

### **Diversify your** diversifiers

by Alex Harvey, CFA

Genghis Khan is considered by many to be perhaps the greatest conqueror of all time (sorry, Guillaume de Normandie), and ruled over an empire that at its peak spanned as far west as modern-day Poland and as far east as the Russian Pacific seaboard. Mongolia today is a 'fraction' of that size but still in the world's top 20 largest countries and would knock Kazakhstan down into 10th place if you included the Mongolic autonomous region of the People's Republic of China<sup>1</sup>. As the least densely populated country in the world it fits the population of Wales into a land mass the size of Western Europe. It's that empty.

I was fortunate to have visited this beautiful landlocked country three years ago and journey overland through the Gobi desert and beyond. As is customary we travelled in a convoy, not because we were important (far from it!) but because if you break down out there, no one is going to find you. The lack of mobile reception was part of the 'Detox draw' but with that comes no search and rescue. That 10yr old land cruiser might have served you well in the past but it can still go wrong (and it did). In the vast empty Mongolian plains, you need a back-up plan.

The same can be said for modern portfolio design. For years investors have relied on the classic '60/40' portfolio (consisting of 60% equities and 40% bonds) which has provided investors a handsome return - and diversification - through the great 30-year bond bull market. Going forward however the maths just doesn't stack up; a 30 year annualised return of 5.2% but a yield today of sub 1%<sup>2</sup>. As we see increasingly these days bonds are not the antidote to a sell off in equities, they can be the cause. Recent wobbles in equity markets have followed moves higher in bond yields and some of the most sensitive names to this creep higher are the growthier tech companies whose future earnings growth feels the negative effect of a higher discount rate more acutely. With a handful of these 'FAANG'ier<sup>3</sup> type names driving index performance due to their size and concentration, it is unsurprising that the rate effect has become more pronounced.

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17 May 2021

Indeed, it was arguably ever lower rates that helped lift the information technology sector weight, within the US equity market, to its post 2001 TMT highs in the first place. At 0.34<sup>5</sup> the three-month bond – equity correlation is currently at its highest level for over five years, having only briefly been higher in the last twenty. 'Correlation does not imply causation' goes the saying but the effect is evident today. Add to this several testing liquidity episodes in the last few years for US Treasuries, the world's most liquid 'risk free' asset, and investors would be wise to hedge their diversification bets.

At Momentum we have long advocated embedding a truly multi asset exposure into client portfolios and funds. Our multi asset, multi style and multi manager approach builds in additional diversification levers that help to smooth the investment journey that we create for our clients. Credit, convertibles, inflation linked bonds, infrastructure, property, gold and alternatives are among the asset classes we use to build portfolios, whilst value, quality and growth exposure provides style diversification. Our modelling shows that over the last 20 years a broad strategic asset allocation increases the diversification benefits of a 60/40 portfolio by over 70%<sup>4</sup>. Some currency exposure is naturally embedded within both allocations but an explicit exposure to a perceived haven currency like the Japanese Yen could further improve the portfolio effect. The inflated returns from Developed Market sovereign bonds in recent decades may give false comfort to those banking on the same for the future. Yes, bonds are an important part of a multi asset portfolio but today arguably provide more of a 'return free risk' than a 'risk free return'. By diversifying your diversifiers you can reduce your risk of coming unstuck in the proverbial investment desert.

<sup>&</sup>lt;sup>1</sup> Source: Wikipedia ; <sup>2</sup> Source: JP Morgan Global Government Bond index; <sup>3</sup> The FAANG index refers to Facebook, Amazon, Apple, Netflix and Google. They represent 17.4% of the S&P500 index by market value today; <sup>4</sup> The diversification benefit for a multi asset portfolio was 2.6% compared to 1.5% for a risk equivalent global 60/40 portfolio; <sup>5</sup> Source: MGIM

# Market Focus

- » Global equities fell -1.3% last week
- » The global rate of new coronavirus cases continues to decline from their peak a couple of weeks ago
- » Brent crude rose 0.6% last week to \$68.7 a barrel
- » Gold rose 0.7% at \$1843.4 per ounce

- » US equities fell -1.4% last week
- » The unemployment rate rose to 6.1% against 5.8% expected, from 6.0% in March
- The CPI reading for April came in at 0.8% on a month-on-month basis, taking the annual CPI figure to 4.2% in April from 2.6% in March and well above market forecasts of 3.6%.
- » Excluding the volatile food and energy components, the core CPI rose 0.9% from March, the most since 1982.
- » US producer prices rose 0.6% in April on a monthon-month basis, stronger than the 0.3% expected, sending the year-on-year number to 6.2%
- » Initial jobless claims for the week fell to 473k, their lowest level since before the pandemic
- » The Fed has tweaked its policy of US treasury purchases to buy more securities maturing in seven years or longer – they will now buy \$20.25bn vs \$17.75bn previously

