

VT Momentum Diversified Income Fund

28 March 2024

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



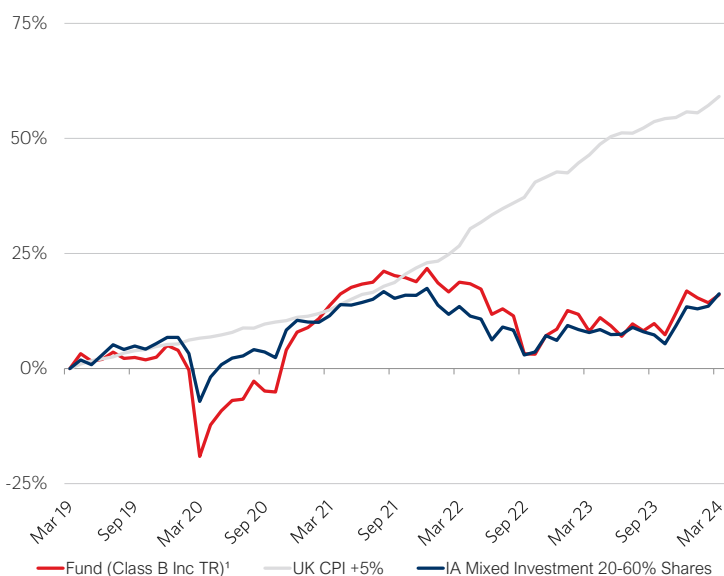
Mark Wright
Portfolio Manager



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 TR ¹ | 1.5 | (0.7) | 5.7 | 7.4 | 2.1 | 16.0 | 4.9 |
| UK CPI +5% | 1.2 | 2.1 | 3.6 | 8.7 | 41.1 | 59.1 | - |
| IA Mixed Investment 20-60% Shares | 2.4 | 2.5 | 8.3 | 7.8 | 4.3 | 16.2 | 4.2 |

| DISCRETE ANNUAL PERFORMANCE (%) | 31 Mar 2024 | 31 Mar 2023 | 31 Mar 2022 | 31 Mar 2021 | 31 Mar 2020 | Historic net yield (%) ¹ |
|---|-------------|-------------|-------------|-------------|-------------|-------------------------------------|
| Fund return Class B Inc TR ¹ | 7.4 | (9.0) | 4.5 | 40.5 | (19.1) | 5.1 |

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 introduced luxury goods manufacturer, Burberry, to the portfolio over the month. After facing challenges in the early 2000s due to a shift in its target market and negative associations, Burberry has successfully repositioned itself as a desirable luxury brand, particularly in the UK and globally. Despite setbacks in luxury spending during economic downturns, there has been a notable rebound post-Covid. While Chinese tourism expenditure on luxury goods recovered to around 30% of total global spend in 2023, it still lags behind the pre-Covid level of 40%. Burberry aims to strengthen its position in the luxury segment by adjusting its pricing strategy and improving product quality.
- Over the month, reductions were made to the Morant Wright Fuji Yield Fund. The fund has delivered 51% returns over three years versus an index return of 21%. While Morant Wright remains attractively valued with a forward P/E ratio of 11.5x, its price-to-book ratio has aligned with long-term averages, suggesting diminished undervaluation in Japanese equities. Valuation remains our guiding principle, and so with the Japanese market at its highest price-to-book ratio since 2008, our enthusiasm has tempered as investor sentiment grows.
- Elsewhere, the Ninety One Global Gold Fund was a top contributor to returns over the month, driven by gold reaching an all-time high.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY

