

Momentum Managed Portfolio 3

month ended 31 January 2019



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 [†]	0.87%
Target volatility	4-7%	Target return	UK CPI +2-3% (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 3 is designed to target a real return of 3% above inflation over the longer term and is aimed at investors who have a low tolerance for risk.

Portfolio performance* (%)

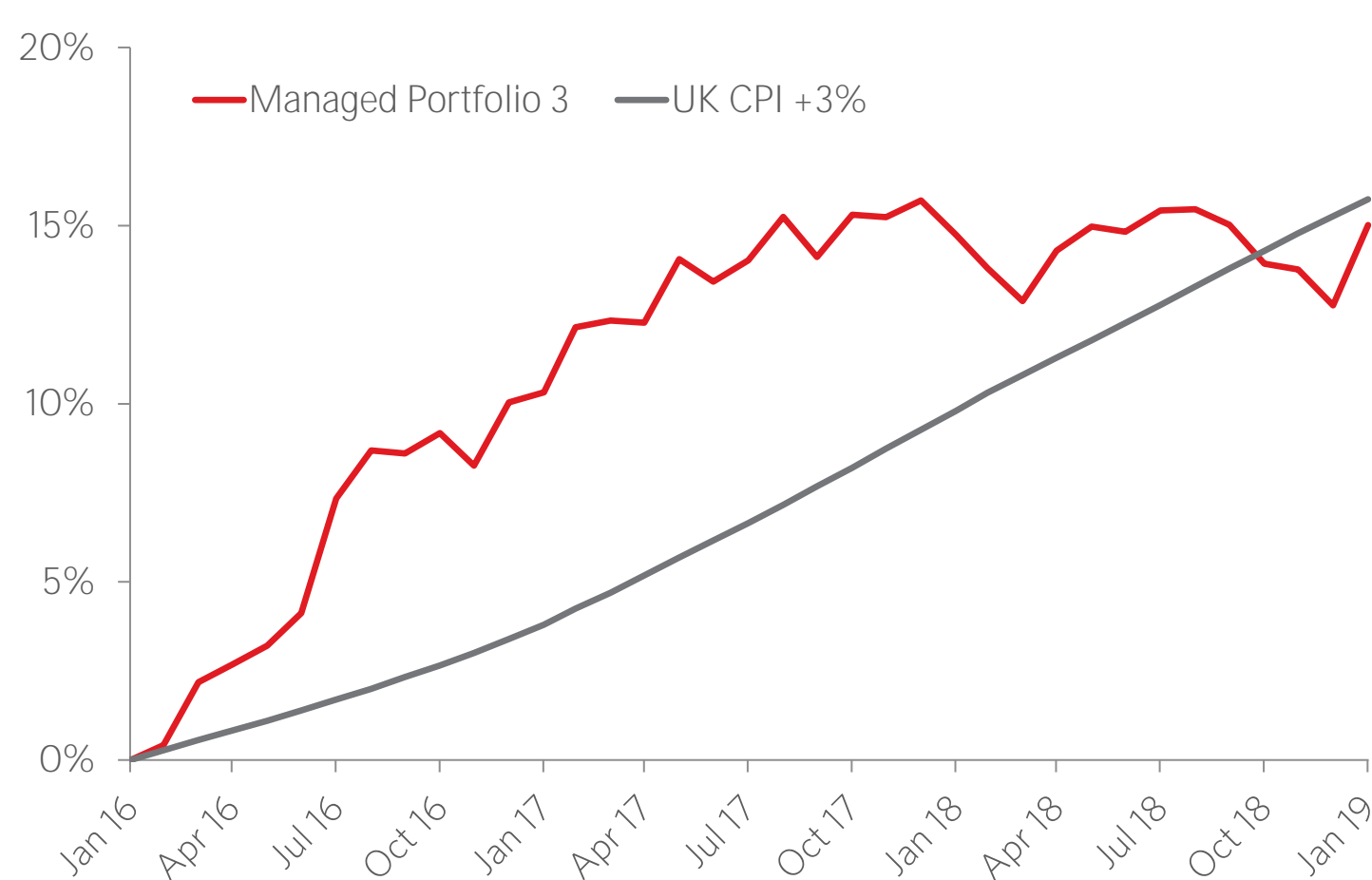
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	Since launch (annualised)	2018	2017	2016 ¹	2015	2014
Portfolio return	2.0	0.9	(0.4)	0.2	4.8	3.7	3.9	(2.5)	5.2	8.6	0.9	3.6
UK CPI +3%	0.4	1.3	2.6	5.4	5.0	4.5	5.3	5.5	5.7	3.7	3.0	4.5
<i>Difference</i>	<i>1.6</i>	<i>(0.4)</i>	<i>(3.0)</i>	<i>(5.2)</i>	<i>(0.2)</i>	<i>(0.8)</i>	<i>(1.4)</i>	<i>(8.0)</i>	<i>(0.5)</i>	<i>4.9</i>	<i>(2.1)</i>	<i>(0.9)</i>

Annualised performance to last quarter-end* (%)

	Dec 17 - Dec 18	Dec 16 - Dec 17	Dec 15 - Dec 16	Dec 14 - Dec 15	Dec 13 - Dec 14
Portfolio return	(2.5)	5.2	8.6	0.9	3.6

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 performance¹



Source: FE Analytics, MGIM

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.

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.



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

[†] As at 31 October 2018, 0.87% 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.

* 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. ¹ MGIM commenced management as at February 2016.

