

March 2015

Time for change

As the end of the tax year fast approaches you or your client will no doubt be thinking how best to invest ISA allowances across both sides of the tax year. With a large number of investors still looking to deposit their savings in cash ISAs and with interest rates looking likely to remain at an all-time low, we see this as a good time to reinforce the risk that exists to savings in real terms when investing in cash. Over time the purchasing power of those savings can be quickly eroded by inflation if inflation begins to rise.

We do of course recognise that cash ISAs can play an important part in an overall portfolio depending on short term needs. However if inflation increases to even modest levels, which we believe it will from its current low level, the capital held in cash ISAs is likely to be eroded in real terms.

When looking for longer term investment opportunities we appreciate that it is important to identify a solution that is aligned with certain investment goals whilst considering a risk appetite.

The three Momentum Factor Series funds are designed and managed with the objective of producing inflation beating real returns (CPI +3%, 4% & 5%) over the medium to long term, while taking a defined amount of risk which in each case is lower than that of the UK equity market. All of the funds are risk-rated by Distribution Technology. They can be accessed across a number of platforms or directly with the administrator Phoenix Fund Services (UK) Limited (details on the following page).

By way of illustration, the performance of the three Factor Series funds since inception can be seen in the following graph.



Source: Bloomberg, data as at 27 February 2015. Returns stated net of fees. Past performance is not indicative of future returns.

Furthermore, the annualised real returns and actual volatility for the funds (compared with equities), since inception, are as follows. All data is as at 27 February 2015.

Fund	Annualised return	Actual volatility
Factor 3	4.5%	3.4%
Factor 4	7.5%	4.4%
Factor 5	9.2%	5.2%
MSCI UK	11.1%	10.3%

Source: Bloomberg, From inception 5 November 2012 to 27 February 2015. Returns stated net of fees. Past performance is not indicative of future returns.

How to purchase the PFS Momentum Factor Series funds

The Factor Series funds are available through a wide range of platforms and wrappers, and can be bought directly from Phoenix Fund Services. For direct deals contact Phoenix Fund Services:

Direct	
Phoenix Fund Services	
Tel	0845 305 4214
Fax	0845 280 0466
Web	mgim@phoenixfundservices.com

And via the platforms in the following list:

Fund platforms		
AJ Bell/Sippcentre	AmberWrap	Ascentric
AXA Elevate	Aviva	Canada Life
Cofunds	FundsNetwork	Fusion
Hargreaves Lansdown	Moventum	Novia
Standard Life	The Raymond James Platform	Transact
True Potential	Zurich	

Fund identifiers:

Momentum Factor 3 Fund	
Bloomberg ticker:	PFSBLDA
ISIN:	GB00B40M9847
SEDOL:	B40M984
Citicode:	04PZ

Momentum Factor 4 Fund	
Bloomberg ticker:	PFMNF4A
ISIN:	GB00B7W1TW44
SEDOL:	B7W1TW4
Citicode:	GGML

Momentum Factor 5 Fund	
Bloomberg ticker:	PFMNF5A
ISIN:	GB00B7GSHR2
SEDOL:	B7GSHR2
Citicode:	GGMN

Contact us

John Alexander
Business Development Manager
North, Scotland & Northern Ireland
Mobile: 07917 784234
Email: John.alexander@momentumgim.com

Rebecca Nkoane
Business Development Manager
South West & South Central
Mobile: 07920 090774
Email: Rebecca.nkoane@momentumgim.com

Philip Childs
Business Development Manager
London & South East
Tel: 0207 618 1743
Mobile: 07703 593706
Email: Philip.childs@momentumgim.com

Momentum Global Investment Management
The Rex Building
62 Queen Street
London, EC4R 1EB

Russell Andrews
Head of Distribution Services
Tel: 0207 618 1803
russell.andrews@momentumgim.com

Switchboard
Telephone: +44 (0) 207 489 7223

www.momentumgim.com

Disclaimer

Following the merger of the Momentum Factor 3 [GB00B8KLLT47] and Diversified Growth Fund [GB00B40M9847] on 5 February 2015, performance figures after this date reflect those of the 'new' Factor 3 Fund, which is the renamed Diversified Growth Fund [GB00B40M9847].

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Under our multi-management arrangements, we selectively appoint underlying sub-investment managers and funds to actively manage underlying asset holdings in the pursuit of achieving mandated performance objectives. Annual investment management fees are payable both to the multimanager and the manager of the underlying assets at rates contained in the offering documents of the relevant portfolios (and may involve performance fees where expressly indicated therein).

Momentum Global Investment Management Limited (Company Registration No. 3733094) has its registered office at The Rex Building, 62 Queen Street, London EC4R 1EB.

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