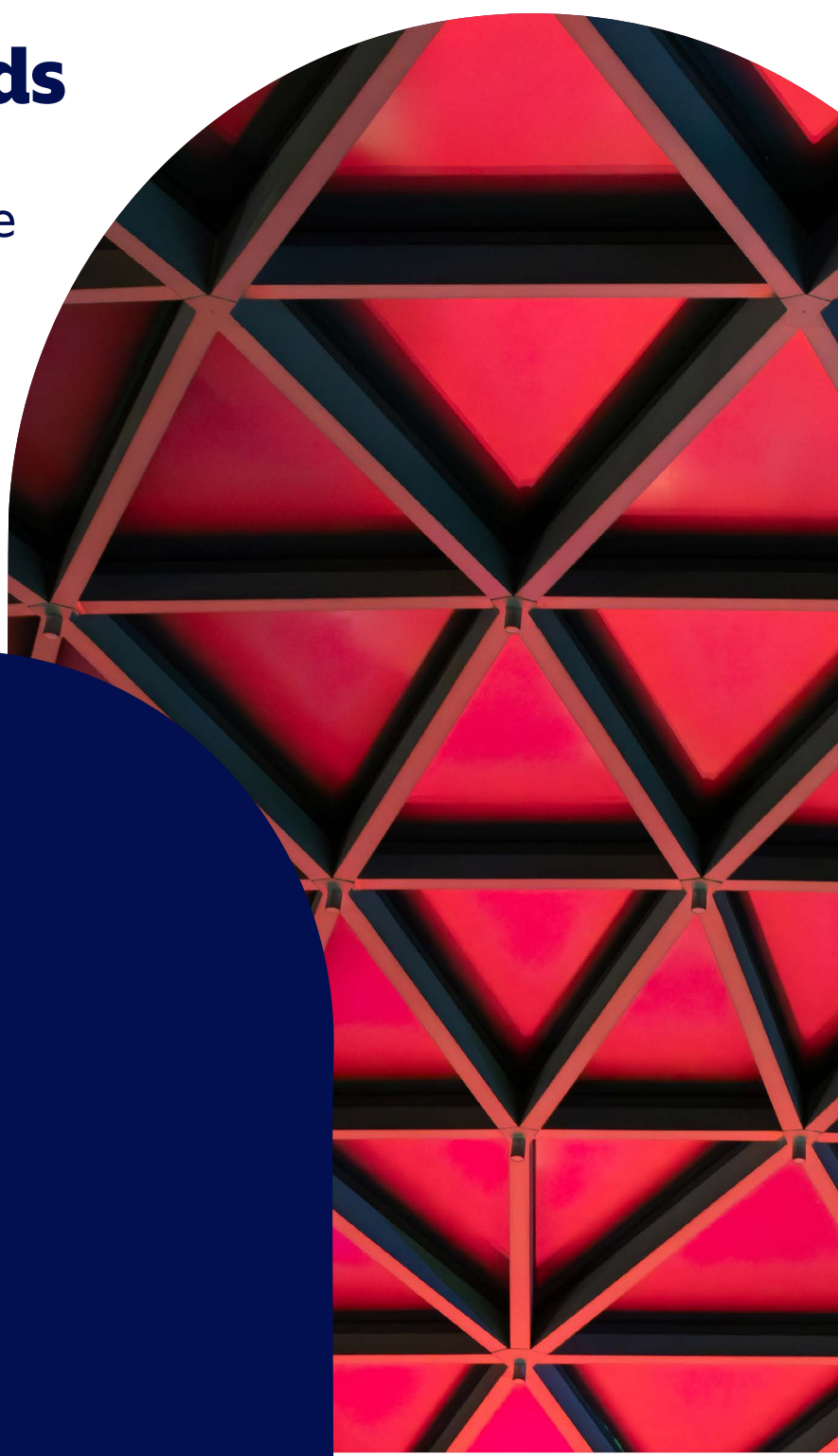


# **VT Momentum Diversified Funds**

Q3 2025 Investment update

**Stewards  
of your  
investment  
success**



# Fund commentary

The VT Momentum Diversified Funds delivered positive absolute returns in the third quarter of 2025, although performance lagged respective IA sectors as market leadership remained narrow and concentrated in US technology stocks. Quarterly returns were 1.1% (Balanced), 2.3% (Income), 3.3% (Moderate) and 2.6% (Growth). Despite this, all strategies remain well placed over longer time periods, continuing to rank favourably within their respective peer groups.

