

**momentum**

global investment management

# **VT Momentum Diversified Funds**

Q4 2025 Investment update

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# Fund commentary

The VT Momentum Diversified Funds delivered positive absolute returns over the fourth quarter of 2025, supported by gains across most major asset classes. Performance was driven by strong contributions from gold and specialist assets, alongside solid returns from UK and European equities. While developed and emerging markets both delivered positive returns over the period, style dispersion remained pronounced, with quality-oriented strategies continuing to lag.

Equity market leadership broadened meaningfully during the quarter. UK equities were among the strongest performers globally, with large-cap stocks in particular delivering robust gains. This environment was favourable for the Funds' UK value exposure, which emerged as one of the largest contributors to performance. European equities outperformed the US which delivered more modest returns, reflecting a broadening of market leadership away from the most concentrated areas of the market. Emerging market equities also delivered positive returns, supported by strong performance from the Schroder Emerging Market Value Fund.

Gold was the standout asset class over the period and a key driver of overall Fund returns. The metal rose sharply, benefitting from ongoing geopolitical uncertainty, concerns around fiscal sustainability and continued central bank demand. Gold once again demonstrated its effectiveness as a portfolio diversifier, providing protection during periods of volatility.

UK government bonds performed well, particularly at the long end of the curve, as yields declined and inflation eased. Long-dated conventional and index-linked gilts were among the strongest performers within fixed income. The Funds' returns benefitted from exposure to long-dated gilts, with income focused strategies also supported by their exposure to long-dated linkers.

Within specialist assets, private equity and property made meaningful contributions to returns. Private equity holding, Molten Ventures, delivered strong gains, supported by higher portfolio valuations and ongoing realisation activity, including part of its Revolut position. Within property, Primary Health Properties contributed positively, supported by progress following the Assura acquisition, with the company now exploring the sale of a £700m hospital portfolio acquired through that deal as part of its broader strategy to recycle capital and strengthen its balance sheet.

Within infrastructure, Gore Street Energy Storage Fund performed strongly, following a positive operational update, which included the declaration of a special dividend and outlining plans to optimise its portfolio through selective asset sales, co-investments and upgrades to existing sites. Cordant Digital Infrastructure also contributed positively, supported by strong H1 results, with a NAV total return of 10%, higher earnings and an increase in its dividend.

Despite the constructive backdrop, quality-focused equity strategies remained a relative headwind over the quarter. While this weighed modestly on relative performance, both developed and emerging market equity exposures delivered positive absolute returns, and the Funds' diversified structure helped mitigate style-specific risks.

Looking ahead, easing financial conditions and moderating inflation provide support for risk assets, but elevated valuations in certain areas, ongoing geopolitical risks and fiscal uncertainty point to continued volatility. The Funds remain well diversified across asset classes, regions and investment styles as market conditions continue to evolve.

# 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 31 December 2025

Fund	3 mths	6 mths	YTD	3 yr (ann)	Since Inc (ann)	Vol
VT Diversified Balanced Fund	3.3%	4.4%	8.8%	6.7%	4.2%	7.0%
VT Diversified Moderate Fund	3.2%	6.6%	13.6%	9.6%	5.4%	8.5%
VT Diversified Income Fund	2.8%	5.2%	13.6%	8.8%	5.4%	9.3%
VT Diversified Growth Fund	3.1%	5.7%	10.7%	7.9%	6.4%	11.5%

## Five years discrete performance to 31 December 2025

Fund	Dec 24 - 25	Dec 23 - 24	Dec 22 - 23	Dec 21 - 22	Dec 20 - 21
VT Diversified Balanced Fund	8.8%	5.1%	6.2%	-9.4%	8.9%
VT Diversified Moderate Fund	13.6%	8.2%	7.2%	-11.0%	11.6%
VT Diversified Income Fund	13.6%	5.3%	7.7%	-10.9%	12.8%
VT Diversified Growth Fund	10.7%	6.3%	6.7%	-9.1%	13.6%

## Q4 2025 portfolio changes



● Fund not held

	Balanced	Moderate	Income	Growth
SPDR S&P US Dividend Aristocrats UCITS ETF	●	↑	↑	●
Aberforth Smaller Companies Trust	↓	●	●	↓
Temple Bar Investment Trust	↓	↔	↔	↓
Schroder EM Value Fund	↓	↔	↔	↓
3i Infrastructure	↑	↑	↑	↔
Bluefield Solar Income Fund	↑	↑	↔	●
Digital 9 Infrastructure	↑	↑	↑	↑
SDCL Energy Efficiency Income Trust	↑	↑	↑	↔
Primary Health Properties	↑	↑	↑	↑
PRS REIT	↓	↓	↓	↓
Real Estate Credit Investments	↑	↑	↑	↑

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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