UK

US

- » UK equities fell -0.8% last week
- » Restrictions in England will be eased further from 17th May with the re-opening of indoor venues and indoor mixing in groups of six or two households being allowed
- » GDP contracted -1.5% in Q1, fractionally missing expectations. The monthly GDP reading for March was 2.1%, higher than the 1.5% expected

#### Rest of the World/Asia

- » The benchmark Global Emerging Markets index returned -3.0% last week
- » Japanese equities fell -2.6% over the week
- » China's retail sales in April were up 17.7% year-onyear, missing expectations of a 25% increase
- » Japan has expanded the state of emergency to three more prefectures and Singapore's local cases have now risen to the highest level since July

#### Europe

European equities fell -0.5% last week

- The German ZEW survey, a measure of economic expectations, rose to 84.4 in May from 70.7 in April. The outcome was the highest level since 2000 and above forecasts of 71.0.
- In the Euro Area, industrial production grew by just 0.1% in March, lower than expectations of a 0.8% rise
- » The Euro Area composite PMI was at 53.8 in April, its highest reading since July
- » If current trends continue, Spain is on track to reach herd immunity in approximately 100 days when 70% of the population will be vaccinated

globalmatters Market Summary

## momentum

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Ackt Class / RegionCurrencyWerkendowNot DodayP. D 20042 monthDivited StatesUSD-1.4%-0.1%1.5%4.8.0%United StatesGBP-0.8%1.7%1.3%2.5.9%Continental EuropeEUR-0.6%1.3%1.4.%3.9.8%Japan ControlJPY-2.6%-0.2%5.3%3.2.9%Asia Pacific (ex Japan)JPY-2.6%-0.2%8.0%3.5%Gobal-0.0%-0.2%-0.2%4.0%4.0%Gobal-0.0%-0.3%-0.3%4.92%4.2%Emerging Statin AmericaJDS-0.4%-0.5%3.5%4.6%Brok ControlJDS-0.4%-0.5%-0.4%3.5%Gobal energing Laint AmericaJDS-0.4%-0.5%-0.4%3.5%Gobal energing Laint AmericaJDS-0.4%-0.5%-0.4%-0.5%Gobal energing Laint AmericaJDS-0.4%-0.5%-0.4%-0.5%Gobal energing Laint AmericaJDS-0.4%-0.5%-0.4%-0.5%Gobal energing Laint AmericaJDS-0.6%-0.6%-0.6%-0.6%Gobal energing Laint AmericaJDS-0.6%-0.6%-0.6%-0.6%Gobal energing Laint AmericaJDS-0.6%-0.6%-0.6%-0.6%Gobal energing Laint AmericaJDS-0.6%-0.6%-0.6%-0.6%Gobal energing Laint AmericaJDS-0.6%-0.6%-0.6%-0.6% <th></th> <th></th> <th colspan="6">Cumulative returns</th>			Cumulative returns					
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United KingdomGBP-0.8%1.7%1.3%2.5%Continental EuropeEUR-0.5%1.3%1.14%39.8%JapanJPY-2.6%-0.8%5.3%32.9%Asia Pacific (ex Japan)USD-3.1%-3.4%2.1%475%AustraliaAUD-0.6%0.2%8.0%35.6%GlobalUSD-0.6%0.2%8.0%35.6%GlobalUSD-0.6%0.2%8.0%35.6%Emerging Markets EquitiesUSD-0.6%5.4%7.7%39.5%Emerging Latin AmericaUSD-0.6%5.5%3.5%66.9%BICsUSD-0.6%0.0%1.3%301%ChinaUSD-0.6%0.0%15.9%45.7%South AfricaUSD-0.6%0.0%15.9%45.7%IndiaUSD-1.0%1.3%4.4%30.1%Global energing marketsUSD-0.6%0.0%15.9%45.7%South AfricaUSD-0.6%0.0%1.3%7.7%US Treasuries (inflation protected)USD-0.4%-0.4%7.7%US Croporate (investment grade)USD-0.3%-0.7%-5.5%US Corporate (investment grade)USD-0.3%-0.7%-7.5%US Corporate (investment grade)USD-0.3%-0.4%-4.4%Euro Government BondsUSD-0.5%-0.3%-1.0%-5.6%Euro High YieldUSD-0.5%-0.3% </td <td>Developed Markets Equities</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Developed Markets Equities							