Global equity markets advanced strongly during the quarter, supported by easing trade tensions, a dovish shift from the Federal Reserve, and ongoing enthusiasm for AI-driven productivity gains. Worst-case outcomes on tariffs were avoided, as the US secured deals with the EU and Japan and extended its truce with China. The Fed delivered its first rate cut since 2024 and signalled further easing ahead, while corporate earnings, particularly across the technology sector, remained robust. Japan and emerging markets also performed well, with China rebounding sharply following renewed policy stimulus and strong performance from its major technology companies. Gold was a standout performer, gaining 19% in GBP to reach new record highs as investors sought protection amid geopolitical tensions and renewed concerns about fiscal sustainability in the US and Europe.

Within the funds, exposure to gold was a large contributor to performance, benefitting from its strong price rally through September. Developed market equities also added positively, with Japanese and UK holdings performing well. Emerging markets exposure made a strong contribution, driven by Schroder Emerging Markets Value and CIM Dividend Income Fund. Specialist assets were mixed: private equity holdings such as Molten Ventures and Chrysalis Investments delivered strong gains, while property and infrastructure names faced headwinds as higher UK gilt yields reduced the relative appeal of their long-dated cash flows.

A new position was initiated in Primary Health Properties (PHP), a leading UK and Irish healthcare REIT offering attractive inflation-linked rental income and defensive characteristics. The sector is underpinned by strong demographic trends and government policy shifting care from hospitals to community-based Neighbourhood Health Centres. PHP's government-backed income and long leases provide resilience, with minimal vacancy risk. Its recent merger with Assura enhances liquidity, scale and cost synergies, positioning the enlarged group for improved operational efficiency and potential re-rating as integration progresses.

Looking ahead, the combination of moderating inflation, a more accommodative policy stance from central banks and resilient earnings underpins a constructive medium-term outlook for risk assets. However, after a period of strong gains in equity markets, particularly within the US technology sector, a period of consolidation is arguably overdue. Fiscal concerns in the UK and Europe, together with elevated valuations in certain areas, call for a selective approach. The funds remain well diversified and positioned to take advantage of opportunities as they arise amid evolving market conditions.

# Fund performance & portfolio changes

## Portfolio Management Team



**Richard Parfect**  
Portfolio Manager



**Tom Delic**  
Portfolio Manager



**Gary Moglione**  
Portfolio Manager



**Gabby Byron**  
Client Portfolio Manager

## Performance to 30 September 2025

Fund	3 mths	6 mths	YTD	3 yr (ann)	Since Inc (ann)	Vol
VT Diversified Balanced Fund	1.1%	4.4%	5.4%	6.4%	4.0%	7.1%
VT Diversified Moderate Fund	3.3%	9.9%	10.0%	9.6%	5.3%	8.5%
VT Diversified Income Fund	2.3%	9.2%	10.5%	9.7%	5.3%	9.4%
VT Diversified Growth Fund	2.6%	9.4%	7.4%	8.5%	6.4%	11.5%

## Five years discrete performance to 30 September 2025

Fund	Sept 24 - 25	Sept 23 - 24	Sept 22 - 23	Sept 21 - 22	Sept 20 - 21
VT Diversified Balanced Fund	5.0%	12.4%	2.0%	-9.6%	13.8%
VT Diversified Moderate Fund	10.0%	15.5%	3.6%	-11.9%	19.0%
VT Diversified Income Fund	9.8%	12.9%	6.4%	-14.2%	26.4%
VT Diversified Growth Fund	6.7%	14.2%	4.7%	-12.4%	28.4%

## Q3 2025 portfolio changes

↑Buy

↓Sell

↔No change

●Fund not held

	Balanced	Moderate	Income	Growth
Temple Bar Investment Trust	↓	↓	↓	↓
UK gilts	↑	↑	↑	↑
Downing Renewables & Infrastructure Trust	↓	↓	↓	●
Greencoat UK Wind	↑	↑	↑	↔
Foresight Environmental Infrastructure	↑	↔	↑	↑
SDCL Energy Efficiency Income Trust	↑	↑	↑	↔
Schroders Capital Global Innovation Trust	↓	↓	↓	↓
Partners Group Private Equity	↑	↑	↑	●
Primary Health Properties	↑	↑	↑	↑
PRS REIT	↓	↓	↓	↓
Doric Nimrod Air Three	↓	↓	↓	↓

Sources: Momentum Global Investment Management, Valu-Trac, Morningstar. 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.

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