

Momentum Managed Portfolio 5

month ended 28 August 2020

Portfolio details

Investment manager	Momentum Global Investment Management (MGIM)				
Inception	1 January 2010	Tactical version	.v40	AMC	0.25% +VAT
MGIM management from	1 February 2016	Minimum investment	£1,000	TER [†]	1.00%
Target volatility	8-11%	Target return	UK CPI +4-5% (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 5 is designed to target a real return of 5% above inflation over the longer term and is aimed at investors who have a low-medium tolerance for risk.

Portfolio performance* (%)

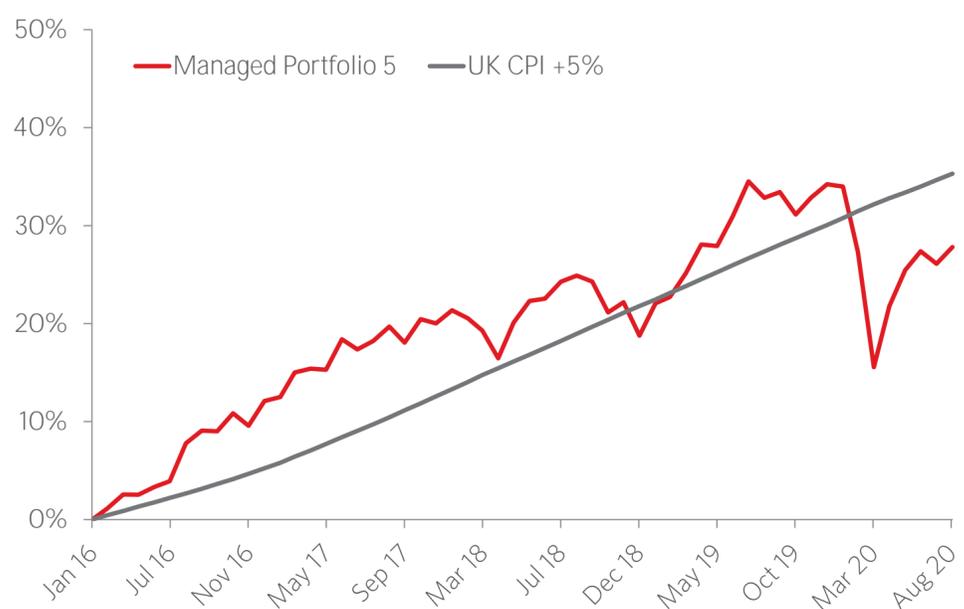
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	Since launch (annualised)	2019	2018	2017	2016 ¹	2015
Portfolio return	1.4	1.9	0.4	(3.8)	2.2	5.1	5.1	13.0	(2.1)	8.3	9.6	3.1
UK CPI +5%	0.5	1.4	2.9	6.2	7.0	6.7	7.2	6.8	7.5	7.7	5.7	5.0
<i>Difference</i>	<i>0.9</i>	<i>0.5</i>	<i>(2.5)</i>	<i>(10.0)</i>	<i>(4.8)</i>	<i>(1.6)</i>	<i>(2.1)</i>	<i>6.2</i>	<i>(9.6)</i>	<i>0.6</i>	<i>3.9</i>	<i>(1.9)</i>

Annualised performance to last quarter-end* (%)

	Jun 19 - Jun 20	Jun 18 - Jun 19	Jun 17 - Jun 18	Jun 16 - Jun 17	Jun 15 - Jun 16
Portfolio return	(2.7)	6.8	4.4	12.9	2.8

Past performance is not indicative of future returns. Performance is calculated on a total return basis, net of all fees and in GBP terms. Source: Bloomberg, MGIM

Historical cumulative performance¹



Source: Bloomberg, MGIM

Investment team



James Klempster, CFA
Director | Investment Management



Alex Harvey, CFA
Portfolio Manager

The Managed Portfolio Series is managed by James Klempster 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 31 July 2020, 1.00% 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.

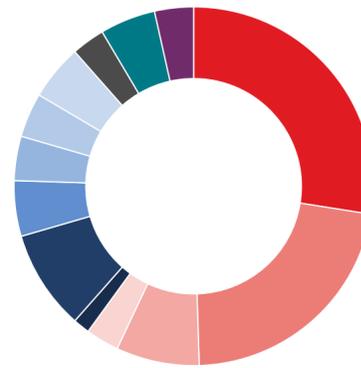
* The Managed Portfolios' returns are net of the AMC and underlying fund charges but do not take into account the platform provider's charges. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. ¹ MGIM commenced management as at February 2016.

Top 10 holdings

Holding	Weight
Schroder UK Recovery	10.0%
TB Evenlode Global Income	10.0%
Troy Trojan Global Equity	10.0%
L&G Global Inflation Linked Bond Index	9.0%
TB Evenlode Income	7.0%
Merian UK Smaller Companies	5.5%
L&G EM Government Bond \$ Index	5.0%
LF Lindsell Train UK Equity	5.0%
Neuberger Berman Uncorrelated Strategies (GBP hedged)	5.0%
RWC Global Convertibles (GBP hedged)	5.0%

Source: MGIM

Tactical asset allocation



Equity	60.0%
UK equity	27.5%
Developed equity	22.0%
Emerging equity	7.5%
Infrastructure equity	3.0%
Fixed Income	28.5%
Sovereign bonds	1.5%
Inflation-linked bonds	9.0%
Convertible bonds	5.0%
Strategic bonds	4.0%
High yield credit	4.0%
Emerging market debt	5.0%
Property	3.0%
Listed property	3.0%
Alternatives	5.0%
Absolute return	5.0%
Cash	3.5%
Cash	3.5%

Allocations subject to change. Source: MGIM

Market commentary

The pattern of market performance since the March lows continued unabated in August: global equities strong, led by the US and within that tech stocks; high yield bonds, emerging market debt and convertible bonds outperforming safe haven government bonds; precious metals strong; and the dollar weak. The S&P 500 reached new all-time highs, dragging the MSCI World index to a new high, despite many of its other constituents remaining well below previous peaks. Global cases of Covid-19 passed 25 million and the threat of second waves in many countries is still significant. There also remains deep uncertainty about the sustainability and strength of growth, despite the positive news flow in recent weeks. Markets are likely to continue experiencing higher levels of volatility in the months ahead, with uncertainty heightened by the US Presidential election.

Global developed markets rose 4.5% over the month with emerging markets returning 0.1%. In developed equities, Japan had the strongest performance over the month at 5.9%, whereas Asia Pacific was the laggard, gaining 1.7%. Europe and the US returned 2.3% and 4.9% respectively. UK equities returned 1.5%, mainly due to the performance of large (0.1%) caps, which are more exposed to the strengthening Pound (+2.1% vs USD), while small and mid caps returned 5.6% and 5.7% respectively. UK gilts returned -3.2% over the month while their investment grade counterparts returned -1.0%. In line with the UK, US treasuries returned -3.2%, whilst investment grade and high yield bonds returned -1.4% and 1.0% respectively. Oil rose 2.4% over the month, leaving it 18.0% higher over the quarter due to its recent rally.

Source: MGIM, Bloomberg

Platforms available



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