms and hit another record high late in the month. The strong performance in the US was however exceeded by Europe, advancing 4.3% in euro terms, buoyed by signs that the sharp slowdown in growth across the eurozone was stabilising. The UK equity market recorded a positive return of 2.2% but lagged global equities. Following months of heightened political uncertainty, the EU and UK agreed on an extension to the Brexit deadline until the 31st of October, removing the immediate threat of a 'no-deal' exit. China was the only market of note which slipped in April, however this followed a very strong first quarter, up close to 30%.

Within fixed income, markets were more mixed, with safe haven government bond markets in slightly negative territory. US Treasuries declined 0.3%, with the yield on the 10-year Treasury rising 10 basis points following the sharp falls in yields over the preceding five months. Credit continued to perform well, supported by encouraging economic data, with investment grade bonds and high yield producing small positive returns.

Key factors driving markets were again the Federal Reserve's policy pivot, positive signals coming from the US-China trade war negotiations and stronger-than-expected economic data. The Federal Reserve maintained its patient approach in April and indicated that any interest rate rises this year are highly unlikely. Despite leading indicators softening slightly this year, the US economy has remained firm, continuing to outperform other developed economies. US economic growth remains robust, expanding 3.2% on an annualised basis in Q1, and while unemployment has been pushed down to 3.6%, a 50-year low, inflation is still remarkably subdued.

The policy backdrop to markets has become highly supportive this year and the drop in interest rates across bond markets provides strong valuation support to equities and risk assets generally. With inflation remaining subdued this long cycle is likely to be extended. While a further slowdown in growth cannot be dismissed, recent data suggests some stabilisation and much of the slowdown has anyway been priced into markets. Risks remain, and a period of consolidation is likely after the sharp rise in markets so far this year, but we believe that the cycle has further to run and markets should make progress in the course of 2019.

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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