Continental EuropeEUR-0.5%1.3%1.14%39.8%JapanJPY-2.6%-0.8%5.3%32.9%Asia Pacific (ex Japan)USD-3.1%-3.4%2.1%47.5%AustraliaAUD-0.6%0.2%8.0%35.6%GlobalUSD-1.3%0.1%9.9%49.2%Emerging Markets EquitiesUSD-0.2%5.2%7.7%39.5%Emerging AsiaUSD-0.2%5.2%7.7%39.5%Emerging Latin AmericaUSD-0.6%5.5%3.5%6.69%BIKSUSD-2.4%-2.5%-1.3%301%ChinaUSD-3.1%-5.3%-4.4%301%ChinaUSD-2.4%-2.9%-1.3%301%ChinaUSD-3.1%-5.3%-4.4%301%ChinaUSD-3.1%-5.3%-4.4%301%ChinaUSD-0.6%0.0%15.9%45.7%South AfricaUSD-0.6%0.0%15.9%45.7%IndiaUSD-0.0%1.3%4.9%671%Global emerging marketsUSD-0.0%-0.1%-7.5%5.5%US Treasuries (inflation protected)USD-0.0%-0.1%-7.5%5.5%US Corporate (investment grade)USD-0.0%-0.1%-7.5%-8.5%US Corporate (investment grade)EUR-0.2%-0.3%-0.0%-4.4%0.2%US Corporate (investment grade) <td>United States</td> <td>USD</td> <td>-1.4%</td> <td>-0.1%</td> <td>11.5%</td> <td>48.0%</td>	United States	USD	-1.4%	-0.1%	11.5%	48.0%		
JapanJPY2.6%0.8%5.3%3.29%Aisa Pacific (ex Japan)USD-3.1%-3.4%2.1%4.75%AustraliaAUD-0.6%0.2%8.0%3.56%GlobalUSD-1.3%0.1%9.9%49.2%Emerging Markets EquitiesUSD-0.2%5.2%7.7%3.9.5%Emerging AsiaUSD-0.6%5.5%3.5%6.69%BRICsUSD-0.6%5.5%1.3%6.69%BRICsUSD-2.4%-2.5%-1.3%3.91%ChinaUSD-3.1%-5.3%-4.4%30.1%ChinaUSD-3.0%0.0%15.9%4.5%South AfricaUSD-0.6%0.0%15.9%4.5%IndiaUSD-1.0%1.3%4.9%6.71%Global emerging marketsUSD-0.0%1.9%4.8%US TreasuriesUSD-0.0%1.1%0.7%7.1%US Treasuries (inflation protected)USD-0.0%1.0%3.6%5.5%UK Groporate (investment grade)USD-0.3%0.0%2.0%1.9%6.6%UK Groporate (investment grade)EUR-0.3%-0.3%-0.3%0.2%1.9%UK Groporate (investment grade)USD-0.0%-0.0%-0.3%0.2%1.9%UK Groporate (investment grade)EUR-0.3%-0.3%-0.3%-0.3%0.2%Euro Coporate (investment grade)EUR-0.5%-0.3%	United Kingdom	GBP	-0.8%	1.7%	11.3%	25.9%		
Nation   Nation<	Continental Europe	EUR	-0.5%	1.3%	11.4%	39.8%		
AustraliaAUD-0.6%0.2%8.0%3.5.%GlobalUSD-1.3%0.1%9.9%4.2.%Emerging Markets EquitiesUSD-0.2%5.2%7.7%3.9.5.%Emerging AsiaUSD-0.6%5.5%3.5%6.6.%Emerging Lain AmericaUSD-0.6%5.5%3.5%6.6.%BRICsUSD-2.4%-2.5%-1.3%3.91%ChinaUSD-3.1%-5.3%-4.4%30.1%MENA countriesUSD0.6%0.0%15.9%45.7%South AfricaUSD-0.6%0.0%15.9%45.7%IndiaUSD-1.0%1.3%4.9%67.1%Global emerging marketsUSD-0.0%1.7%4.8%DST reasuriesUSD-0.0%-1.1%0.7%7.1%US Croporate (inflation protected)USD-0.4%0.0%3.6%5.5%US flightlidUSD-0.5%0.0%3.6%5.5%US flightlidUSD-0.5%0.0%3.6%5.5%US flightlidUSD-0.5%0.0%3.6%5.5%US flightlidUSD-0.3%-0.7%-7.5%8.5%US flightlidUSD-0.3%-0.7%-7.5%8.5%US flightlidUSD-0.5%0.0%-3.6%0.2%US flightlidUSD-0.5%0.0%-3.4%0.2%US flightlightlidUSD-0.5%0.0%-3.4%0.2% </td <td>Japan</td> <td>JPY</td> <td>-2.6%</td> <td>-0.8%</td> <td>5.3%</td> <td>32.9%</td>	Japan	JPY	-2.6%	-0.8%	5.3%	32.9%		
GlobalUSD1.3%0.1%9.9%4.9.2%Emerging Markets EquitiesUSD-0.2%5.2%7.7%3.9.5%Emerging AsiaUSD-3.6%-4.4%0.0%4.6.4%Emerging Latin AmericaUSD-0.6%5.5%3.5%6.6.9%BRCsUSD-2.4%-2.5%-1.3%3.91%ChinaUSD-3.1%-5.3%-4.4%30.1%MENA countriesUSD-0.6%0.0%15.9%45.7%South AfricaUSD-0.6%0.0%15.9%45.7%IndiaUSD-1.0%1.3%4.9%67.1%Global emerging marketsUSD-0.6%0.9%12.9%65.6%UST FreasuriesUSD-0.0%-1.9%48.2%US Treasuries (inflation protected)USD-0.4%-0.1%-5.0%US Carporate (investment grade)USD-0.4%-0.9%-3.6%-5.5%UK Glosporate (investment grade)USD-0.3%-0.0%-3.6%-5.5%UK Gorporate (investment grade)EUR-0.3%-0.4%-4.4%4.4%Lero Groyerate (investment grade)EUR-0.5%-0.3%-0.4%-4.3%-0.2%Lero Groyerate (investment grade)EUR-0.2%-0.2%-2.3%-0.4%-0.4%Lero Groyerate (investment grade)EUR-0.2%-0.3%-0.4%-0.4%-0.4%Lero Groyerate (investment grade)EUR-0.2%-0.2%-0.4%-0.4%<	Asia Pacific (ex Japan)	USD	-3.1%	-3.4%	2.1%	47.5%		
