

VT Momentum Diversified Income Fund

31 December 2024

For professional advisors only

INVESTMENT OBJECTIVE & STRATEGY

To generate a high level of income with the prospect of maintaining the real value of capital over the long term, by investing in a multi-asset portfolio managed with a focus on value. The Fund may include directly invested UK equities with a bias towards mid-cap stocks, and overseas equity, fixed income, specialist assets and managed liquidity held through third party funds.

INVESTMENT TEAM



Richard Parfect
Lead Oversight
Portfolio Manager



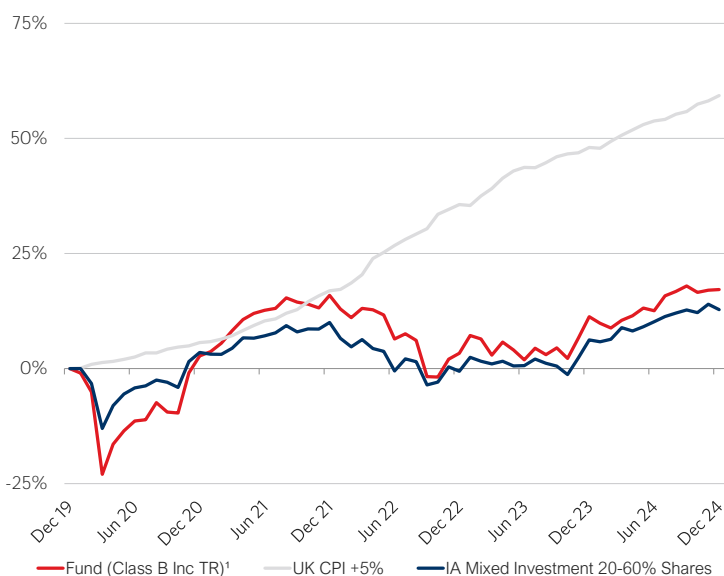
Tom Delic
Second Oversight
Portfolio Manager



Gary Moglione
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



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Fund return Class B Inc TR¹	0.1	(0.6)	4.1	5.3	1.1	17.2	5.0
UK CPI +5%	0.7	2.2	3.6	7.6	36.3	59.3	-
IA Mixed Investment 20-60% Shares	(1.0)	0.1	2.4	6.2	2.5	12.8	4.2

DISCRETE ANNUAL PERFORMANCE (%)	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	Historic net yield (%)¹
Fund return Class B Inc TR¹	5.3	7.7	(10.9)	12.8	2.7	5.3

Sources: Morningstar, MGIM.
Fund performance is calculated on a total return basis (including distributions), 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. The CPI +5% target was introduced in 2020. Past performance is not a guide to future performance.

MONTHLY COMMENTARY

- We have introduced the Schroder Emerging Markets Value fund, exiting the iShares Asia Pacific Dividend ETF. This strategy is managed by Schroder's renowned Global Value team and the team's contrarian, bottom-up investment philosophy is grounded in 150 years of market data, demonstrating that lowly valued securities deliver excess returns over the long term. The fund focuses exclusively on the cheapest securities within the emerging markets universe, with a disciplined and consistent process. By adding this differentiated strategy, we have enhanced our emerging markets exposure, particularly in underrepresented regions outside of Asia.
- We also introduced Real Estate Credit Investments (RECI), a closed-ended fund focusing on high-quality real estate debt across Western Europe, targeting large, well-capitalised and experienced institutional borrowers with low loan-to-value ratios. Compared to history, loan-to-value and leverage are near all-time lows, while the dividend yield and loan seniority are at historical highs. Despite uncertainties around property debt with elevated interest rates and the outlook for office space and retail, RECI's focus on high quality assets and diverse sub-sectors mitigates risks.
- Several holdings within the portfolio performed well in December. Digital 9 Infrastructure rose by 27.4% after announcing the \$42m sale of its Emic-1 project, releasing the company from additional construction commitments and the proceeds will be used to repay its revolving credit facility.
- Within Private Equity, Schrodors Capital Global Innovation Trust rose by 14.8% following the announcement that its continuation vote will be brought forward. The Trust trades at a significant discount to NAV, making possibility of a managed wind-down attractive allowing investors to recover their capital closer to NAV. Further details are expected in January 2025. Chrysalis Investments returned 12.2% following the completion of the sale of its Featurespace holding, delivering a 2.7x return on invested capital (rising to 3x if the amount held in escrow is paid in full). This strengthened liquidity, supporting ongoing share buybacks and capital return initiatives, providing a positive backdrop with potential future upside tied to portfolio events like Klarna's anticipated IPO.
- Marston's returned 12.5% driven by strong financial results, including 13% year-on-year EBITDA growth, margin expansion and reduced net debt. Strong Christmas bookings also suggest potential future growth.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY

