

Momentum Managed Portfolio 3

month ended 30 August 2019

Portfolio details

Investment manager	Momentum Global Investment Management (MGIM)				
Inception	1 January 2010	Tactical version	.v35	AMC	0.25% +VAT
MGIM management from	1 February 2016	Minimum investment	£1,000	TER [†]	0.86%
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* (%)

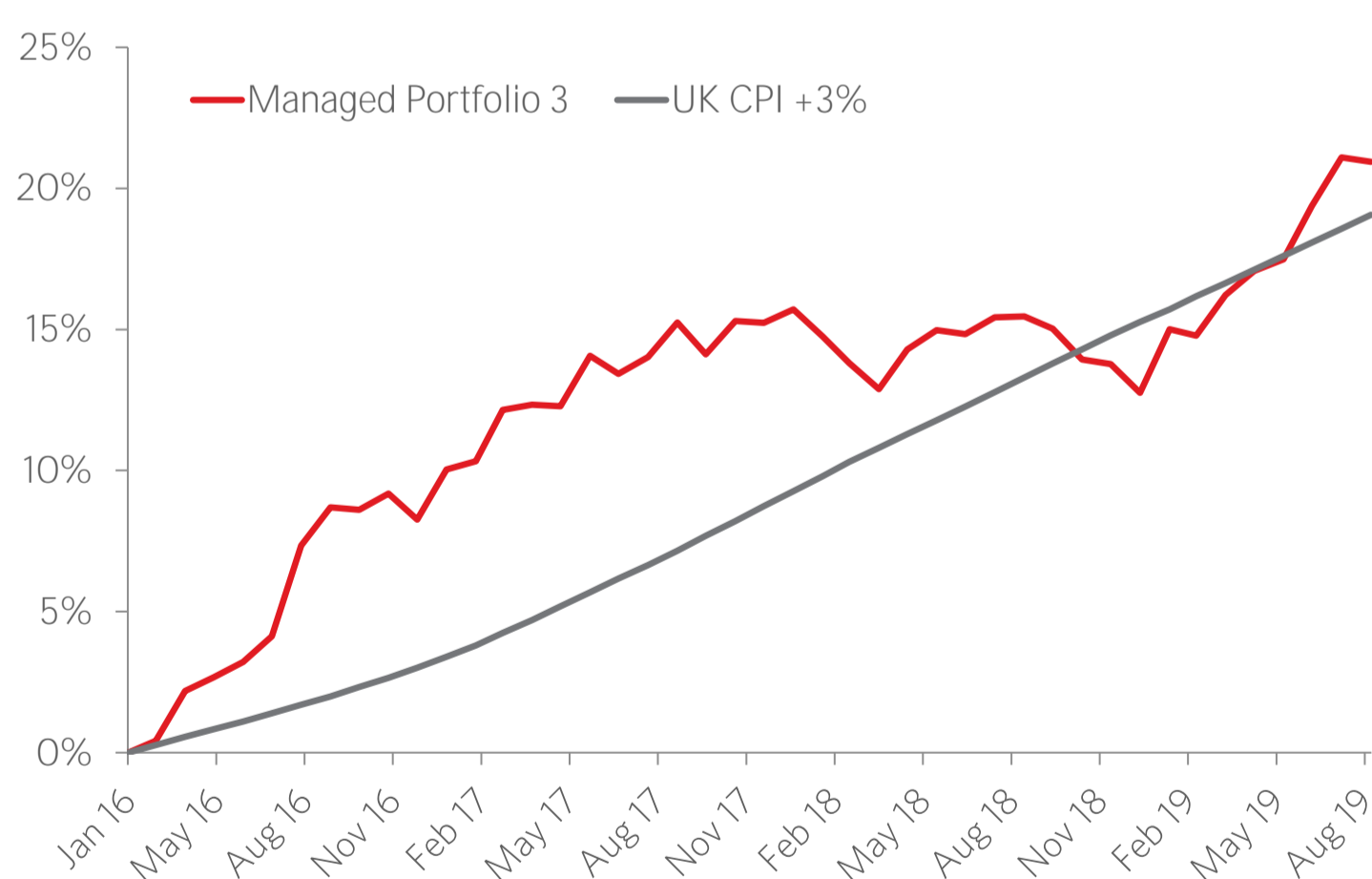
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	Since launch (annualised)	2018	2017	2016 ¹	2015	2014
Portfolio return	(0.1)	2.9	5.4	4.7	3.6	3.9	4.2	(2.5)	5.2	8.6	0.9	3.6
UK CPI +3%	0.4	1.2	2.5	5.1	5.3	4.5	5.3	5.5	5.7	3.7	3.0	4.5
Difference	(0.5)	1.7	2.9	(0.4)	(1.7)	(0.6)	(1.1)	(8.0)	(0.5)	4.9	(2.1)	(0.9)

