

VT Momentum Diversified Income Fund

30 May 2025

For retail investors 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 Parfekt
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.

TEN YEAR HISTORICAL CUMULATIVE PERFORMANCE



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	10 years	Since inception annualised
Fund return Class B Inc TR ¹	3.3	4.8	5.7	9.4	10.8	43.1	63.0	5.2
UK CPI	0.3	1.9	2.6	3.5	14.7	27.7	38.4	2.7
IA Mixed Investment 20-60% Shares	2.1	(0.3)	0.7	5.3	10.7	21.6	39.6	4.2

DISCRETE ANNUAL PERFORMANCE (%)	May 24 - May 25	May 23 - May 24	May 22 - May 23	May 21 - May 22	May 20 - May 21	Historic net yield (%) [†]
Fund return Class B Inc TR ¹	9.4	8.7	(6.8)	(0.3)	29.5	5.7

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. Past performance is not a guide to future performance.

MONTHLY COMMENTARY

- Equity markets rallied in May despite a volatile backdrop dominated by renewed tariff tensions, resilient inflation and rising bond yields. Sentiment improved as the US softened its trade stance, agreeing a 90-day negotiation window with China and postponing proposed tariffs on EU goods. This helped ease recession fears and supported risk appetite.
- US equities led the advance, with the S&P 500 gaining 5.4% on strong earnings and AI optimism. Global developed markets returned 5.0% and emerging markets 3.4%, while bond markets remained under pressure from sticky inflation and debt concerns.
- Developed market equities were the strongest contributors to fund performance, despite its underweight exposure to the US. UK equities rebounded, with the UK All Share Index up 3.5% and UK small caps returning 7.7%. The fund benefitted from its UK positioning, particularly holdings in investment trusts such as Aberforth Geared Value & Income and Temple Bar, alongside select direct equities including Burberry, Marston's, Kier Group and Sainsbury's – all of which were reduced into strength following a strong run.
- European equity exposure was key contributor. The VT Downing European Unconstrained Income Fund returned over 7% in May, significantly outperforming the MSCI Europe Index (3.8%), and was the top contributor within developed markets.
- Emerging markets also contributed positively to returns, with the Schroder EM Value Fund returning 6.3%, outperforming the broader EM index.
- Specialist assets were the second-largest contributor to returns amid a broader rotation into risk assets. Key performers included Molten Ventures in private equity, DP Aircraft within specialist financials, and Cordiant Digital Infrastructure.
- Over the month, we introduced the Downing Renewables and Infrastructure Trust (DORE), which invests in a diversified portfolio of renewable energy and infrastructure assets across the UK, Ireland and Northern Europe. Its holdings include hydro power plants, solar PV installations, electricity distribution and grid stabilisation assets, providing strong geographic and asset-type diversification. Despite market volatility, DORE's net asset value (NAV) has held up well and offers an attractive 7% dividend yield, while trading at a significant discount to NAV, providing potential for capital uplift.

Source: Bloomberg Finance LP, MGIM

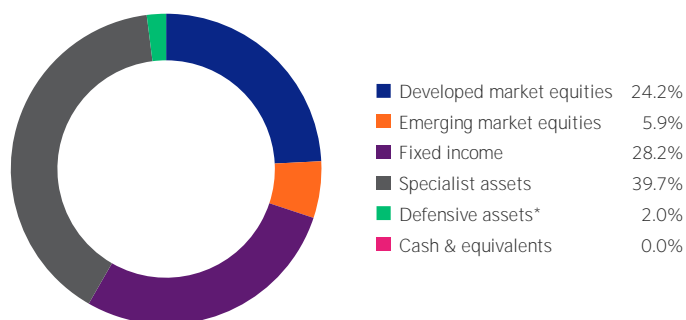
PLATFORM AVAILABILITY



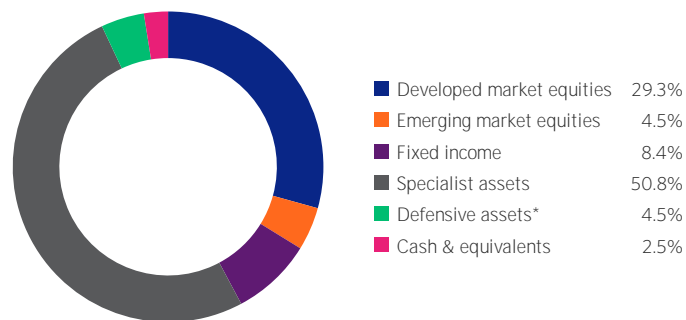
Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.

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. [†]The 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



SOURCES OF INCOME GENERATION



As at 30.05.2025, 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**, 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

EQUITIES	
1. VT Downing European Unconstrained Income	6.7%
2. Temple Bar Investment Trust	4.2%
3. Murray Income Trust	2.2%
4. Aberforth Geared Value & Income Trust	2.1%
5. Amundi Prime Japan ETF	2.0%

FIXED INCOME	
1. Royal London Sterling Extra Yield Bond	6.4%
2. Royal London Short Duration Global High Yield	4.5%
3. Impax EM Corporate Bond	3.3%
4. Vanguard ESG Global Corporate Bond	2.7%
5. Candriam Global High Yield	2.3%

SPECIALIST ASSETS	
1. Doric Nimrod Air Three	3.4%
2. Fair Oaks Income	2.5%
3. Gore Street Energy Storage	2.0%
4. AEW UK REIT	2.0%
5. Sequoia Economic Infrastructure Income	2.0%

DEFENSIVE ASSETS	
1. Cboe VIX Futures	1.0%
2. Invesco Physical Gold ETC	1.0%
-	-
-	-
-	-

As at 30.05.2025. Source: MGIM

FUND & SHARE CLASS DETAILS

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

SHARE CLASS DETAILS	B (Inc)	B (Acc)	I (Inc)
Minimum investment	GBP 100,000	GBP 100,000	GBP 50,000,000
ISIN	GB00B7JTF560	GB00BKV4HY34	GB00BD3H5034
SEDOL	B7JTF56	BKV4HY3	BD3H503
Citicode	OWRF	QOPS	NRJU
Month-end price (NAV)	106.68p	127.49p	95.85p

ANNUAL CHARGES	B (Inc)	B (Acc)	I (Inc)
AMC	0.75%	0.75%	0.50%
OCF ²	1.07%	1.07%	0.82%

FUND WRAPPERS	
ISAs	
SIPPs	
Personal pensions	
Onshore bonds	
Offshore bonds	

² As at 31.03.2025. 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.

CONTACT US

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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.

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.