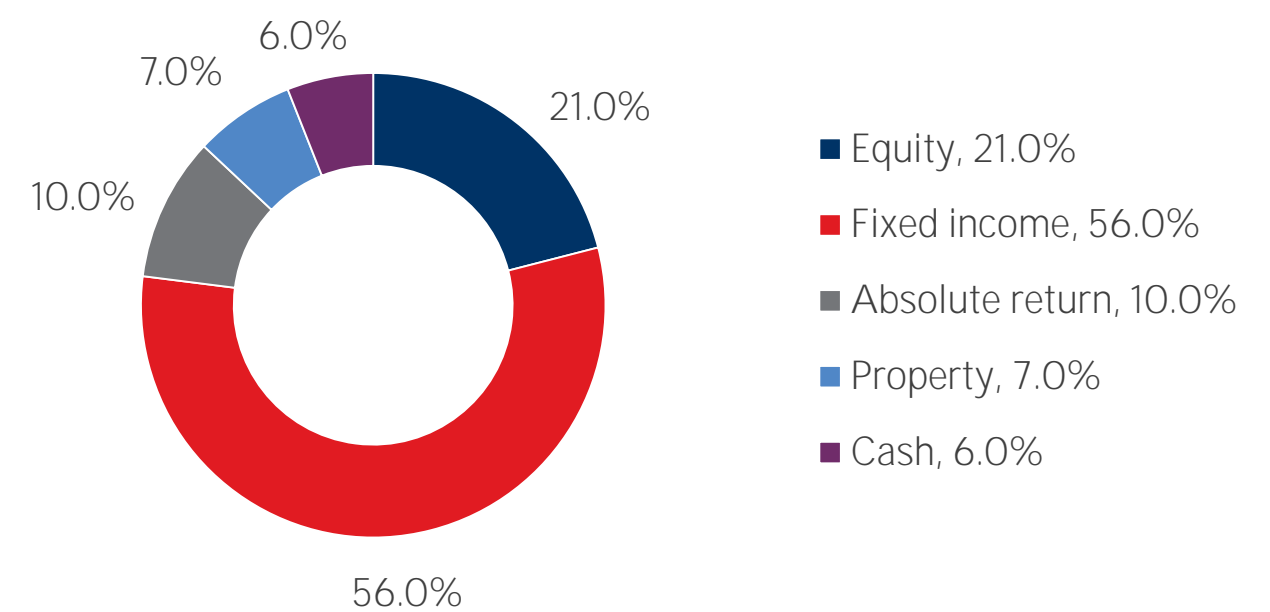
For professional advisors only

Current holdings - top 10 funds

Holding	Weight
MI TwentyFour AM Dynamic Bond	10.0%
L&G Global Inflation Linked Bond Index	10.0%
AXA US Short Duration High Yield	7.0%
Schroder Recovery	7.0%
iShares UK Gilts All Stocks Index	6.0%
Cash	6.0%
L&G EM Government Bond USD Index	5.0%
BMO Global Equity Market Neutral	5.0%
Vanguard UK Short-Term Investment Grade Bond Index	5.0%
Merian Global Equity Absolute Return (GBP hedged)	5.0%

Source: MGIM

Tactical asset allocation



Allocations subject to change. Source: MGIM

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. A strong driver for the surge in markets was a change in policy by the Federal Reserve, pointing to a more dovish approach. In US dollar terms, 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%. While all markets were buoyant, the UK was the notable under-performer, advancing 3.7% in sterling terms. UK equities were held back by a strong pound which rallied 2.5% on a trade weighted basis. Even gold, which often tends to drift lower in bullish markets, continued its upward move. 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 Federal Reserve surprised markets with a clear dovish shift and further moderation in economic data in Europe and China. In the UK, as the formal exit date from the EU of 29th March approaches the political impasse has intensified, in turn heightening uncertainty. This backdrop helped support UK Gilts which returned 1.1% over the month.

Source: MGIM, Bloomberg

Platforms available



Contact details

Claire Wardman

Sales Support

+44 (0)1132 610 506

claire.wardman@momentum.co.uk

Ciara Anderson

Head of Distribution Services

+44 (0)20 7618 1806

distributionservices@momentum.co.uk

Disclosures

This material is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person. It is not an invitation to subscribe and is by way of information only. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be solely relied on in making an investment or other decision. If you are considering investing in the Momentum Managed Portfolios clients should consult a suitably qualified and approved Financial Adviser. The performance shown represents performance of the Managed Portfolios that are periodically restructured and rebalanced based on the impact of material, economic and market factors that influence MGIM's decision-making on asset allocation. The Managed Portfolios are applied to client accounts by the platform provider but it may take some time for the client accounts to mirror the performance of the Managed Portfolios. It is for this reason that client accounts may not have achieved exactly the same returns as the Managed Portfolios. The performance of the Managed Portfolios is based on the actual performance of the underlying funds included in the portfolios. These performance figures have not been audited by an external body. The value of investments may go down as well as up and the value will depend on fluctuations in financial markets outside MGIM's control, as a result an investor may not get back the amount invested. Past performance is not indicative of future performance and reference to a security is not a recommendation to buy or sell that security. This material is issued and approved by MGIM, authorised and regulated by the Financial Conduct Authority (FCA). MGIM is registered in England and Wales No. 03733094. Registered Office: The Rex Building, 62 Queen Street, London EC4R 1EB. The information contained in this fact sheet does not apply to clients who have invested via Skandia. The Dynamic Planner logo is owned by Distribution Technology who have granted us rights to use their logo in our material.