

# VT Momentum Diversified Balanced Fund (A)

31 January 2024

For professional advisors only

## INVESTMENT OBJECTIVE & STRATEGY

The VT Momentum Diversified Balanced Fund aims to deliver a real return for investors over the medium to long term of CPI +4% net of fees, with anticipated volatility in the range of 6-9%. The Fund aims to operate within the 'lowest medium' risk profile as defined by Distribution Technology, the independent fund rating agency. The Fund will invest across a range of asset classes using third party investment funds, and is classified in the IA Mixed Investment 20-60% Shares sector. The minimum investment horizon for the Fund should be thought of as five years.

## INVESTMENT TEAM (SINCE 01.12.2022)



Tom Delic  
Lead Oversight  
Portfolio Manager



Mark Wright  
Second Oversight  
Portfolio Manager



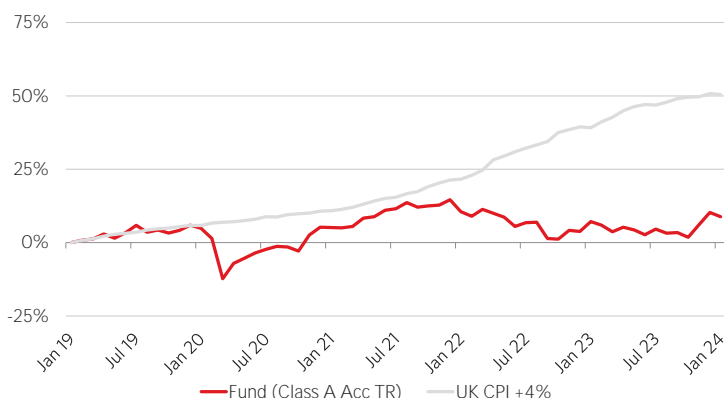
Gary Moglione  
Portfolio Manager



Richard Perfect  
Portfolio Manager

Our investment approach is team based with all portfolio managers having specific areas of research focus and access to and input from the wider Momentum Global Investments team.

## FIVE YEAR HISTORICAL CUMULATIVE PERFORMANCE



Sources: Morningstar, Valu-Trac Investment Management, MGIM.

Fund performance is calculated on a total return basis, net of all fees and in GBP terms. 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.

CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Fund return Class A Acc TR	(1.3)	6.9	4.0	1.5	3.5	8.8	3.6
UK CPI +4%	(0.2)	0.6	2.4	8.1	35.7	50.5	6.8
Difference	(1.1)	6.3	1.6	(6.6)	(32.2)	(41.7)	(3.2)

DISCRETE ANNUAL PERFORMANCE (%)	31 Jan 2024	31 Jan 2023	31 Jan 2022	31 Jan 2021	31 Jan 2020
Fund return Class A Acc TR	1.5	(3.0)	5.1	0.2	4.9

VOLATILITY (%) (since inception, annualised)	Anticipated range	Realised
Fund volatility Class A Acc TR	6-9	7.5

## MONTHLY COMMENTARY

- Markets began to consolidate in January and returns ended the month in a more mixed fashion, compared to the '(almost) everything rally' seen in Q4 2023.
- We added Spirent Communications as a new UK equity position in the Fund. Spirent specialises in the provision of automated test and assurance solutions for networks, cybersecurity, and satellite positioning. They play a crucial role in developing networks at some of the world's largest telecommunications businesses, including playing a vital role in the rollout of 5G technology. Despite a profit warning in the latter half of 2023 due to delayed capital expenditure plans among some clients, we anticipate increased spending by telco providers to maintain competitiveness in the 5G landscape.
- Spirent's conservative financial approach, with no significant debt except for a small lease liability, allows the business to weather fluctuations in demand and maintain expenditure in key areas like research and development. Additionally, management is looking to diversify its revenue base by leveraging its testing knowledge and capabilities into new end-markets. The company has already moved into providing testing solutions for hyperscalers (such as Amazon AWS) due to the vast size of the data centres that underpin cloud services. A further area the company is winning business is financial services, recently being awarded a contract with a global retail and investment bank to provide network testing services. In terms of valuation, assuming the business can achieve historic revenue and profit margins, the shares offer considerable upside to today's price.
- Kier released a trading update for the first half of FY24, which met expectations and showed performance ahead of the previous year, particularly driven by strong volume growth in Construction. Given their resilient trading, secure order book and ongoing balance sheet strengthening, Kier plans to resume dividend payments, starting with an interim dividend alongside their half-year results. Shares returned 19% over the month.

