



momentum

investments

Pandemics, portfolios & potential

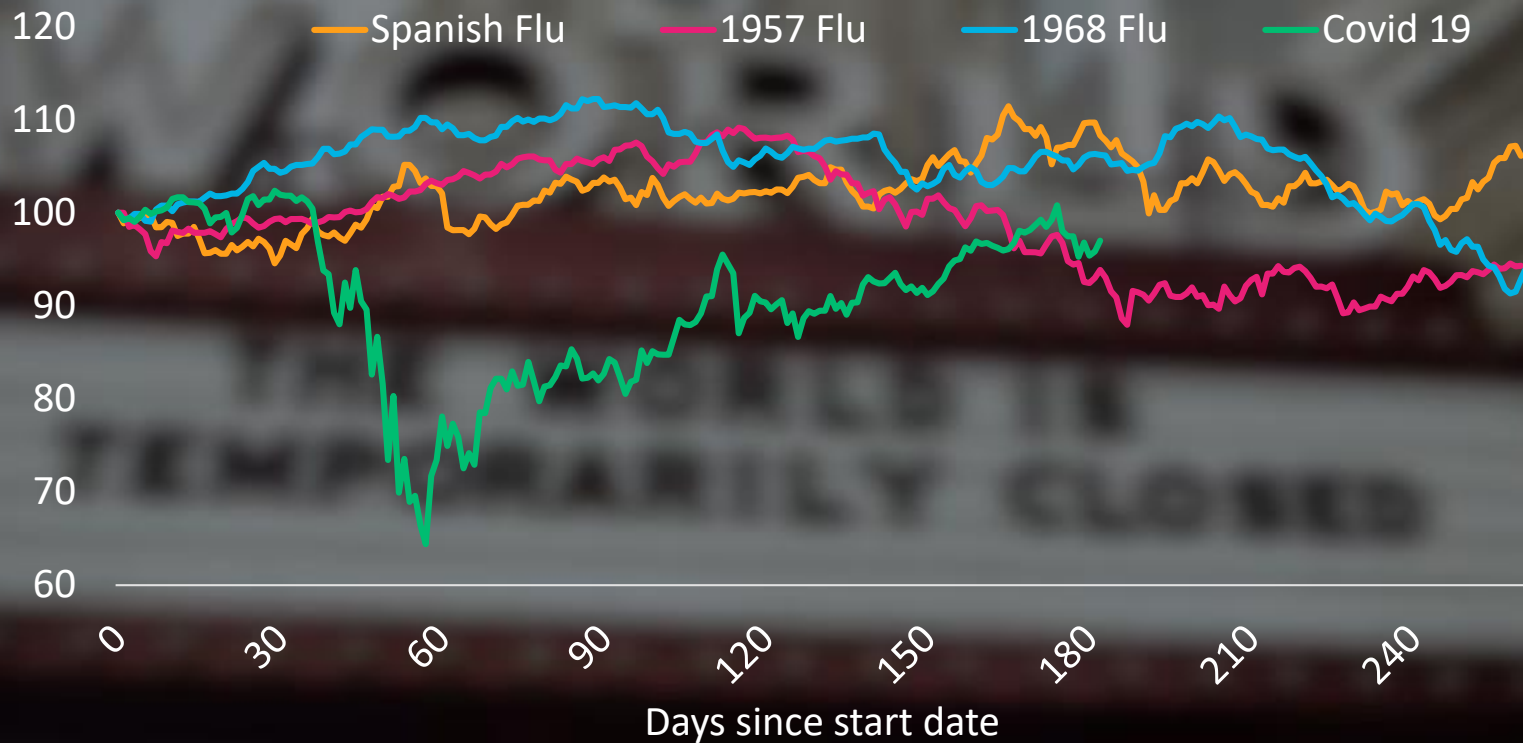
Alex Harvey, CFA

23rd Sep 2020



Anatomy of a bear pandemic

Dow Jones Industrial Average (DJIA) amid