Emerging Markets Equities     Emerging Europe   USD   -0.2%   5.2%   7.7%   39.5%     Emerging Asia   USD   -3.6%   -4.4%   0.0%   46.4%     Emerging Latin America   USD   -0.6%   5.5%   3.5%   66.9%     BRICs   USD   -2.4%   -2.5%   -1.3%   391%     China   USD   -2.4%   0.0%   15.9%   45.7%     MENA countries   USD   -0.6%   0.9%   12.9%   65.6%     India   USD   -1.0%   1.3%   4.9%   67.1%     Global emerging markets   USD   -0.0%   1.9%   48.2%     Bresuries   USD   -0.0%   -0.9%   1.9%   65.6%     US Tressuries   USD   -0.0%   -0.1%   4.2%   65.5%     US Corporate (investment grade)   USD   -0.0%   -0.1%   -2.6%   5.5%     UK Gilts   GBP   -1.3%   -0.7%   -7.5%   -8.5%     UK Gorporate (investment grade) <td>Australia</td> <td>AUD</td> <td>-0.6%</td> <td>0.2%</td> <td>8.0%</td> <td>35.6%</td>	Australia	AUD	-0.6%	0.2%	8.0%	35.6%		
Emerging EuropeUSD0.2%5.2%7.7%9.95%Emerging AsiaUSD-3.6%-4.4%0.0%4.6.4%Emerging Latin AmericaUSD-0.6%5.5%3.5%6.9%BRICsUSD-2.4%-2.5%-1.3%391%ChinaUSD-3.1%0.0%15.9%4.4%30.1%MENA countriesUSD-0.6%0.0%15.9%45.7%South AfricaUSD-0.0%0.9%12.9%65.6%IndiaUSD-1.0%1.3%4.9%67.1%Global emerging marketsUSD-0.0%-2.9%1.8%48.2%US TreasuriesUSD-0.0%-0.1%-4.0%-5.0%US Treasuries (inflation protected)USD0.0%1.1%0.7%7.1%US Corporate (investment grade)USD-0.3%0.0%2.0%1.95%4.4%UK Corporate (investment grade)EUR-0.9%-0.4%-4.4%4.4%Euro Government BondsEUR-0.2%-0.2%-2.1%1.70%Japanese GovernmentJPY0.0%-0.2%-3.3%-3.3%Global Government BondsUSD-0.6%-0.2%-3.3%-3.3%Global Government BondsUSD-0.6%0.0%-4.6%1.3%Global Government BondsUSD-0.6%0.0%-3.5%-3.3%Global Government BondsUSD-0.6%0.0%-3.5%-3.3% <trr<td>Global Government BondsUSD<td>Global</td><td>USD</td><td>-1.3%</td><td>0.1%</td><td>9.9%</td><td>49.2%</td></trr<td>	Global	USD	-1.3%	0.1%	9.9%	49.2%		
Average   USD   3.6%   4.4%   0.0%   4.64%     Emerging Latin America   USD   -0.6%   5.5%   3.5%   6.69%     BRICs   USD   -2.4%   -2.5%   -1.3%   3.91%     China   USD   -3.1%   -5.3%   -4.4%   3.01%     MENA countries   USD   0.6%   0.0%   15.9%   45.7%     South Africa   USD   -0.0%   0.9%   12.9%   65.6%     India   USD   -1.0%   1.3%   4.9%   67.1%     Global emerging markets   USD   -1.0%   1.3%   4.9%   67.1%     Brocs   USD   -1.0%   1.3%   4.9%   67.1%     Brobs   USD   -0.0%   -1.3%   4.9%   67.1%     US Treasuries (inflation protected)   USD   0.0%   1.1%   0.7%   7.1%     US Corporate (investment grade)   USD   -0.3%   0.0%   -3.6%   5.5%     UK Corporate (investment grade)   GBP   -1.3%	Emerging Markets Equities							
Normal BRICsUSD-0.6%5.5%3.5%66.9%BRICsUSD-2.4%-2.5%-1.3%39.1%ChinaUSD-3.1%-5.3%-4.4%30.1%MENA countriesUSD0.6%0.0%15.9%45.7%South AfricaUSD-4.0%0.9%12.9%65.6%IndiaUSD-1.0%1.3%4.9%67.1%Global emerging marketsUSD-0.0%-2.9%1.8%48.2%BondsUSD-0.0%-0.1%-4.0%-5.0%US TreasuriesUSD-0.4%-0.1%-4.0%-5.0%US Corporate (investment grade)USD-0.3%0.0%-3.6%5.5%UK GitsGBP-1.3%-0.7%-8.5%-8.5%UK Corporate (investment grade)GBP-0.9%-0.4%-4.4%-4.4%Euro Government BondsEUR-0.2%-0.3%-1.0%-5.9%-8.5%Euro High YieldEUR-0.2%-0.3%-1.0%-6.6% <t< td=""><td>Emerging Europe</td><td>USD</td><td>-0.2%</td><td>5.2%</td><td>7.7%</td><td>39.5%</td></t<>	Emerging Europe	USD	-0.2%	5.2%	7.7%	39.5%		
Ref   USD   -2.4%   -2.5%   -1.3%   391%     China   USD   -3.1%   -5.3%   -4.4%   30.1%     MENA countries   USD   0.6%   0.0%   15.9%   45.7%     South Africa   USD   -4.0%   0.9%   12.9%   65.6%     India   USD   -1.0%   1.3%   4.9%   67.1%     Global emerging markets   USD   -0.40%   -0.9%   1.8%   48.2%     Bross   USD   -0.40%   -0.1%   4.0%   67.1%     US Treasuries   USD   -0.4%   -0.1%   4.0%   5.0%     US Corporate (investment grade)   USD   0.0%   1.1%   0.7%   7.1%     UK Gilts   GBP   -0.3%   0.0%   -3.6%   5.5%     UK Corporate (investment grade)   EUR   -0.8%   -0.9%   -4.4%   4.4%     Euro Government Bonds   EUR   -0.2%   -0.2%   1.0%   -0.2%   -0.2%   0.2%   -0.8%   -0.8%	Emerging Asia	USD	-3.6%	-4.4%	0.0%	46.4%		
