Momentum Global Managed Fund - Class D USD

Fund data for the month ending 30 September 2022

**Fund details**

Manager: Momentum Wealth International Limited
Investment manager: Momentum Global Investment Management
Class D distribution partner: Momentum Consult (Pty) Limited
Inception date (fund): 19 March 2008

- **Minimum subscription:** USD 7,500
- **Fund size:** USD 100.3 million

**Accumulating, income received is not distributed**

- **Custodian:** Northern Trust (Guernsey) Limited
- **Subscriptions / redemptions:** daily
- **Price per share (as at 30 September 2022):** n/a

**Valuation point:** 11:00pm (Guernsey time) on the relevant Dealing Day
**Investment timeframe:** 5 years
**Currency:** USD
**Minimum subscription:** USD 7,500
**Price per share (as at 30 September 2022):** n/a

- **Target:**
  - **Global Cash**: 4.0%
  - **Initial fee**: none
  - **Financial year-end TER**: n/a

**Subscriptions cut-off time:**
Written notice to redeem must be received by the Administrator by no later than 12:00 noon (Guernsey time) on the Business Day immediately preceding the relevant Dealing Day, with cleared funds to be received by 4:00pm (Guernsey time) three Business Days after the relevant Dealing Day.

**Redemptions cut-off time:**
Written notice to redeem must be received by the Administrator by no later than 12:00 noon (Guernsey time) on the Business Day immediately preceding the relevant Dealing Day.

Up to date Fund prices per share are available on www.morningstar.co.za or upon request from the Manager or Administrator.

**Investment objective**

The Fund is designed to offer a balance between capital preservation and capital appreciation over the medium to long term through investment in a diversified range of international asset classes and currencies. The Fund is ideally suited to investors with a medium risk tolerance with an investment horizon of 5 years or longer. The Fund intends to achieve its investment objective through a diversified global portfolio primarily consisting of investments in participatory interests of portfolios of collective investment schemes or other similar schemes.

**Capital Probability of a capital loss or negative return in any 12-month period**

<table>
<thead>
<tr>
<th>Very low</th>
<th>Medium</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>0%</td>
<td>10%</td>
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</tr>
<tr>
<td>0%</td>
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<td>20%</td>
</tr>
</tbody>
</table>

**Range Expected range of returns around the benchmark in any 12-month period**

<table>
<thead>
<tr>
<th>Very low</th>
<th>Medium</th>
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</tr>
<tr>
<td>0%</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Top holdings**

<table>
<thead>
<tr>
<th>Holdings</th>
<th>Asset type</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Multi-Market Global Equity</td>
<td>Equity</td>
<td>22.2%</td>
</tr>
<tr>
<td>BlackRock US Dollar Ultra Short Bond</td>
<td>Money Market</td>
<td>8.4%</td>
</tr>
<tr>
<td>Morgan Stanley Global Sustain</td>
<td>Equity</td>
<td>5.9%</td>
</tr>
<tr>
<td>US TIPS</td>
<td>Fixed Income</td>
<td>5.8%</td>
</tr>
<tr>
<td>Marriot Wright Fuji Yield</td>
<td>Equity</td>
<td>4.9%</td>
</tr>
<tr>
<td>Fidelity Emerging Markets</td>
<td>Equity</td>
<td>4.8%</td>
</tr>
<tr>
<td>Jennison Global Equity Opportunities</td>
<td>Equity</td>
<td>3.9%</td>
</tr>
<tr>
<td>Amundi Global Systematic Fixed Income</td>
<td>Fixed Income</td>
<td>3.5%</td>
</tr>
<tr>
<td>Hereford Bin Yuan Greater China</td>
<td>Equity</td>
<td>3.4%</td>
</tr>
<tr>
<td>Muzinich Enhanced Yield Short-Term (USD hedged)</td>
<td>Fixed Income</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

**Current asset allocation**

- **Global equity**
- **US equity**
- **Japan equity**
- **Investment grade credit**
- **Emerging market equity**
- **Private equity**
- **High yield credit**
- **Aggregate bonds**
- **Crossover equity**
- **Cash & money market**
- **Inflation-linked bonds**
- **Aggregate bonds**
- **Crossover equity**
- **Cash & money market**

**Currency allocation**

- **USD**
- **EUR**
- **JPY**
- **GBP**
- **CHF**
- **Other**

**Fund performance**

**Insufficient share class history**

This is a new share class and no past performance figures are available

**Cumulative returns**

**Insufficient share class history**

This is a new share class and no past performance figures are available

**Investment statistics (since inception)**

- **Cumulative return:**
- **Annualised return:**
- **Annualised volatility:**
- **Highest annual return:**
- **Lowest annual return:**

Return and volatility statistics may only be published 6 months after the inception of the Class D USD share class

**Holdings**

- **Rebecca Multi-Factor Global Equity**
- **BlackRock US Dollar Ultra Short Bond**
- **Morgan Stanley Global Sustain**
- **US TIPS**
- **Marriot Wright Fuji Yield**
- **Fidelity Emerging Markets**
- **Jennison Global Equity Opportunities**
- **Amundi Global Systematic Fixed Income**
- **Hereford Bin Yuan Greater China**
- **Muzinich Enhanced Yield Short-Term (USD hedged)**

*Direct holding  †Indirectly held in the Momentum GF Global Equity Fund  ‡Indirectly held in the Momentum IF Global Fixed Income Fund.