pandemics in 1918, 1957, 1968 and 2020



PANDEMIC

80¢
Rollback

37¢



24¢

37¢

24¢

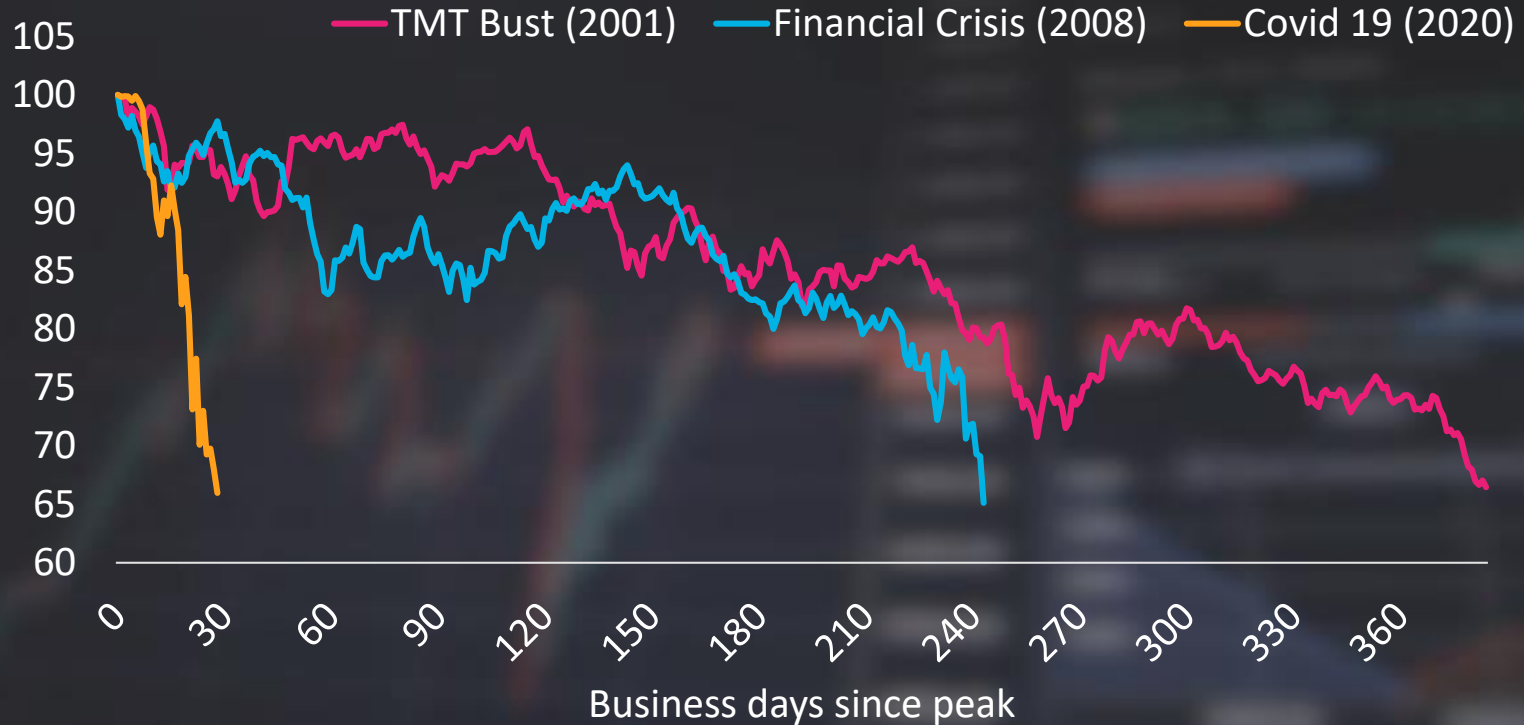
24¢



37¢

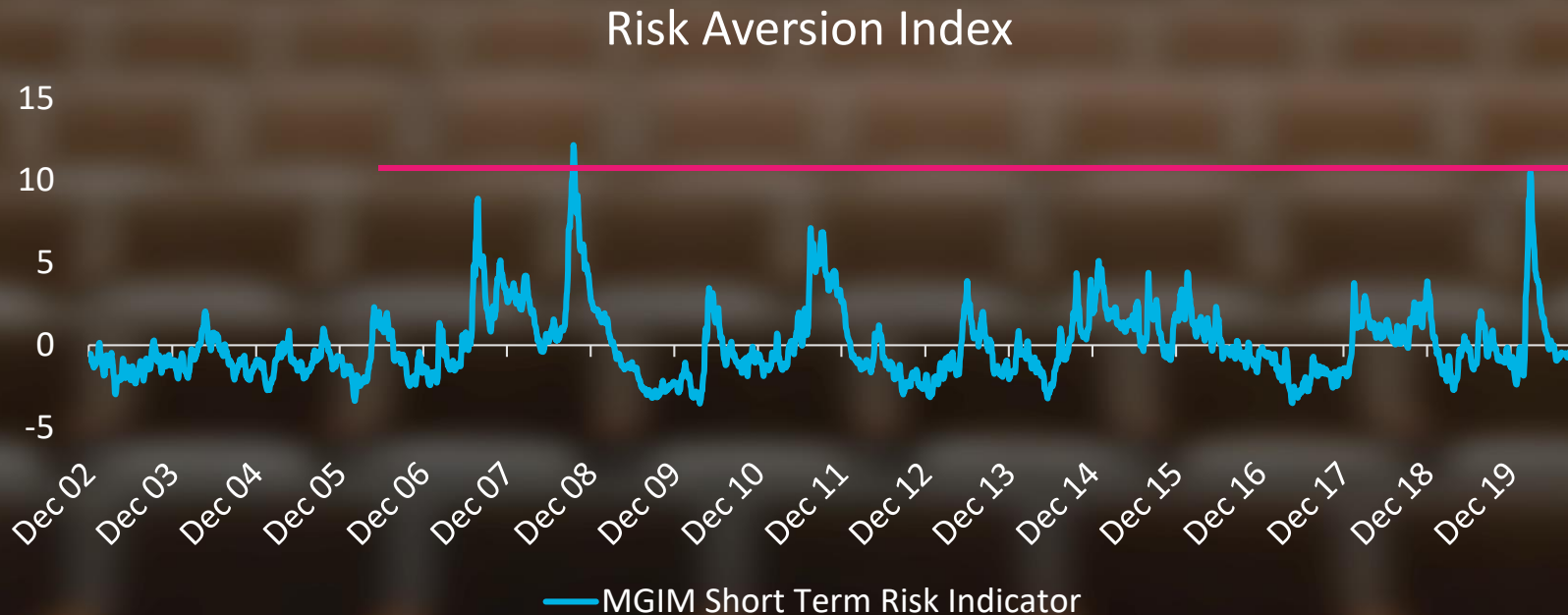
Stockmarket sell offs