Annualised performance to last quarter-end* (%)

	Jun 18 - Jun 19	Jun 17 - Jun 18	Jun 16 - Jun 17	Jun 15 - Jun 16	Jun 14 - Jun 15
Portfolio return	4.0	1.2	8.9	3.0	1.8

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: Bloomberg, MGIM

Investment team



James Klemptster, CFA
Director | Investment Management



Alex Harvey, CFA
Portfolio Manager

The Managed Portfolio Series is managed by James Klemptster and Alex Harvey. James and Alex form part of our 13 strong investment team who have collectively built and evolved our proprietary investment process over the past 20+ 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 30 August 2019, 0.86% 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.

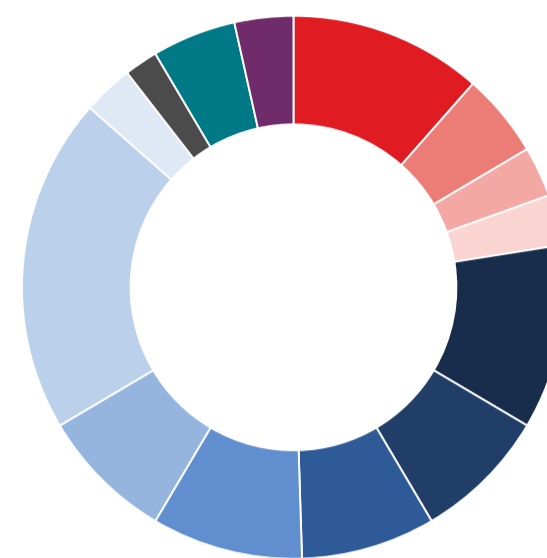
For professional advisors only

Current holdings - top 10 funds

Holding	Weight
Fidelity Strategic Bond	10.0%
MI TwentyFour AM Dynamic Bond	10.0%
AXA US Short Duration High Yield	9.0%
L&G EM Government Bond \$ Index	8.0%
L&G Global Inflation Linked Bond Index	8.0%
Vanguard UK Short-Term Investment Grade Bond Index	8.0%
iShares UK Gilts All Stocks Index	7.0%
Schroder UK Recovery	6.0%
Merian Global Equity Absolute Return (GBP hedged)	5.0%
Vanguard US Government Bond Index	4.0%

Source: MGIM

Tactical asset allocation



Equity	22.5%
■ UK equity	11.5%
■ Developed equity	5.0%
■ Emerging equity	3.0%
■ Infrastructure equity	3.0%
Fixed Income	67.0%
■ Sovereign bonds	11.0%
■ Investment grade credit	8.0%
■ Emerging market debt	8.0%
■ High yield credit	9.0%
■ Inflation-linked bonds	8.0%
■ Strategic bonds	20.0%
■ Convertible bonds	3.0%
Property	2.0%
■ Listed property	2.0%
Alternatives	5.0%
■ Absolute return	5.0%
Cash	3.5%
■ Cash	3.5%

Allocations subject to change. Source: MGIM

Market commentary

Political turbulence in August had a detrimental impact on the UK economy and markets, with Brexit uncertainty increasing as the UK nears the October 31st deadline to leave the EU, and Boris Johnson calling for the suspension of Parliament almost as soon as MPs return from the summer recess. Over the month the UK all cap index fell by -4.2% with large cap firms falling -4.4%. Year-to-date the UK all cap index has gained 10.5%. However, compared to their US and European counterparts, UK equity performance has been considerably worse, with the US and Europe only falling by -1.3% and -1.5% respectively. Broader developed and emerging market equities fell over the month by -1.7% and -4.5% respectively. Sterling performed largely flat against the US dollar, but this masks intra-month volatility which pushed the dollar higher in the second half of the month as trade tensions between the US and China increased. In fixed income, UK gilts performed strongly, returning 3.8% in August while sterling investment grade bonds gained 1.5%. Gilts underperformed US Treasuries (4.0%) but outperformed European government bonds (2.5%) and global government bonds (3.4%). With respect to commodities, Brent crude oil fell over the month ending -6.9% lower while copper prices, a proxy for industrial demand, fell -4.7%. Gold rallied significantly, up nearly 7.9%, as the flight to safe-haven assets continued in the face of rising global uncertainty, placing its year-to-date growth at 24.2%.

Source: MGIM, Bloomberg

Platforms available



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