All the gains in markets between mid-June and mid-August were erased in September. The principal cause of the sharp falls in markets was the persistence of high inflation rates across much of the developed world, triggering increasingly hawkish policy moves by central banks, with the Fed in the vanguard dispelling any doubts about their resolve to bring inflation firmly under control, even if that means higher unemployment, a weak housing market and an extended period of below trend growth. Other central banks also tightened policy more aggressively. Most notable was the ECB, which faces even more challenging inflationary conditions than the Fed, leading to a further 75bps hike in September.

Commodity prices fell sharply, including the critical natural gas markets in Europe, and there is increasing evidence that supply chain pressures, while still high, are easing. Despite the falls in September, energy price levels are still 8-10x those prevailing two years earlier in the EU, and 5-6x in the UK. Price rises of this magnitude, combined with high inflation and the sharp tightening of monetary policy, are damaging confidence of households and businesses.

The household and corporate sectors are in a healthy financial state and banks have very strong balance sheets and large capital buffers to weather the upcoming storm. There are no signs of significant systemic risks ahead, however, just as central banks were late in tightening policy to contain inflation, so they risk overkill by tightening too far.

Developed markets, measured by the MSCI World index, returned -9.3% over the month, with the US returning -9.2% while the UK returned -4.8% in local currency terms. Emerging markets fell 11.7% in local terms, Bond markets returned -5.3% in September, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries returning -3.3% and US corporate investment grade bonds returning -5.3%.

The carnage across financial markets so far this year might not yet represent the moment of maximum risk aversion, but it has brought that time much closer. With peak inflation approaching, policy tightening well underway and growth slowing, markets will start to discount the recovery which will surely come. Patience, a longer-term perspective, and sensible diversification are invaluable at times like this, to avoid missing out on the early fruits of that recovery.

Source: Bloomberg Finance LP, Momentum Global Investment Management Limited

### Fees applicable to Class D participating shares

<table>
<thead>
<tr>
<th>Management and administration fee (per annum):</th>
<th>Investment management fee (per annum):</th>
<th>Other applicable fees (per annum):</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.21% subject to a minimum of USD 22,000 per annum</td>
<td>0.30%</td>
<td>Distribution partner fees payable to the Class D Distribution Partner: 0.20%</td>
</tr>
<tr>
<td>Performance fees are not applicable to this Fund</td>
<td>Performance fees: 0.00%</td>
<td>Custody fees: 0.04%, subject to a minimum of USD 8,000 per annum.</td>
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<tr>
<td></td>
<td></td>
<td>(Custodian fee per transaction: USD 25)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Directors’ fees: 0.00%</td>
</tr>
</tbody>
</table>

### Risk warnings and important notes

Collective investments are generally medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Collective investments are traded at ruling prices. Commission and incentives may be paid and, if so, would be included in the overall costs. All performance is calculated on a total return basis, after deduction of all costs and in US dollar terms. Forward pricing is used. The Fund invests in other collective investments, which levy their own charges. This could result in a higher fee structure for the Fund. Fluctuations in the value of the underlying funds change in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed. Deductions of charges and expenses mean that you may not get back the amount you invested.

The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future. Higher risk investments may be subject to sudden and larger falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies, even those that are quoted on exchanges, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.

The Fund will contain shares or units in underlying funds that do not permit dealing every day. Investments in such funds will only be realised on their dealing days. It is not possible to assess the proper market price of these investments other than on the fund’s dealing days.

No borrowing will be undertaken by the Fund except for the purpose of meeting short term liquidity requirements. Borrowings will not exceed 10% of the net asset value of the Fund. For such purpose, the arrangement of a representative of the Fund with a third party lender will be the method of borrowing. No short borrowing will be allowed. The Cell is not permitted to enter into any form of borrowing or loan arrangement with other cells of the Company or other collective investment schemes of the Manager.

While derivative instruments may be used for hedging purposes, the risk remains that the relevant instrument may not necessarily fully correlate to the investments in the Fund and accordingly not fully reflect any change in the value of the investment, giving rise to potential losses.

Forward contracts are neither traded on exchanges nor standardised. Principals dealing in these markets are also not required to make markets in the currencies they trade, with the result that these markets may experience periods of illiquidity. Banks and dealers will normally act as principals and usually each transaction is negotiated on an individual basis.

The Manager has the right to close the Fund to new investors, in order to manage it more efficiently, in accordance with its mandate. Investment in the Fund may not be suitable for all investors. Obtain advice from your financial adviser before proceeding with an investment.

Investors are reminded that any forecasts and/or commentary included in this MDD are not guaranteed to occur, and merely reflect the interpretation of the public information and propiety research available at the date of preparation. This report should be read in conjunction with the prospectus of Momentum Fund ICC Limited and the supplement, in which all the current fees and fund facts are disclosed. Copies of these scheme particular, including the Prospectus, Fund Supplement, and the annual accounts of the Scheme, which provide additional information, are available, free of charge, upon request from Momentum Global (Guernsey) Limited, 8th Floor, 20 St Peter Port, Guernsey, GY1 1WF. Telephone 0144 1481 735480, or from our website www.momentum.co.gu. A schedule of similarities and differences is also available to South African investors and can be found on our website www.momentum.co.za.

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