Time taken for the market to lose one third of its value

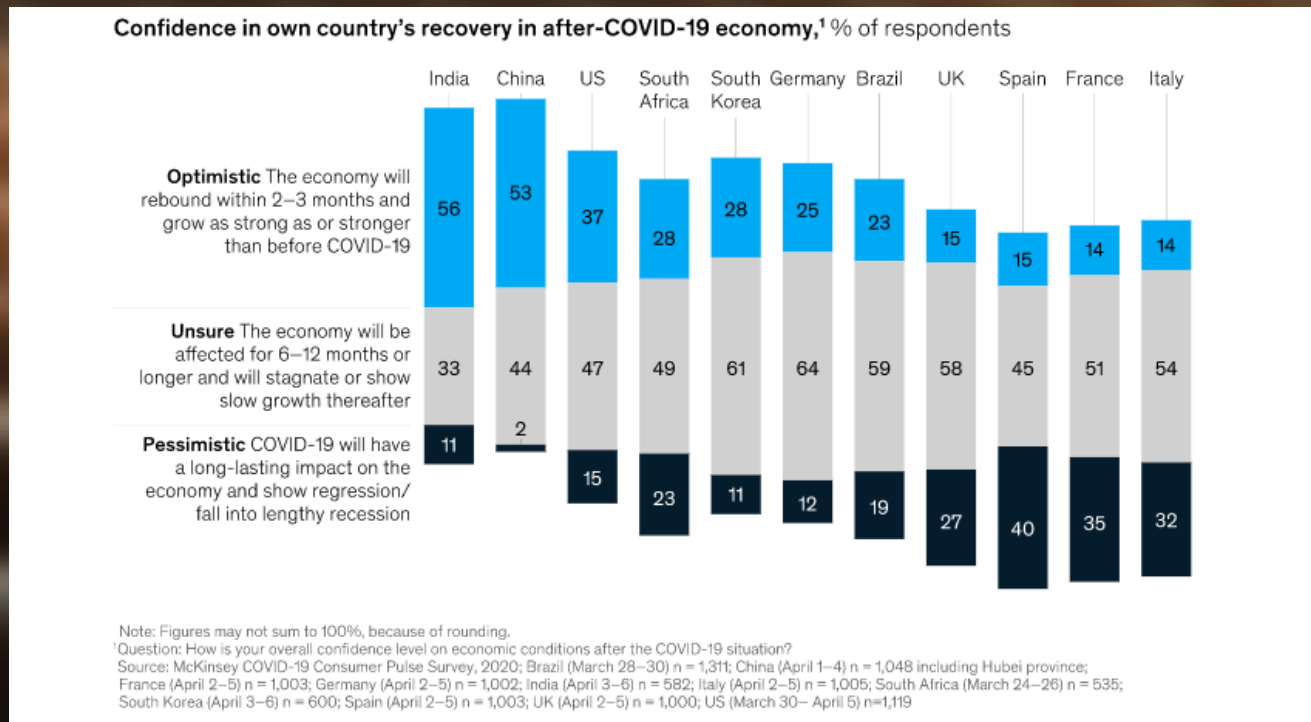


Denial turns to fear

*"Be fearful when others are greedy, **and greedy when others are fearful**" – Warren Buffett*