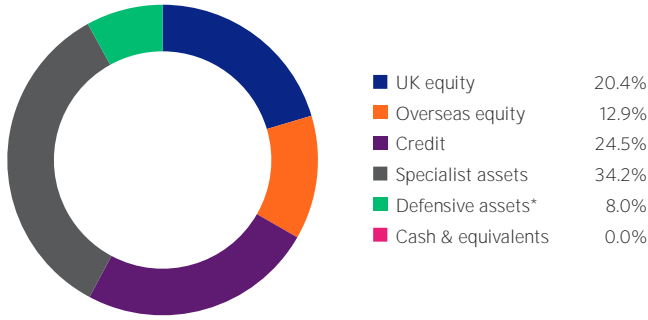


FUND RATINGS

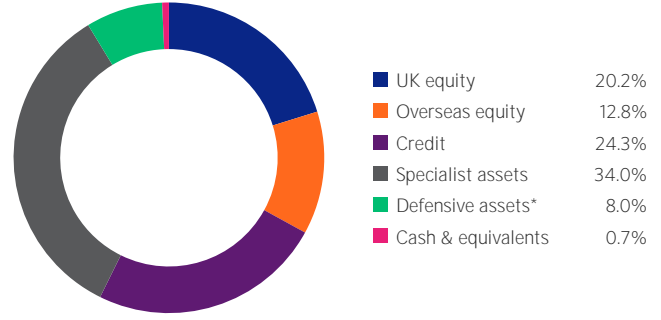


Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.
¹The Fund performance refers to the 'B' Inc share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' Inc share class, unadjusted for the lower fees of the 'B' Inc share class. ²The Historic 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 28.03.2024, 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. Legal & General Group | | 1.8% |
| 2. Phoenix Group Holdings | | 1.1% |
| 3. OSB Group | | 1.1% |
| 4. Kier Group | | 1.1% |
| 5. BT Group | | 1.0% |

| OVERSEAS EQUITIES | | |
|---|--|------|
| 1. Robeco QI Emerging Conservative Equities | | 2.2% |
| 2. Morant Wright Fuji Yield | | 2.0% |
| 3. iShares Asia Pacific Dividend ETF | | 1.3% |
| 4. Samarang Asian Prosperity | | 1.2% |
| 5. Invesco European Equity Income | | 1.1% |

| CREDIT | | |
|--|--|------|
| 1. Royal London Sterling Extra Yield Bond | | 8.8% |
| 2. Royal London Short Duration Global High Yield | | 7.9% |
| 3. Absalon Emerging Markets Corporate Debt | | 2.7% |
| 4. MI TwentyFour AM Dynamic Bond | | 2.6% |
| 5. Jupiter Global Emerging Markets Short Duration Bond | | 2.5% |

| SPECIALIST ASSETS | | |
|---------------------------|--|------|
| 1. Fair Oaks Income | | 2.9% |
| 2. Chrysalis Investments | | 2.4% |
| 3. Doric Nimrod Air Three | | 2.3% |
| 4. Doric Nimrod Air Two | | 2.1% |
| 5. Greencoat UK Wind | | 1.9% |

| DEFENSIVE ASSETS | | |
|------------------------------|--|------|
| 1. UK Gilt 4.25% 06/07/32 | | 1.5% |
| 2. Ninety One Global Gold | | 1.4% |
| 3. Invesco Physical Gold ETC | | 1.4% |
| 4. UK Gilt 4.75% 07/12/38 | | 1.2% |
| 5. UK Gilt 6.00% 12/07/28 | | 0.7% |

As at 28.03.2024. 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) | 81.46p | 101.59p | 113.86p | 98.70p |

| ANNUAL CHARGES ² | A | B (Inc) | B (Acc) | N |
|-----------------------------|-------|---------|---------|-------|
| AMC | 1.40% | 0.75% | 0.75% | 1.00% |
| OCF ex IC | 1.70% | 1.05% | 1.05% | 1.30% |
| IC | 0.50% | 0.50% | 0.50% | 0.50% |
| OCF inc IC | 2.20% | 1.55% | 1.55% | 1.80% |

| FUND WRAPPERS | |
|-------------------|----------------|
| ISAs | Onshore bonds |
| SIPPs | Offshore bonds |
| Personal pensions | |

²As at 29.12.2023.

OCF = Ongoing Charge Figure IC = Underlying charges of closed ended funds. The OCF 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.

Important note: The OCF calculation includes synthetic costs from underlying closed ended investments (IC) such as Investment Trusts, which optically increases the costs. For the avoidance of doubt the actual amount charged has not changed, and advisers and investors should refer to the KIID document available [here](#) for the actual fees payable.

All fund performance quoted in this factsheet is NET of all fees.

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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.

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