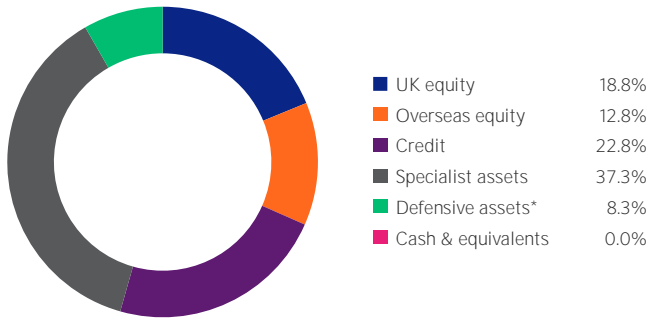


FUND RATINGS

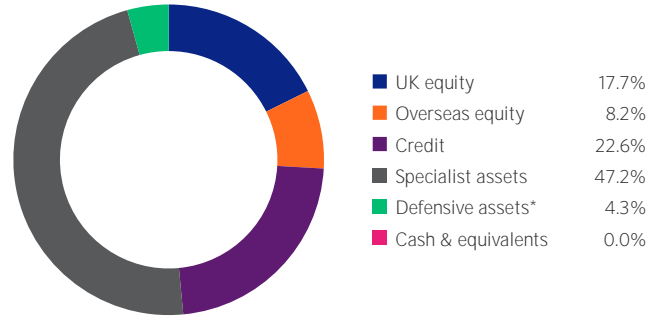


Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.
¹The Fund performance refers to the 'B' Inc share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' Inc share class, unadjusted for the lower fees of the 'B' Inc share class. ²The Historic Net Yield reflects distributions declared over the past twelve months as a percentage of the unit price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. A portion of the Fund's expenses are charged to Capital. This has the effect of increasing the distribution(s) for the year and constraining the Fund's capital performance to an equivalent extent.

ASSET ALLOCATION



INCOME GENERATION



As at 31.12.2024, 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. Phoenix Group Holdings	1.1%
2. BT Group	1.1%
3. Legal & General Group	1.0%
4. OSB Group	0.9%
5. M&G	0.9%

OVERSEAS EQUITIES	
1. Robeco QI Emerging Conservative Equities	2.2%
2. VT Downing European Unconstrained Income	2.1%
3. Morant Wright Fuji Yield	1.6%
4. Samarang Asian Prosperity	1.3%
5. Schroder Emerging Markets Value	1.2%

CREDIT	
1. Royal London Sterling Extra Yield Bond	8.4%
2. Royal London Short Duration Global High Yield	8.1%
3. MI TwentyFour AM Dynamic Bond	3.2%
4. Impax EM Corporate Bond	3.1%
-	-

SPECIALIST ASSETS	
1. Doric Nimrod Air Three	4.1%
2. Fair Oaks Income	2.8%
3. Chrysalis Investments	1.9%
4. AEW UK REIT	1.8%
5. Sequoia Economic Infrastructure Income	1.7%

DEFENSIVE ASSETS	
1. UK Gilt 4.75% 07/12/38	1.5%
2. UK Gilt 4.25% 06/07/32	1.4%
3. Ninety One Global Gold	1.3%
4. Invesco Physical Gold ETC	1.2%
5. UK Gilt 4.25% 12/07/2049	0.8%

As at 31.12.2024. Source: MGIM

FUND & SHARE CLASS DETAILS

FUND DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Fund inception	8 April 2002
Currency	GBP
Target return	UK CPI +5% (net)
IA sector	Mixed Investment 20-60% Shares
Structure	UCITS
Dealing	Daily
Income distribution	Monthly

SHARE CLASS DETAILS	A	B (Inc)	B (Acc)	N
Minimum investment	GBP 3,000	GBP 100,000	GBP 100,000	GBP 1,000
Minimum regular saver	GBP 50	n/a	n/a	GBP 50
ISIN	GB0031467961	GB00B7JTF560	GB00BKV4HY34	GB00B61Y0911
SEDOL	3146796	B7JTF56	BKV4HY3	B61Y091
Citicode	OM45	0WRF	QOPS	0WRE
Month-end price (NAV)	82.60p	103.53p	120.77p	100.39p

ANNUAL CHARGES ²	A	B (Inc)	B (Acc)	N
AMC	1.40%	0.75%	0.75%	1.00%
OCF ²	1.69%	1.04%	1.04%	1.29%

FUND WRAPPERS	
ISAs	Onshore bonds
SIPPs	Offshore bonds
Personal pensions	

²As at 30.09.2024. The OCF (Ongoing Charges Figure) 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.

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IMPORTANT INFORMATION

Momentum Diversified Funds are sub-funds of the VT Momentum Investment Funds II 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 II 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. 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.

Fund ratings: Defaqto is a financial information business. Profile published 18.11.2024 by Distribution Technology based on data and information as at 30.09.2024. 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.