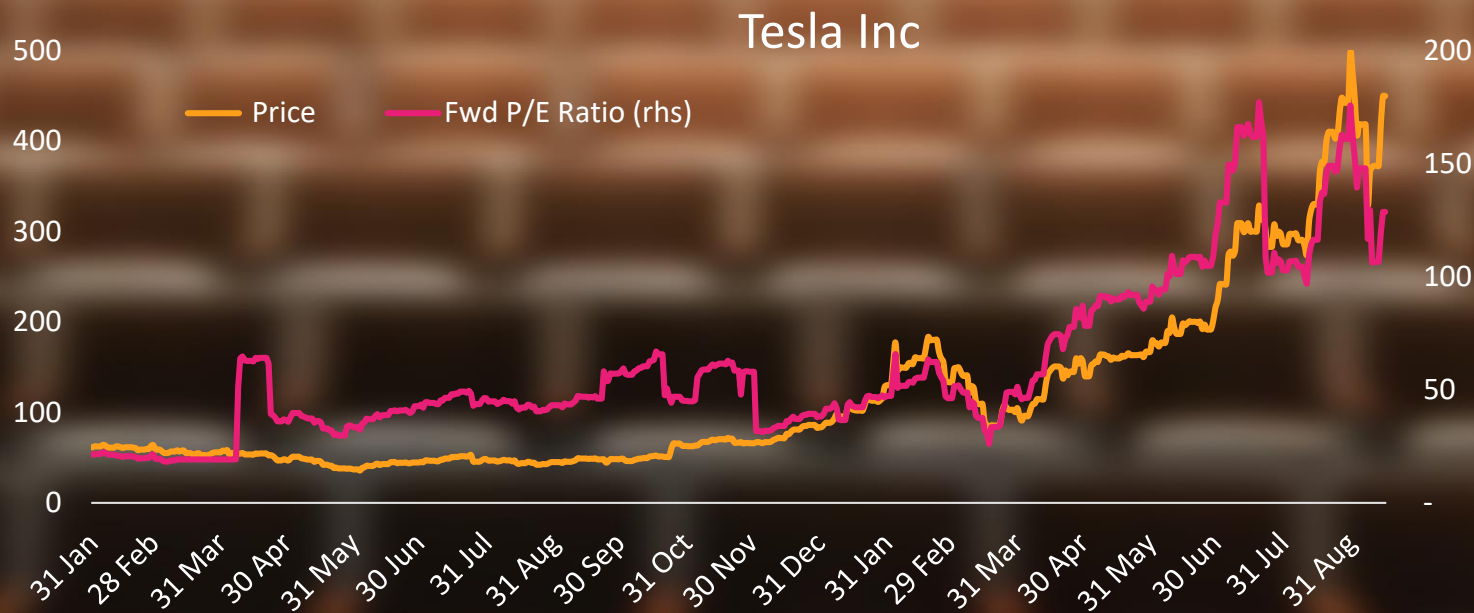


Denial turns to fear



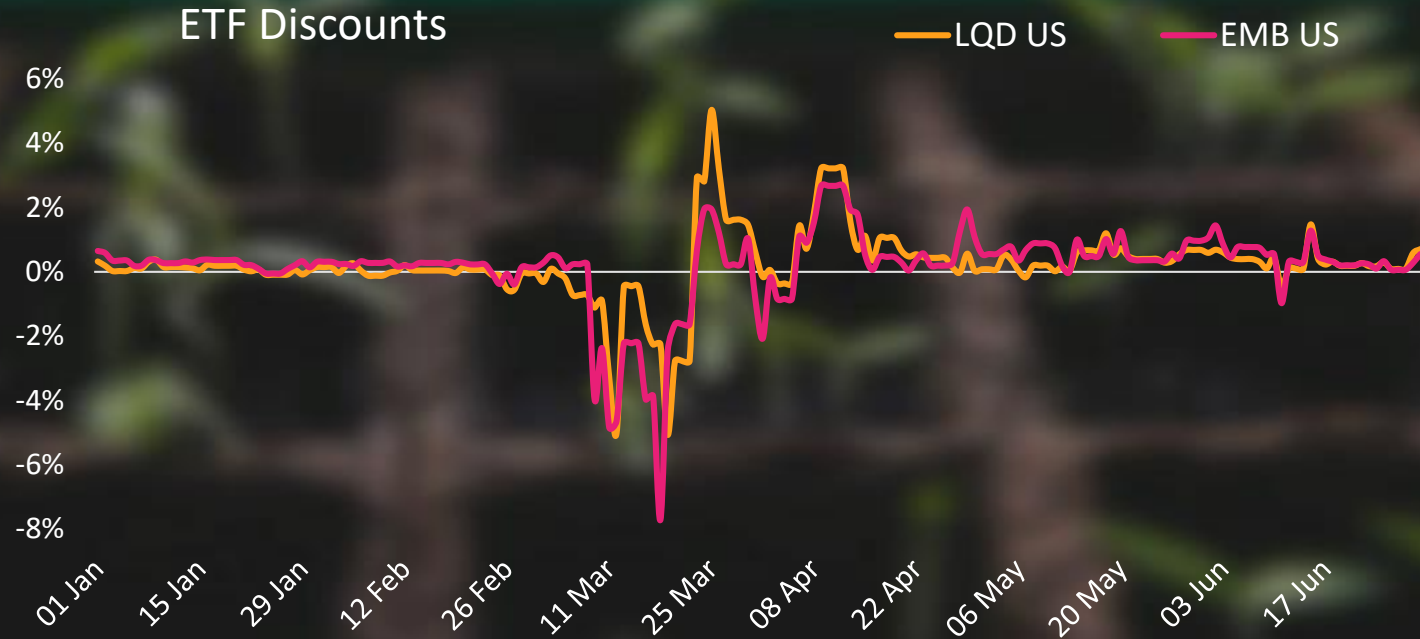
Fear turns to FOMO

"Be fearful when others are greedy, and greedy when others are fearful" – Warren Buffett