Source: Bloomberg Finance LP, MGIM

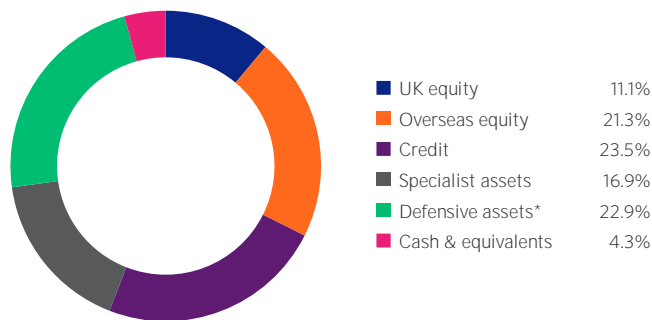
## PLATFORM AVAILABILITY



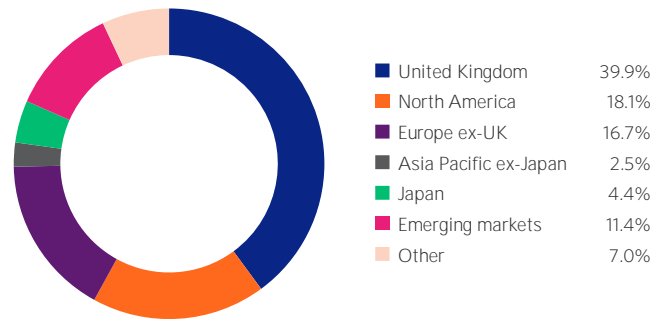
## FUND RATINGS



## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION



As at 31.01.2024, allocations subject to change. Source: MGIM

\*Defensive assets have reduced/negative correlation to equity markets to provide a more defensive element during times of stress. Defensive assets consists of a variety of investments such as gold\*\*, government bonds, short ETFs, alternative/uncorrelated strategies and managed futures strategies. \*\*Exposure to physical gold is achieved through investments in exchange traded certificates (ETC) which aim to provide the performance of gold, as measured by the LBMA Gold Price (PM), which is a recognised benchmark for gold. A Gold ETC is a certificate which is secured by gold bullion, held within the vaults of a nominated custodian.

## TOP FIVE HOLDINGS BY ASSET CLASS

UK EQUITIES	
1. Kin and Carta	0.6%
2. Kier Group	0.6%
3. Marstons	0.5%
4. Mobico Group	0.5%
5. Accrol Group Holdings	0.5%

OVERSEAS EQUITIES	
1. Robeco QI Global Sustainable Equity	8.1%
2. Morant Wright Fuji Yield	2.2%
3. Amundi MSCI Emerging Markets ETF	2.0%
4. Amundi MSCI Japan ETF	1.4%
5. VT Downing European Unconstrained Income	1.3%

CREDIT	
1. Royal London Sterling Extra Yield Bond	9.2%
2. iShares Core GBP Corporate Bond ETF	4.0%
3. Absalon Emerging Markets Corporate Debt	2.8%
4. Jupiter Global Emerging Markets Short Duration Bond	2.6%
5. MI TwentyFour Dynamic Bond	2.4%

SPECIALIST ASSETS	
1. Chrysalis Investments	1.2%
2. Greencoat UK Wind	1.0%
3. Fair Oaks Income	1.0%
4. Oakley Capital Investments	1.0%
5. Hipgnosis Songs	1.0%

DEFENSIVE ASSETS	
1. Neuberger Berman Uncorrelated Strategies	3.9%
2. UK Gilt 1.25% 22/10/41	2.4%
3. US TIPS 0.625% 02/15/43	2.3%
4. UK Gilt 3.75% 22/10/53	2.3%
5. iShares Physical Gold ETC	2.2%

Equity holdings may include indirect holdings in the Momentum GF Global Sustainable Equity Fund  
As at 31.01.2024. Source: MGIM

## FUND DETAILS &amp; FUND FACTS

FUND DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Inception	5 November 2012
Currency	GBP
Target return	UK CPI +4% (net)
Structure	UCITS
Dealing	Daily

FUND FACTS	
Minimum investment	GBP 1,000
ISIN	GB00B7W1TW44
SEDOL	B7W1TW4
Citicode	GGML
Month-end price (NAV)	113.56p

ANNUAL CHARGES <sup>2</sup> : SHARE CLASS A	
AMC	0.75%
OCF ex IC	1.23%
IC	0.26%
OCF inc IC	1.49%

FUND WRAPPERS	
ISAs	
SIPPs	
Personal pensions	
Onshore bonds	
Offshore bonds	

<sup>2</sup>As at 31.07.2023.

OCF = Ongoing Charge Figure IC = Underlying charges of closed ended funds.

The OCF is the total expenses paid by the Fund, annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change.

Important note: The OCF calculation includes synthetic costs from underlying closed ended investments (IC) such as Investment Trusts, which optically increases the costs. For the avoidance of doubt the actual amount charged has not changed, and advisers and investors should refer to the KIID document available [here](#) for the actual fees payable.

All fund performance quoted in this factsheet is NET of all fees.

## CONTACT US

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## IMPORTANT INFORMATION

Factsheet asset allocation percentages are in some cases based on the normalised (or benchmark) asset allocations of investee funds, as opposed to the actual exposures of those funds at the date of the factsheet. This reflects the expected average allocation over time which will result from decisions to hold particular funds.

Momentum Diversified Funds are sub-funds of the VT Momentum Investment Funds ICVC umbrella, an open-ended investment company which is authorised by the Financial Conduct Authority (FCA). Valu-Trac Investment Management Limited (authorised and regulated by the FCA) acts as the Authorised Corporate Director (ACD) of the VT Momentum Investment Funds ICVC. Investment in the Funds may not be suitable for all investors. This document is for information only and does not provide you with all of the facts that you need to make an informed investment decision. Investors should read the Key Investor Information Document (KIID) and seek professional investment advice prior to investment. The prospectus and KIID documents are available (in English) on the ACD's website via [www.valu-trac.com](http://www.valu-trac.com). This financial promotion is issued by Momentum, the trading name of Momentum Global Investment Management Limited (authorised and regulated by the FCA), with its registered office at The Rex Building, 62 Queen Street, London EC4R 1EB.

Ratings: Defaqto is a financial information business. Profile published 27.11.2023 by Distribution Technology based on data and information as at 30.09.2023. FE Crown Fund Ratings as of 24.07.2023 do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision. All rights reserved. The views expressed are those of the fund manager at the time of writing and are subject to change without notice. Past performance is no guarantee of future results.

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