VT MOMENTUM DIVERSIFIED INCOME

MONTH END JANUARY 2023

FOR PROFESSIONAL ADVISERS ONLY

momentum
global investment management

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

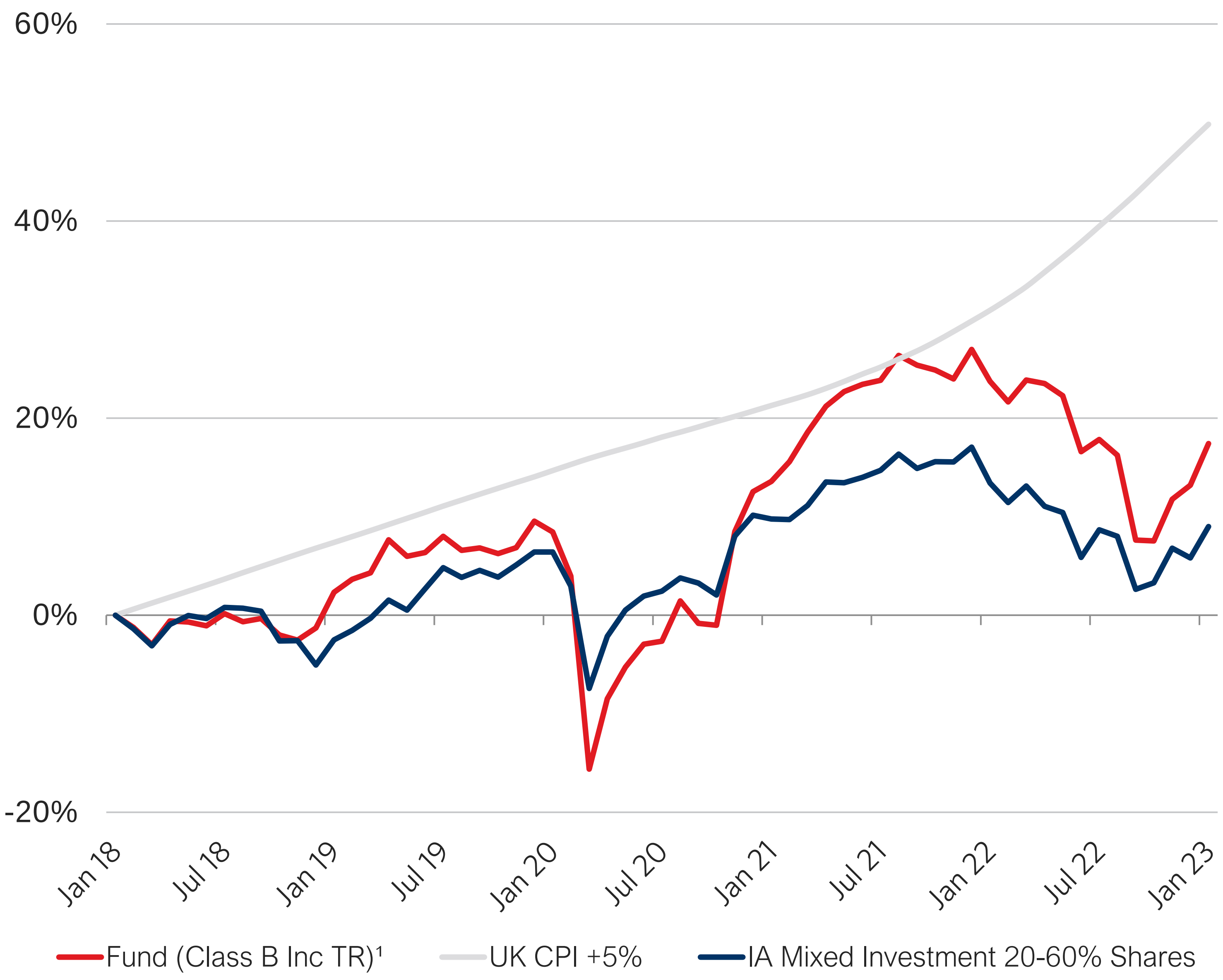
Tom Delic
Second Oversight
Portfolio Manager

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]	3.7	9.2	(0.3)	(5.1)	8.3	17.4	5.1
UK CPI +5%	1.2	3.7	7.4	14.4	30.6	49.8	-
IA Mixed Investment 20-60% Shares	3.0	5.5	0.3	(3.9)	2.4	9.0	4.1

DISCRETE ANNUAL PERFORMANCE (%)	31 Jan 2023	31 Jan 2022	31 Jan 2021	31 Jan 2020	31 Jan 2019	Historic net yield (%)[†]
Fund return Class B Inc TR[1]	(5.1)	8.9	4.7	6.0	2.3	5.6

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.
The CPI +5% target was introduced in 2020.