Portfolios

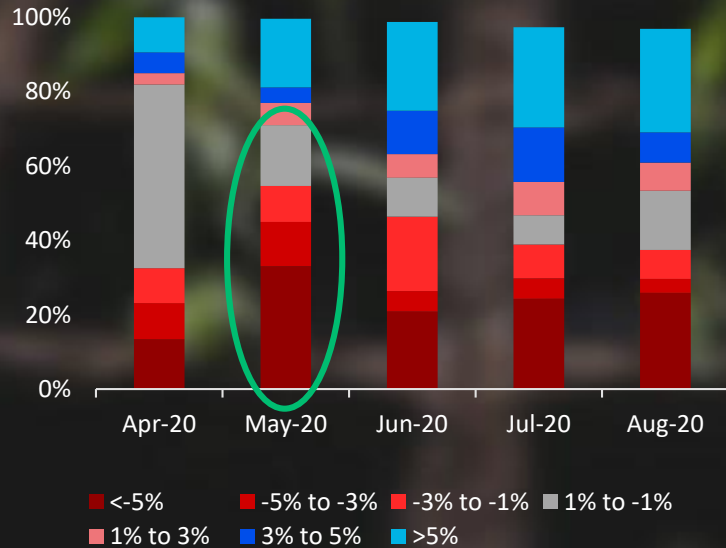
Need to be dynamic



Portfolios

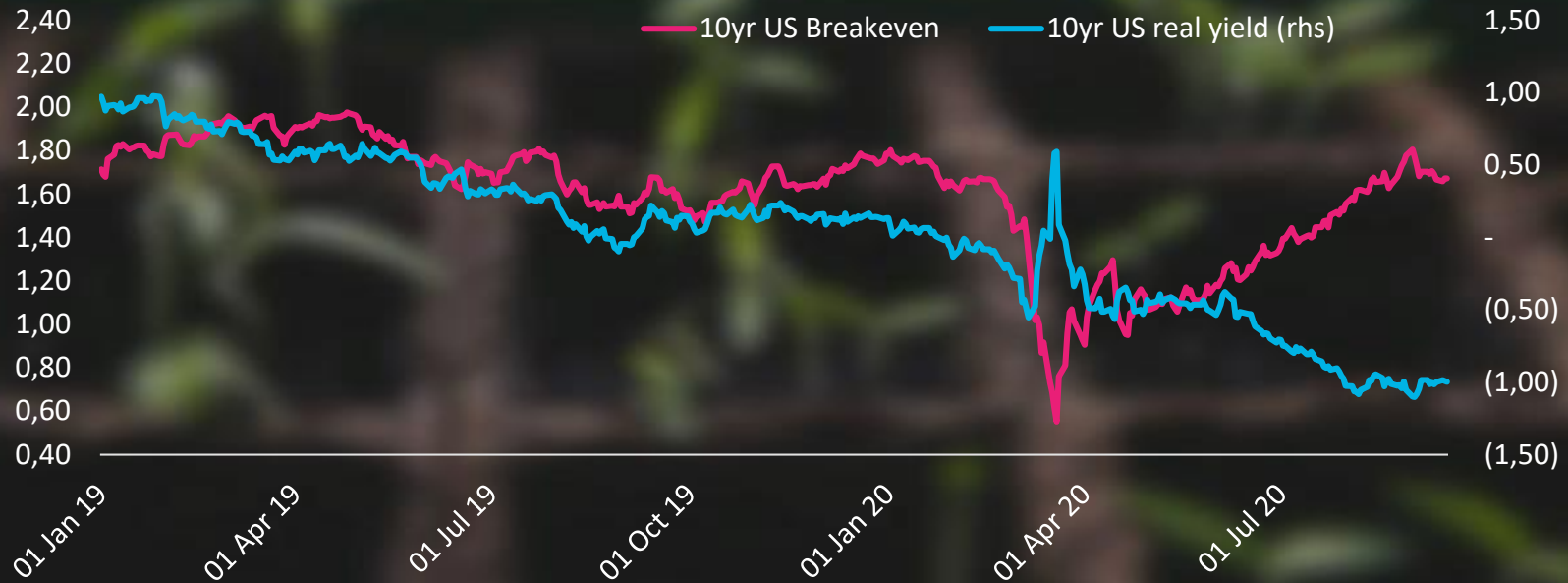
Need to be dynamic

Balanced Convertibles Rich/Cheap



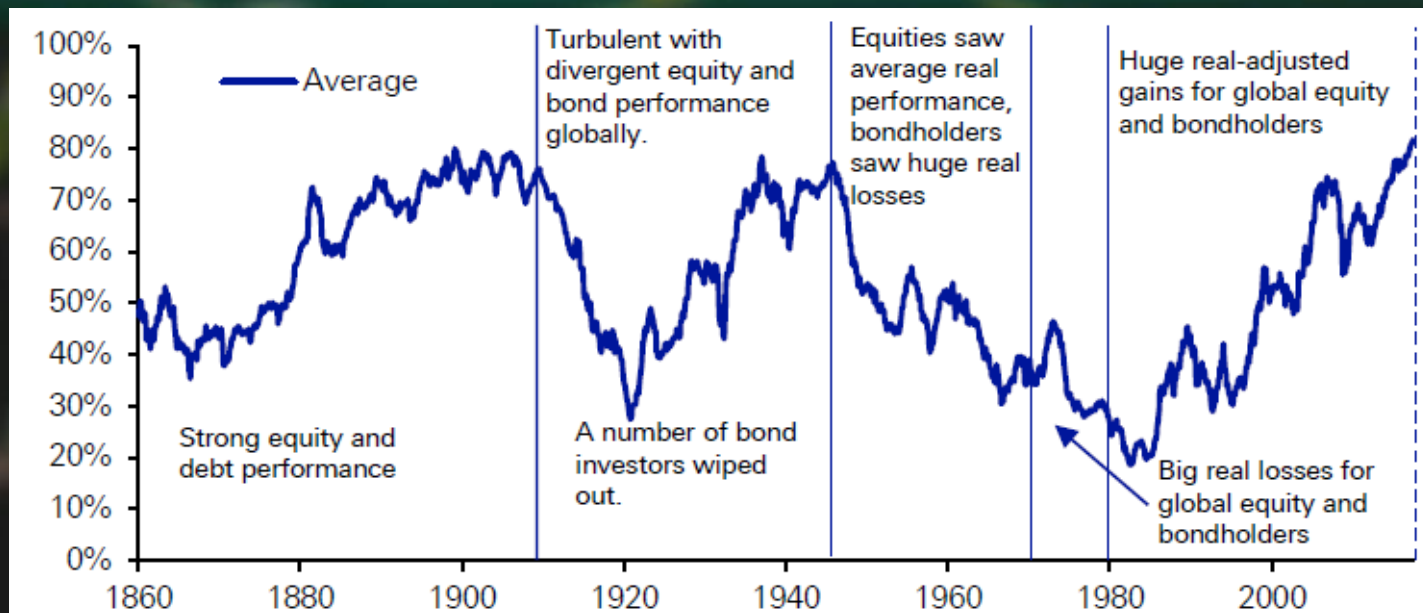
Portfolios