ChinaUSD-3.1%-5.3%-4.4%30.1%MENA countriesUSD0.6%0.0%15.9%45.7%South AfricaUSD-4.0%0.9%12.9%65.6%IndiaUSD-1.0%1.3%4.9%671%Global emerging marketsUSD-3.0%-2.9%1.8%48.2%BondsUS TreasuriesUSD-0.4%-0.1%-4.0%-5.0%US Treasuries (inflation protected)USD-0.4%-0.1%-7.%7.1%US Corporate (investment grade)USD-0.3%0.0%2.0%19.5%UK GiltsGBP-1.3%-0.7%-7.5%-8.5%UK Corporate (investment grade)EUR-0.8%-0.9%-4.4%4.4%Euro Government BondsEUR-0.5%-0.3%-1.0%5.6%Euro High YieldIPY0.0%0.1%-0.2%-0.8%Australian GovernmentJPY0.0%0.1%-0.2%-3.3%Global Government BondsUSD-0.6%0.0%-4.6%1.3%Global Government BondsUSD-0.6%0.0%-3.5%-3.3%Global Government BondsUSD-0.6%0.0%-3.5%-3.3%Global Government BondsUSD-0.6%0.0%-3.5%-3.3%Global Government BondsUSD-0.6%0.0%-3.5%4.4%Global Government BondsUSD-0.5%0.0%-3.5%4.4%Global Governme	Emerging Latin America	USD	-0.6%	5.5%	3.5%	66.9%		
MENA countriesUSD0.6%0.0%15.9%45.7%South AfricaUSD-4.0%0.9%12.9%65.6%IndiaUSD-1.0%1.3%4.9%671%Global emerging marketsUSD-3.0%-2.9%1.8%48.2%BondsUSD-0.4%-0.1%-4.0%-5.0%US Treasuries (inflation protected)USD0.0%1.1%0.7%7.1%US Corporate (investment grade)USD-0.5%0.0%-3.6%5.5%UK Griporate (investment grade)GBP-1.3%-0.7%-7.5%-8.5%UK Corporate (investment grade)GBP-0.9%-0.4%-4.4%4.4%Euro Government BondsEUR-0.5%-0.3%-1.0%-0.5%-0.5%Japanese GovernmentJPY0.0%0.1%-0.2%-0.8%Australian Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%0.0%-4.4%1.3%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3% <td>BRICs</td> <td>USD</td> <td>-2.4%</td> <td>-2.5%</td> <td>-1.3%</td> <td>39.1%</td>	BRICs	USD	-2.4%	-2.5%	-1.3%	39.1%		
South AfricaUSD-4.0%0.9%12.9%65.6%IndiaUSD-1.0%1.3%4.9%67.1%Global emerging marketsUSD-3.0%-2.9%1.8%48.2%BondsUS TreasuriesUSD-0.4%-0.1%-4.0%-5.0%US Treasuries (inflation protected)USD0.0%1.1%0.7%7.1%US Corporate (investment grade)USD-0.5%0.0%-3.6%5.5%UK GittsGBP-1.3%-0.7%-7.5%-8.5%UK Corporate (investment grade)EUR-0.8%-0.9%-4.4%4.4%Euro Government BondsEUR-0.5%-0.3%-1.0%5.6%Euro High YieldEUR-0.2%-0.2%-1.0%5.6%Global GovernmentJPY0.0%0.1%-0.2%-0.8%Global Government BondsUSD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%0.0%-4.6%1.3%Global GovernmentJSD-0.6%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%	China	USD	-3.1%	-5.3%	-4.4%	30.1%		
India   USD   -1.0%   1.3%   4.9%   67.1%     Global emerging markets   USD   -3.0%   -2.9%   1.8%   48.2%     Bonds   U   Stand   -1.0%   -2.9%   1.8%   48.2%     US Treasuries   USD   -0.4%   -0.1%   -4.0%   -5.0%     US Treasuries (inflation protected)   USD   0.0%   1.1%   0.7%   7.1%     US Corporate (investment grade)   USD   -0.5%   0.0%   -3.6%   5.5%     UK Gilts   GBP   -1.3%   -0.7%   -7.5%   -8.5%     UK Corporate (investment grade)   GBP   -0.3%   0.0%   -4.4%   4.4%     Euro Government Bonds   EUR   -0.8%   -0.9%   -4.3%   0.2%     Izer High Yield   EUR   -0.5%   -0.3%   -1.0%   -5.6%     Izer High Yield   JPY   0.0%   -0.2%   -3.7%   -3.3%     Global Government Bonds   USD   -0.6%   0.0%   -4.6%   1.3%	MENA countries	USD	0.6%	0.0%	15.9%	45.7%		
Global emerging markets   USD   -3.0%   -2.9%   1.8%   48.2%     Bonds   USD   -0.4%   -0.1%   -4.0%   -5.0%     US Treasuries (inflation protected)   USD   0.0%   1.1%   0.7%   7.1%     US Corporate (investment grade)   USD   0.0%   1.1%   0.7%   5.5%     US High Yield   USD   -0.3%   0.0%   2.0%   19.5%     UK Corporate (investment grade)   GBP   -1.3%   -0.7%   7.5%   -8.5%     UK Corporate (investment grade)   GBP   -0.9%   -0.4%   -4.4%   -4.4%     Euro Government Bonds   EUR   -0.5%   -0.3%   -1.0%   5.6%     Euro High Yield   EUR   -0.5%   -0.3%   -1.0%   5.6%     Japanese Government   JPY   0.0%   -0.3%   -1.0%   5.6%     Global Government Bonds   USD   -0.6%   -0.3%   -1.0%   -0.8%     Global Government Bonds   USD   -0.6%   0.0%   -3.5%   -3.3%	South Africa	USD	-4.0%	0.9%	12.9%	65.6%		
