

# TM Fulcrum Diversified Growth Fund

C GBP Share Class (GB00B622XS49)

31 July 2021

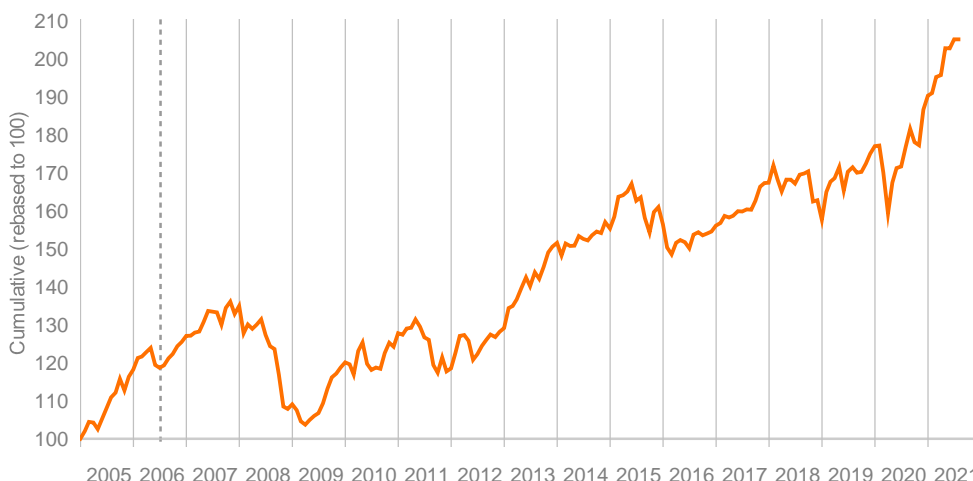
For professional investors only.

## Investment Objective

The TM Fulcrum Diversified Growth Fund aims to achieve long-term capital growth, by targeting an annual net return of inflation (measured against RPI) of +4-5% with lower volatility than equity markets (meaning the MSCI World 100% Hedge to GBP Index) over a rolling five year period.



## PERFORMANCE



The track record shown represents the net total return from two different time periods, denoted by dotted line: 1) From 01/01/05 to 07/07/06 the performance represents Fulcrum Diversified Growth's longest running separate account. Source: Fulcrum Asset Management LLP. 2) From 07/07/06, performance is that of TM Fulcrum Diversified Growth Fund Class C GBP. Source: NAVs provided by official third party administrator. Past performance is not a guide to future performance and future returns are not guaranteed.

### Returns (Periods over 1 year are annualised)

	July	3 months	1 year	3 years	5 years	Since inception
Total Return (%)	0.0	1.1	16.0	6.6	5.9	4.4

### Calendar Year Returns

	YTD	2020	2019	2018	2017	2016
Total Return (%)	7.8	7.5	12.3	-5.8	7.2	-0.2

## PORTFOLIO PERFORMANCE

Global markets experienced a growth scare during July, driven by three primary factors: a deceleration of US growth, weaker data from China, and an acceleration of Delta variant cases. This caused a broad-based sell-off in risk assets during the third week of the month and a flight to the safety of government bonds. Even as inflation expectations, equity and commodity markets recovered towards month end, government bond yields stayed close to their recent lows.

The Fund posted a flat performance of 0.0% in this environment, with gains from Directional strategies sufficient enough to offset losses from Relative Value (RV) strategies. The main detractors within our RV strategies were our pro-cyclical positions within currencies and fixed income, while equity thematic strategies generated gains. Within fixed income, Chinese and Latin American rates generated some profits.

## Key Facts

Fund Type	UK OEIC (NURS)
Domicile	United Kingdom
Fund Launch	07/07/2006
Fund Size (GBP)	33m
Strategy AUM (GBP)	115m
Company AUM (GBP)	3.4bn

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## Share Classes

Primary Share Class	C GBP
On-going Charge	1.60%
Annual Management Charge	0.75%
Share Class Currencies	GBP, USD, EUR, CHF, AUD