Need to be dynamic



Portfolios

Need to be diversified



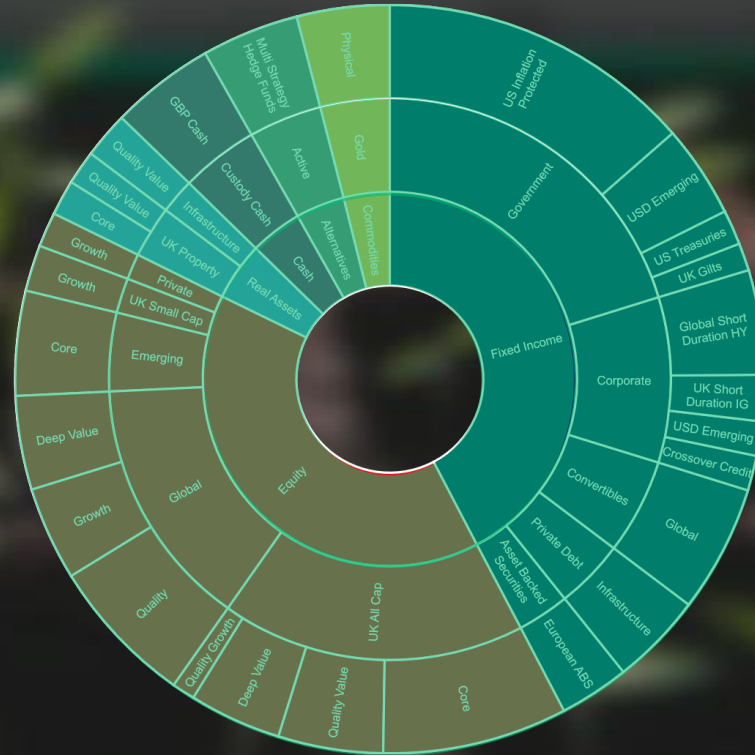
Portfolios

Need to be diversified

Multi Asset

Multi Strategy

Multi Manager



Potential

Having or showing the capacity to develop into something in the future