Bonds   USD   -0.4%   -0.1%   -4.0%   -5.0%     US Treasuries (inflation protected)   USD   0.0%   1.1%   0.7%   7.1%     US Corporate (investment grade)   USD   -0.5%   0.0%   -3.6%   5.5%     US High Yield   USD   -0.3%   0.0%   2.0%   19.5%     UK Gilts   GBP   -1.3%   -0.7%   -7.5%   -8.5%     UK Corporate (investment grade)   GBP   -0.9%   -0.4%   -4.4%   4.4%     Euro Government Bonds   EUR   -0.5%   -0.3%   -0.2%   -2.1%   7.5%     Euro High Yield   EUR   -0.5%   -0.3%   -1.0%   5.6%     Euro High Yield   EUR   -0.5%   -0.3%   -1.0%   5.6%     Australian Government   JPY   0.0%   -0.1%   -0.2%   -0.3%   -0.2%   -0.3%   -0.3%   -0.3%   -0.3%   -0.3%   -0.3%   -0.3%   -0.3%   -0.3%   -0.3%   -0.6%   -0.3%   -0.6%   -0.6%	India	USD	-1.0%	1.3%	4.9%	67.1%		
US Treasuries   USD   -0.4%   -0.1%   -4.0%   -5.0%     US Treasuries (inflation protected)   USD   0.0%   1.1%   0.7%   7.1%     US Corporate (investment grade)   USD   -0.5%   0.0%   -3.6%   5.5%     US High Yield   USD   -0.3%   0.0%   2.0%   19.5%     UK Gilts   GBP   -1.3%   -0.7%   -7.5%   -8.5%     UK Corporate (investment grade)   GBP   -0.9%   -0.4%   -4.4%   4.4%     Euro Government Bonds   EUR   -0.5%   -0.3%   -1.0%   5.6%     Euro High Yield   EUR   -0.5%   -0.3%   -1.0%   5.6%     Luro Government grade)   EUR   -0.5%   -0.3%   -1.0%   5.6%     Euro High Yield   EUR   -0.2%   -0.3%   -1.0%   5.6%     Japanese Government   JPY   0.0%   0.1%   -0.2%   -0.8%     Global Government Bonds   USD   -0.6%   0.0%   -4.6%   1.3%	Global emerging markets	USD	-3.0%	-2.9%	1.8%	48.2%		
US Treasuries (inflation protected) USD 0.0% 1.1% 0.7% 7.1%   US Corporate (investment grade) USD -0.5% 0.0% -3.6% 5.5%   US High Yield USD -0.3% 0.0% 2.0% 19.5%   UK Gilts GBP -1.3% -0.7% -7.5% -8.5%   UK Corporate (investment grade) GBP -0.9% -0.4% -4.4% 4.4%   Euro Government Bonds EUR -0.8% -0.9% -4.3% 0.2%   Euro Corporate (investment grade) EUR -0.5% -0.3% -1.0% 5.6%   Euro Government Bonds EUR -0.2% -0.2% 2.1% 17.0%   Japanese Government JPY 0.0% 0.1% -0.2% -0.8%   Australian Government Bonds USD -0.6% 0.0% -4.6% 1.3%   Global Government Bonds USD -0.6% 0.0% -3.5% 4.4%   Global Bonds USD -0.5% 0.0% -3.5% 4.4%	Bonds							
US Corporate (investment grade) USD -0.5% 0.0% -3.6% 5.5%   US High Yield USD -0.3% 0.0% 2.0% 19.5%   UK Gilts GBP -1.3% -0.7% -7.5% -8.5%   UK Corporate (investment grade) GBP -0.9% -0.4% -4.4% 4.4%   Euro Government Bonds EUR -0.8% -0.9% -4.3% 0.2%   Euro Corporate (investment grade) EUR -0.5% -0.3% -1.0% 5.6%   Euro High Yield EUR -0.2% -0.2% 2.1% 17.0%   Japanese Government JPY 0.0% 0.1% -0.2% -3.3%   Global Government Bonds USD -0.6% 0.0% -3.5% -3.3%   Global Government Bonds USD -0.6% 0.0% -3.5% 4.4%   Global Bonds USD -0.5% 0.0% -3.5% 4.4%   Global Bonds USD -0.5% 0.0% -3.5% 4.4%	US Treasuries	USD	-0.4%	-0.1%	-4.0%	-5.0%		
US High Yield   USD   -0.3%   0.0%   2.0%   19.5%     UK Gilts   GBP   -1.3%   -0.7%   -7.5%   -8.5%     UK Corporate (investment grade)   GBP   -0.9%   -0.4%   -4.4%   4.4%     Euro Government Bonds   EUR   -0.8%   -0.9%   -4.3%   0.2%     Euro Corporate (investment grade)   EUR   -0.5%   -0.3%   -1.0%   5.6%     Euro Migh Yield   EUR   -0.2%   -0.2%   2.1%   17.0%     Japanese Government   JPY   0.0%   0.1%   -0.2%   -0.3%   -3.3%     Global Government Bonds   USD   -0.6%   0.0%   -3.7%   -3.3%     Global Bonds   USD   -0.5%   0.0%   -3.5%   4.4%     Global Convertible Bonds   USD   -0.5%   0.0%   -3.5%   4.4%	US Treasuries (inflation protected)	USD	0.0%	1.1%	0.7%	7.1%		