MONTHLY COMMENTARY

- Following a bruising year for investors in 2022, markets started 2023 in much better spirits. Nearly all the major asset classes enjoyed strong returns.
- We introduced Synthomer over the month, a global specialty chemicals company engaging in the development, marketing, and sale of polymer products derived from petrochemical monomers. It offers its products to different industries such as health and protection, coatings and construction and paper and packaging. Previous management made several acquisitions which has over-levered the business and has ultimately seen the dividend cut and a negotiation with lenders to relax debt covenants. A new management team is now in place, with a credible plan to reduce debt through asset disposals, along with refocusing the business. Synthomer is valued at just 0.6x price to book, versus a 10-year average of 3.2x. The gap to intrinsic value is considerable and we believe there to be significant upside from here.
- Senior released a strong FY22 trading update. The Flexonics division enjoyed strong end of year performance driven by strong demand for heavy duty trucks and the levels of maintenance and overhaul in power and energy. Profit before tax is now expected to be above the top end of consensus expectations which was £18m. Shares increased by 22% over January.
- Growing confidence that inflation in the US has peaked boosted the gold market. There was a significant shift in sentiment towards the end of 2022 and continuing into 2023 after data showed inflation cooling more quickly than expected which moderated rate-hike expectations and sent the US dollar lower. The Ninety One Global Gold Fund returned 8% over the month and was a primary contributor to returns.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY

AEGON, AJBell Youinvest, allfunds, Alliance Trust Savings, AVIVA, BNY MELLON, BARCLAYS, Canada Life, c•funds, embark platform, FundsNetwork, FusionWealth, Hargreaves Lansdown, Hubwise, James Hay Partnership, James Brearley, M&G wealth, novia, nucleus, Quilter, Raymond James, Standard Life, transact, utmost wealth solutions, Wealthtime Dynamic financial technology

FUND RATINGS

FT Adviser Investment 100 Club Member 2021 Mixed Asset Income: Momentum Diversified Income

defaqto Income Risk Rated Fund

defaqto 5 Risk Rating Balanced
Income Acc share class only

FE fundinfo Crown Fund Rating

Dynamic Planner Profiled 5

Elite Radar on our watchlist: FundCalibre.com

Sources: Bloomberg Finance LP, Morningstar, MGIM, unless otherwise stated.
[1] The 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 yearand constraining the Fund's capital performance to an equivalent extent.

ASSET ALLOCATION

UK equity	22.0%
Overseas equity	13.5%
Credit	29.0%
Specialist assets	30.8%
Defensive assets*	4.7%
Cash & equivalents	0.0%

INCOME GENERATION

UK equity	17.3%
Overseas equity	12.3%
Credit	32.0%
Specialist assets	37.6%
Defensive assets*	0.8%
Cash & equivalents	0.0%

As at 31.01.2023, 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	1.5%
2.	M&G	1.3%
3.	Phoenix Group Holdings	1.2%
4.	iShares UK Dividend ETF	1.2%
5.	OSB Group	1.2%

OVERSEAS EQUITIES		
1.	Morant Wright Fuji Yield	3.6%
2.	iShares Emerging Markets Dividend	2.7%
3.	JP Morgan European Investment Trust	2.1%
4.	CIM Dividend Income	1.4%
5.	Prusik Asian Equity Income	1.3%

CREDIT		
1.	Royal London Short Duration Global High Yield	8.1%
2.	Royal London Sterling Extra Yield Bond	6.8%
3.	Absalon Emerging Markets Corporate Debt	5.1%
4.	TwentyFour Select Monthly Income	3.6%
5.	Muzinich ShortDurationHighYield	3.2%

SPECIALIST ASSETS		
1.	Chrysalis Investments	2.2%
2.	Fair Oaks Income	1.9%
3.	International Public Partnerships	1.9%
4.	AEW UK REIT	1.8%
5.	Syncona	1.7%

DEFENSIVE ASSETS		
1.	Ninety One Global Gold	2.9%
2.	Invesco Physical Gold ETC	1.3%
3.	Neuberger Berman Uncorrelated Strategies	0.3%
4.	UK Gilt 4.25% 12/07/2049	0.2%
	-	-

As at 31.01.2023. 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 reg 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)	84.67p	104.81p	110.48p	102.12p
AMC	1.40%	0.75%	0.75%	1.00%
OCF[2]	2.26%	1.61%	1.61%	1.86%
UC [2]	*0.53%*	*0.53%*	*0.53%*	*0.53%*

FUND WRAPPERS
ISAs
SIPPs
Personal pensions
Onshore bonds
Offshore bonds

[2]As at 10.06.2022. OCF = Ongoing Charge Figure UC = 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 methodology for calculating the underlying charges element of the OCF has recently changed and now includes closed ended funds including Investment Trusts. This has resulted in an increase in the published OCF, however there has been no increase in the underlying charges applied to the fund, nor have the investments held by the fund changed, except where mentioned in the monthly commentary; the only change is that of the disclosure rules.

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.
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