A currently unrealised ability

Digital engagement

- Working from home, online shopping, smart homes

Wellness and hygiene

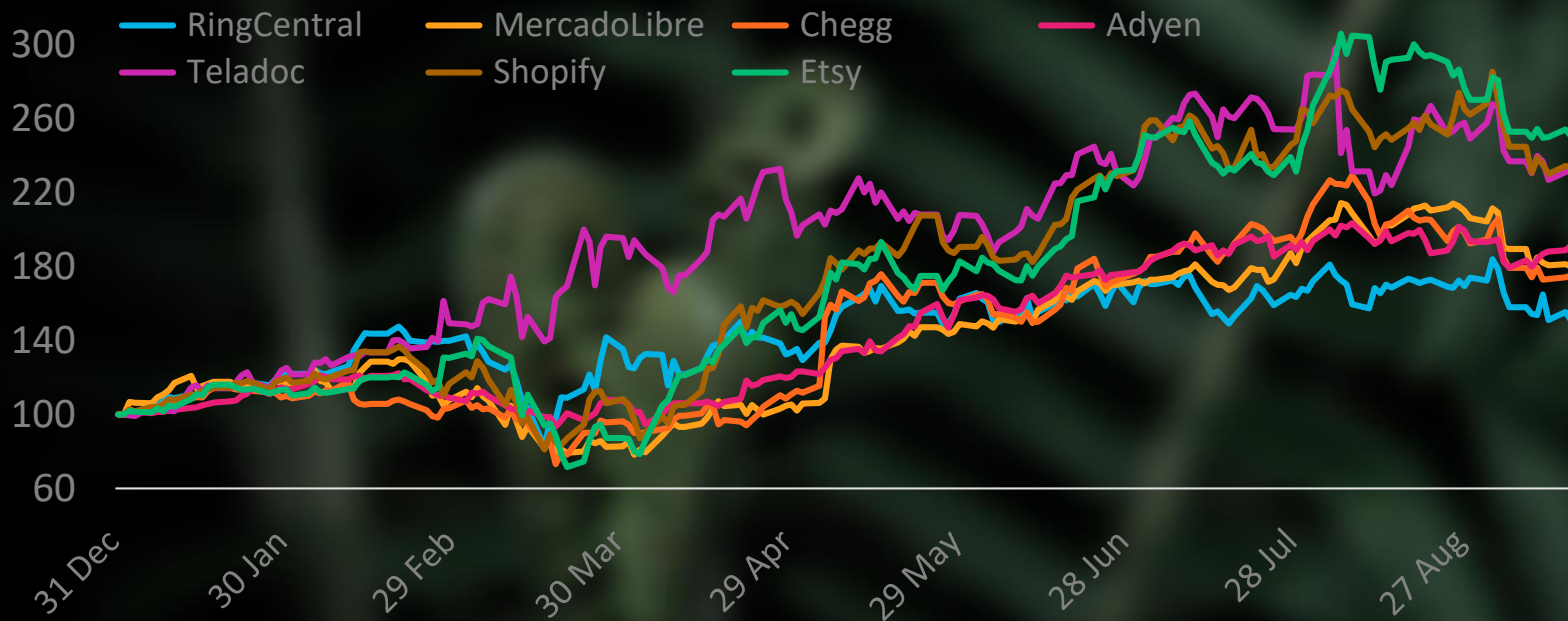
- Healthy eating, fitness at home, packaging

‘Nesting’