UK Gilts   GBP   -1.3%   -0.7%   -7.5%   -8.5%     UK Corporate (investment grade)   GBP   -0.9%   -0.4%   -4.4%   4.4%     Euro Government Bonds   EUR   -0.8%   -0.9%   -4.3%   0.2%     Euro Corporate (investment grade)   EUR   -0.8%   -0.3%   -1.0%   5.6%     Euro High Yield   EUR   -0.2%   -0.2%   2.1%   17.0%     Japanese Government   JPY   0.0%   0.1%   -0.2%   -0.8%     Global Government Bonds   USD   -0.6%   0.0%   -3.7%   -3.3%     Global Bonds   USD   -0.5%   0.0%   -3.5%   4.4%	US Corporate (investment grade)	USD	-0.5%	0.0%	-3.6%	5.5%		
UK Corporate (investment grade) GBP -0.9% -0.4% -4.4% 4.4%   Euro Government Bonds EUR -0.8% -0.9% -4.3% 0.2%   Euro Corporate (investment grade) EUR -0.5% -0.3% -1.0% 5.6%   Euro High Yield EUR -0.2% -0.2% 2.1% 17.0%   Japanese Government JPY 0.0% 0.1% -0.2% -0.8%   Global Government Bonds USD -0.6% 0.0% -3.7% -3.3%   Global Bonds USD -0.5% 0.0% -3.5% 4.4%   Global Convertible Bonds USD -0.5% -3.5% 4.2%	US High Yield	USD	-0.3%	0.0%	2.0%	19.5%		
Euro Government Bonds   EUR   -0.8%   -0.9%   -4.3%   0.2%     Euro Corporate (investment grade)   EUR   -0.5%   -0.3%   -1.0%   5.6%     Euro High Yield   EUR   -0.2%   -0.2%   2.1%   17.0%     Japanese Government   JPY   0.0%   0.1%   -0.2%   -0.8%     Australian Government   AUD   -0.6%   -0.2%   -3.7%   -3.3%     Global Government Bonds   USD   -0.6%   0.0%   -4.6%   1.3%     Global Convertible Bonds   USD   -0.5%   0.0%   -3.5%   4.4%	UK Gilts	GBP	-1.3%	-0.7%	-7.5%	-8.5%		
Euro Corporate (investment grade) EUR -0.5% -0.3% -1.0% 5.6%   Euro High Yield EUR -0.2% -0.2% 2.1% 17.0%   Japanese Government JPY 0.0% 0.1% -0.2% -0.8%   Australian Government AUD -0.6% -0.2% -3.7% -3.3%   Global Government Bonds USD -0.6% 0.0% -4.6% 1.3%   Global Convertible Bonds USD -0.5% 0.0% -3.5% 4.4%	UK Corporate (investment grade)	GBP	-0.9%	-0.4%	-4.4%	4.4%		
Euro High YieldEUR-0.2%-0.2%2.1%17.0%Japanese GovernmentJPY0.0%0.1%-0.2%-0.8%Australian GovernmentAUD-0.6%-0.2%-3.7%-3.3%Global Government BondsUSD-0.6%0.0%-4.6%1.3%Global BondsUSD-0.5%0.0%-3.5%4.4%Global Convertible BondsUSD-2.3%-3.5%-2.2%26.2%	Euro Government Bonds	EUR	-0.8%	-0.9%	-4.3%	0.2%		
Japanese Government JPY 0.0% 0.1% -0.2% -0.8%   Australian Government AUD -0.6% -0.2% -3.7% -3.3%   Global Government Bonds USD -0.6% 0.0% -4.6% 1.3%   Global Bonds USD -0.5% 0.0% -3.5% 4.4%   Global Convertible Bonds USD -2.3% -3.5% -2.2% 26.2%	Euro Corporate (investment grade)	EUR	-0.5%	-0.3%	-1.0%	5.6%		
Australian Government AUD -0.6% -0.2% -3.7% -3.3%   Global Government Bonds USD -0.6% 0.0% -4.6% 1.3%   Global Bonds USD -0.5% 0.0% -3.5% 4.4%   Global Convertible Bonds USD -2.3% -3.5% -2.2% 26.2%	Euro High Yield	EUR	-0.2%	-0.2%	2.1%	17.0%		
Global Government Bonds   USD   -0.6%   0.0%   -4.6%   1.3%     Global Bonds   USD   -0.5%   0.0%   -3.5%   4.4%     Global Convertible Bonds   USD   -2.3%   -3.5%   26.2%	Japanese Government	JPY	0.0%	0.1%	-0.2%	-0.8%		
Global Bonds   USD   -0.5%   0.0%   -3.5%   4.4%     Global Convertible Bonds   USD   -2.3%   -3.5%   -2.2%   26.2%	Australian Government	AUD	-0.6%	-0.2%	-3.7%	-3.3%		
Global Convertible Bonds   USD   -2.3%   -3.5%   -2.2%   26.2%	Global Government Bonds	USD	-0.6%	0.0%	-4.6%	1.3%		
	Global Bonds	USD	-0.5%	0.0%	-3.5%	4.4%		
Emerging Market Bonds   USD   -0.3%   0.7%   -4.8%   9.0%	Global Convertible Bonds	USD	-2.3%	-3.5%	-2.2%	26.2%		
	Emerging Market Bonds	USD	-0.3%	0.7%	-4.8%	9.0%		

