



# VT MOMENTUM DIVERSIFIED BALANCED FUND (A)

MONTH END MARCH 2023

FOR PROFESSIONAL ADVISERS ONLY

**momentum**  
global investment management

## 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



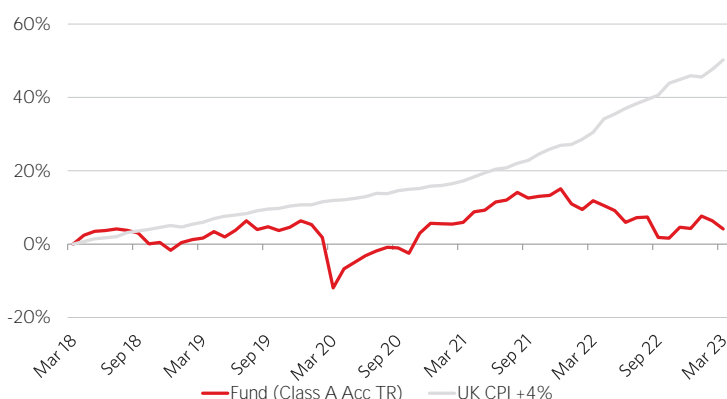
Gary Moglione  
Portfolio Manager



Richard Parfett  
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	(2.1)	(0.1)	2.3	(6.9)	18.2	4.1	3.4
UK CPI +4%	1.7	3.0	6.8	15.2	34.3	50.2	6.9
Difference	(3.8)	(3.1)	(4.5)	(22.1)	(16.1)	(46.1)	(3.5)

DISCRETE ANNUAL PERFORMANCE (%)	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020	31 Mar 2019
Fund return Class A Acc TR	(6.9)	5.6	20.3	(13.4)	1.7

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

## MONTHLY COMMENTARY

- The spectre of a banking crisis returned to haunt markets in the first quarter of the year, with the collapse of two mid-sized banks in the US and the fall of the much bigger Credit Suisse into the hands of its Swiss rival UBS, a transaction orchestrated by Swiss regulators.
- When sizeable banks fail investors are rightly nervous, and this was immediately reflected in markets. Shares of banks inevitably suffered much larger falls, with the MSCI World Banks index down by 16%, wiping out all of the sector's earlier gains this year when banks had performed well, seen as beneficiaries of higher interest rates.
- We introduced Barclays to the portfolio. Barclays is a global UK headquartered bank providing services in consumer and business banking, investment banking, and the Barclaycard credit card business. The company has been de-rating for over a decade but is now better capitalised. A higher interest rate environment should also be supportive for the sector. Shares trade at a price to book of just 0.5x and yield around 5%.
- Capita released strong FY22 results with revenue increasing by 2.4% to £2,845m. Management are increasingly confident of sustainable revenue growth in the medium term. Profits grew strongly resulting from reduced restructuring costs and contract related provisions or impairments, revenue growth also helped. The company also announced the disposal of its three resourcing businesses for £21m and this follows the recent disposal of the Pay360 payments processing business, two real estate and infrastructure consultancy businesses, as well as Optima Legal, and Capita Translation and Interpreting. The company remains focused on selling a number of non-core portfolio businesses to strengthen the balance sheet and focus on its two core divisions. We believe significant upside remains, despite the shares having rallied 27% over the month and over 50% so far year-to-date.

Source: Bloomberg Finance LP, MGIM

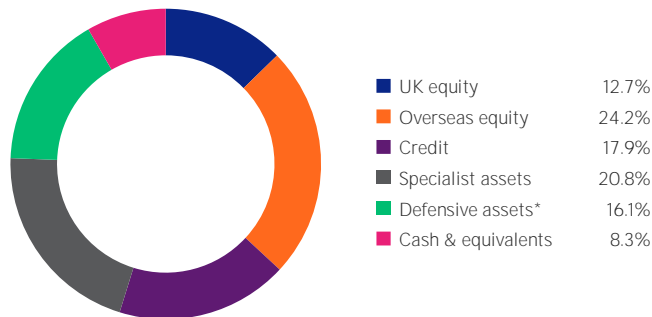
## PLATFORM AVAILABILITY



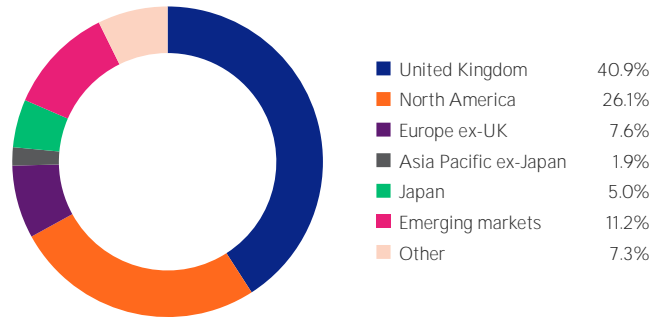
## FUND RATINGS



## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION



As at 31.03.2023, 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. Jupiter UK Smaller Companies	1.5%
2. TM Redwheel UK Equity Income	1.0%
3. Capita	0.5%
4. National Express Group	0.5%
5. Diversified Energy	0.5%

### OVERSEAS EQUITIES

1. Robeco Multi-Factor Global Equity	7.5%
2. Morant Wright Fuji Yield	3.9%
3. Morgan Stanley Global Sustain	2.6%
4. Aikya Global Emerging Markets	2.4%
5. Jennison Global Equity Opportunities	2.0%

### CREDIT

1. iShares Core GBP Corporate Bond ETF	4.4%
2. iShares Emerging Markets Government Bond Index	3.7%
3. Jupiter Global Emerging Markets Short Duration Bond	3.1%
4. iShares £ Corporate Bond 0-5yr ETF	2.6%
5. Artemis Short-Dated Global High Yield Bond (GBP hedged)	1.5%

### SPECIALIST ASSETS

1. TwentyFour Income	2.2%
2. Chrysalis Investments	1.4%
3. Syncona	1.3%
4. Gore Street Energy Storage	1.3%
5. International Public Partnerships	1.2%

### DEFENSIVE ASSETS

1. iShares Physical Gold ETC	4.7%
2. Neuberger Berman Uncorrelated Strategies	2.4%
3. US TIPS 0.625% 02/15/43	2.2%
4. US Treasury Bond 2.25% 08/15/49	1.4%
5. UK Gilt 0.875% 10/22/29	1.4%

Equity holdings may include indirect holdings in the Momentum GF Global Equity Fund  
As at 31.03.2023. Source: MGIM

## FUND DETAILS & 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
Minimum investment	GBP 1,000
Dealing	Daily
ISIN	GB00B7W1TW44
SEDOL	B7W1TW4
Citicode	GGML

### FUND FACTS

Month-end price (NAV)	141.30p
AMC	0.75%
OCF <sup>2</sup>	1.56%
UC <sup>2</sup>	0.23%

### FUND WRAPPERS

ISAs
SIPPs
Personal pensions
Onshore bonds
Offshore bonds

<sup>2</sup>As at 30.12.2022. OCF = Ongoing Charge Figure UC = 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 methodology for calculating the underlying charges element of the OCF has recently changed and now includes closed-ended funds including Investment Trusts. This has resulted in an increase in the published OCF, however there has been no increase in the underlying charges applied to the fund, nor have the investments held by the fund changed, except where mentioned in the monthly commentary: the only change is that of the disclosure rules.

## 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 03.03.2023 by Distribution Technology based on data and information as at 31.12.2022. FE Crown Fund Ratings as of 30.12.2022 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.