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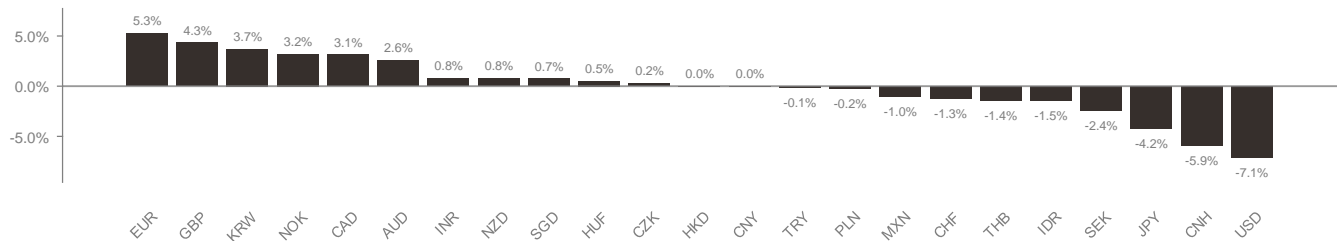
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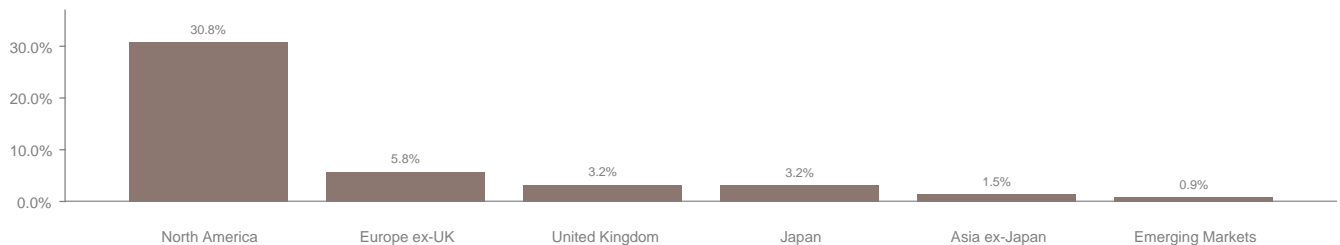


## PORTFOLIO & RISK

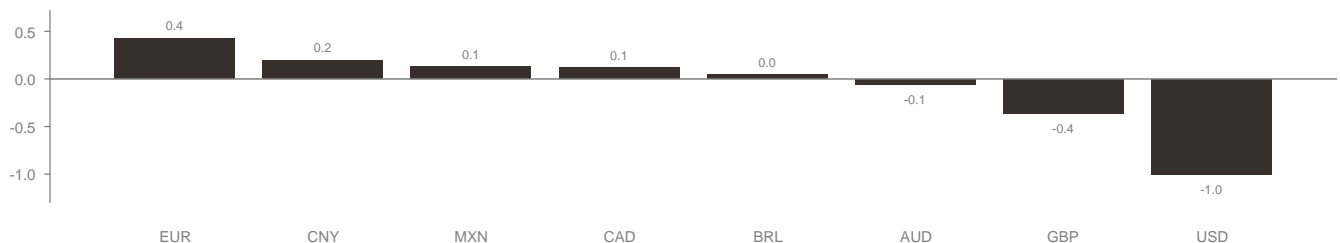
### Net Currency Exposures



### Net Equity Exposure by Region: 45.4%



### Net Duration Exposure (years): -0.5



Source: Fulcrum Asset Management LLP using RiskMetrics.

### Risk Summary

- Leverage techniques may be used by the fund. A relatively small price movement in an underlying asset may amplify losses and the fund may be exposed to losses which are greater than the initial amount invested.
- Any derivatives usage can result in substantial losses to the fund where expectations as to how a derivative will perform prove to be incorrect or inefficient, or in adverse market conditions.
- Losses may occur if an organisation through which the fund transacts becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations.
- For a full explanation of specific risks and the fund's overall risk profile, as well as all its share classes, please refer to the Prospectus, available on the firm's website.

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## PORTFOLIO POSITIONING AND OUTLOOK

We expect the underlying trend in global growth to remain strong enough to withstand the three challenges mentioned above. The US deceleration is largely as we anticipated following peak reopening growth rates. Whilst Chinese data was slightly weaker than expected and regulators continued their offensive against specific sectors of the economy, the move to lower the banks' Reserve Requirement Ratio highlights the relaxed policy stance. With respect to the wave of Delta cases globally, it is becoming clear, especially from the UK, that vaccinations provide very strong protection against hospitalisations, and that herd immunity may be feasible soon.

Given our constructive growth outlook, we continue to be positioned pro-cyclically in portfolios. We maintain our net short exposure to government bonds (short in US and UK, long in Europe and Asia) to protect the portfolio against higher inflation outcomes. Within currencies, we are neutral the US dollar and have turned more cautious on the Chinese renminbi. Elsewhere, we have rotated half of our pro-cyclical commodity exposure towards more defensive precious metals, which have not yet benefited from the dramatic drop in global real yields.

### Performance - Selected Other Share Classes

Share Class	1 month	YTD
C USD	0.0%	7.9%

**Past performance is not a guide to future performance and future returns are not guaranteed.**

Full details on all the fund share classes are available on our website:  
[www.fulcrumasset.com](http://www.fulcrumasset.com)

## FUND FACTS

<b>Pricing</b>	Daily	<b>Depository</b>	National Westminster Bank Plc
<b>Pricing Basis</b>	Forward	<b>Custodian</b>	J.P. Morgan Chase Bank, N.A.
<b>Valuation Point</b>	12:00 GMT	<b>Administrator</b>	J.P. Morgan Europe Limited
<b>Deal Cut Off</b>	12:00 GMT	<b>Report Date - Annual</b>	31 March
<b>Auditor</b>	Deloitte LLP	<b>Report Date - Interim</b>	30 September

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