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

# globalmatters Market Summary

### momentum

investments

	Cumulative returns					
Asset Class / Region	Currency	Week ending 14 May	Month to date	YTD 2021	12 months	
Property						
US Property Securities	USD	-1.3%	-1.8%	15.1%	48.9%	
Australian Property Securities	AUD	-1.6%	-0.7%	1.1%	30.2%	
Asia Property Securities	USD	-3.9%	-2.3%	4.3%	16.4%	
Global Property Securities	USD	-1.8%	-1.3%	9.5%	41.2%	
Currencies						
Euro	USD	-0.1%	0.9%	-0.7%	12.6%	
UK Pound Sterling	USD	0.8%	1.9%	3.3%	15.6%	
Japanese Yen	USD	-0.7%	-0.1%	-5.6%	-2.0%	
Australian Dollar	USD	-0.9%	0.9%	1.1%	21.0%	
South African Rand	USD	-0.3%	2.6%	3.8%	31.5%	
Swiss Franc	USD	-0.1%	1.1%	-2.0%	8.0%	
Chinese Yuan	USD	-0.1%	0.6%	1.4%	10.2%	
Commodities & Alternatives						
Commodities	USD	-2.1%	1.6%	23.2%	73.4%	
Agricultural Commodities	USD	-5.4%	-0.7%	19.9%	62.3%	
Oil	USD	0.6%	2.2%	32.6%	120.7%	
Gold	USD	0.7%	4.2%	-2.7%	6.4%	
Hedge funds	USD	-0.7%	-0.7%	2.4%	13.9%	





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