- Crafts, online entertainment, home improvement

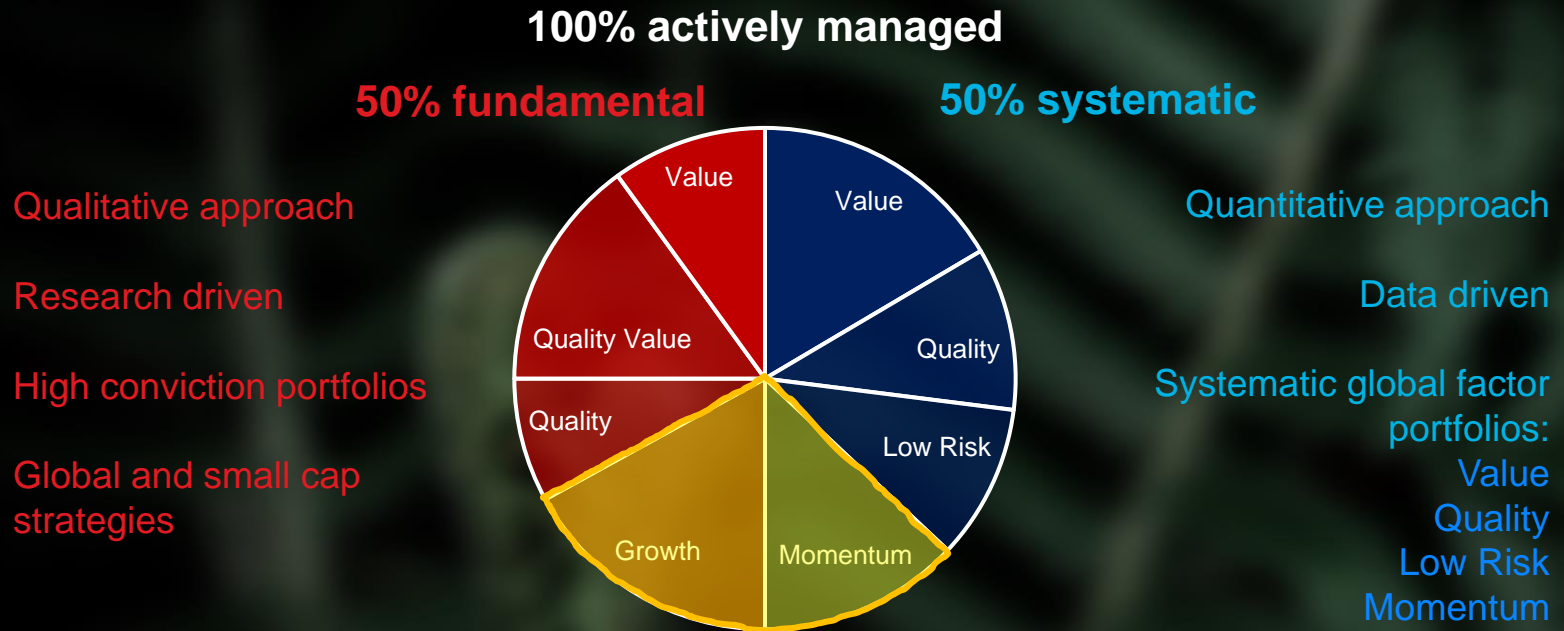
Potential

“We’ve seen two years’ worth of digital transformation in two months.” – Satya Nadella, CEO Microsoft



Potential

Momentum GF Global Equity Fund



Potential

Sustainable performance

Momentum GF Global Enhanced Index Equity Fund

- ESG integrated approach
- Low tracking error strategy
- Multi-factor construction
- AUM USD 350m
- Daily dealing, daily priced, UCITS
- Directly invested
- One underlying manager - Robeco

Tracking error
1.1%

Outperformance
0.6%

Information ratio
0.5

Source: Robeco, Momentum. Historical performance comprise of two components: i) between November 2004 and May 2020 performance figures are of Robeco Global Developed Enhanced Indexing Equities (net); ii) between May 2020 to July 2020 performance figures are of Momentum GF Global Enhanced Index Equity I (net). Benchmark is MSCI World Index Net Return.

Potential

Momentum GF Global Enhanced Index Equity Fund

ESG integrated approach using a combination of positive and negative screening to achieve:

- Minimum 20% higher ESG score for the portfolio vs. MSCI World index
- Minimum 20% reduction in environment footprint of the portfolios across four dimensions: carbon, energy, waste and water
- No exposure to businesses deriving significant revenue from controversial areas*:



**Global
Compact
Breaches**



Tobacco



Coal



**Nuclear
Power**



**Palm
Oil**



**Controversial
weapons
Military contracting
Firearms**

Potential

Patience is required to unlock it

With time comes market risk



Post epidemic stock market performance

US equities

EPIDEMIC	MONTH	S&P 6m Change %	S&P 12m Change %
Pneumonic plague	Sep-94	8.2	26.3
SARS	Apr-03	14.6	20.8
Avian flu	Jun-06	11.7	18.4
Dengue Fever	Sep-06	6.4	14.3
Swine flu	Apr-09	18.7	36.0
Cholera	Nov-10	14.0	5.6
MERS	May-13	10.7	18.0
Ebola	Mar-14	5.3	10.4
Measles/Rubeola	Dec-14	0.2	-0.7
Zika	Jan-16	12.0	17.5
Measles/Rubeola	Jun-19	9.8	7.5
Average		10.1	16.6
Covid 19	Feb-20	18.9	???



The image features a low-angle, upward-looking shot of a modern building with curved, grey and white architectural bands. A large, white, textured circle is superimposed over the building. A thick red diagonal line cuts across the upper left portion of the image, partially obscuring the circle and the building.

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Thank you