

Momentum GF Global Fixed Income Fund (Class I)

month ended 29 November 2024

Fund details

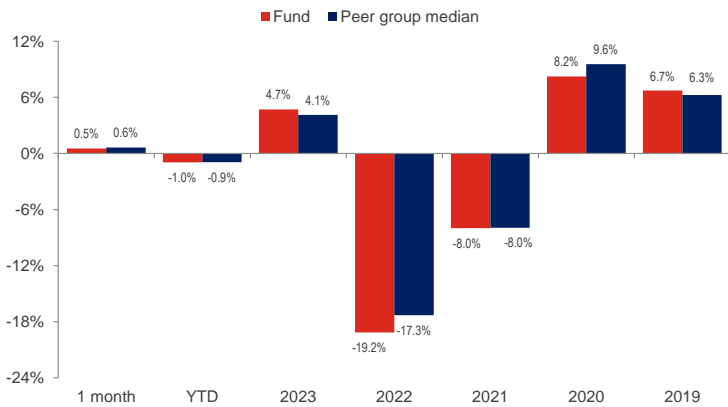
| | | |
|--|---|--|
| Investment manager: Momentum Global Investment Management | AMC: 0.20% (no initial charge) | Inception date (UCITS): 04 February 2022 |
| Structure: SICAV - Part I Luxembourg 2010 Law (UCITS) | ISIN: LU2377865568 | Price per share I Class: USD 130.55 |
| Benchmark: JPMorgan Global Government Bond Index TR USD | Subscriptions / redemptions: daily | MGF AUM: USD 3,455.4 million |
| Peer group: Morningstar EAA Fund Global Bond | Currency: USD | Investment timeframe: 3 years + |
| | | Global Fixed Income Fund AUM: USD 166.6 million |

Investment objective

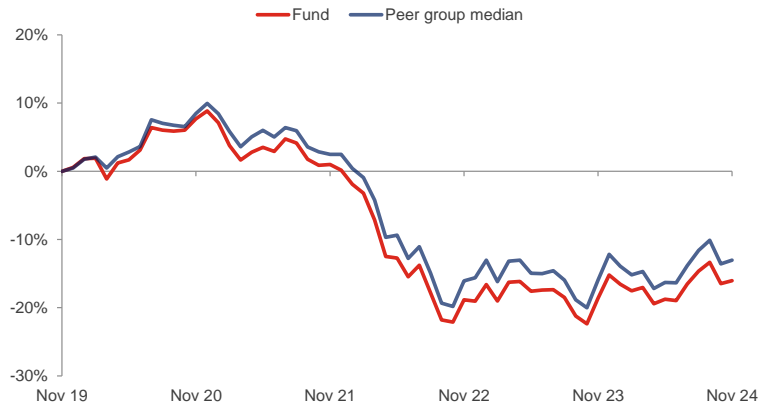
The Fund aims to outperform the JP Morgan Global Government Bond Index unhedged in USD over a rolling 3-year period, by substantially investing in a diversified range of, fixed income securities. The Fund may also invest in money market instruments, fixed income funds and may also use derivatives for efficient portfolio management including futures, options, CDS, forwards and swaps. There is no guarantee that this objective will be achieved over the indicated period, or any other period, and the capital value of the Fund is at risk.

Please refer to the Prospectus for full details of the fund, its charges, the investment objective and investment policy.

Fund performance (composite basis)[†]



Cumulative returns (composite basis, 5 years)[†]



Performance statistics (composite basis)[†]

| | Cumulative | Annualised |
|----------------------|------------|------------|
| Current month return | 0.5% | - |
| Year-to-date return | -1.0% | - |
| 1 year return | 3.2% | - |
| 3 year return | -16.9% | -6.0% |
| 5 year return | -16.0% | -3.4% |

| | |
|--------------------------------|------|
| Annualised volatility (5 year) | 8.0% |
| Sharpe ratio (5 year) | -0.7 |
| Tracking error (3 year) | 0.8% |

Fund statistics

| | Portfolio | Benchmark |
|--------------------------------|-----------|-----------|
| Yield | 3.7% | 3.3% |
| Modified duration ¹ | 7.07 | 6.74 |
| SWMD ² | 1.62 | 1.05 |
| Average rating ³ | AA | AA |
| Total portfolio holdings | 128 | - |
| Issuer number | 12 | - |

¹ Modified duration (in points) estimates a bond portfolio's percentage price change for 1% change in yield.

² SWMD: spread-weighted modified duration.

³ Based on cash bonds and CDS but excludes other types of derivatives.

Portfolio breakdown

| | Currency | | Duration | |
|--------------|---------------|---------------|------------|------------|
| | Fund | Benchmark | Fund | Benchmark |
| US | 50.1% | 50.1% | 2.5 | 3.0 |
| Eurozone | 23.3% | 23.3% | 1.9 | 1.7 |
| Japan | 16.7% | 16.7% | 1.9 | 1.5 |
| UK | 6.0% | 6.0% | 0.3 | 0.5 |
| Other | 3.9% | 3.9% | 0.5 | 0.0 |
| Total | 100.0% | 100.0% | 7.1 | 6.7 |

Statistical risk indicators (ex-ante)

| | Portfolio |
|--|--------------|
| Total portfolio risk (ex-ante tracking error) | 0.73% |
| Diversification benefit | (0.81%) |
| Bond risk | |
| Global bond country | 0.22% |
| Yield curve segment allocation | 0.41% |
| Global bond exposure | 0.52% |
| Global bond currency bloc | 0.37% |
| Currency risk | |
| FX inter-bloc (EUR, JPY, CAD) | 0.01% |
| FX intra-bloc | 0.00% |
| US dollar exposure | 0.01% |

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.

Sources: Amundi Asset Management, Morningstar, Momentum Global Investment Management, J.P. Morgan SE - Luxembourg Branch. Allocations subject to change.

[†] Historical fund performance, figures prior to 04.02.22, when Momentum IF Global Fixed Income Fund (MIF GFI) merged into the UCITS structure to combine with Momentum GF Global Fixed Income Fund (MGF GFI), comprises two components. Between: i) 22.04.04 (MIF GFI A inception date) and 04.02.22: MIF GFI A; ii) 05.02.22 (MGF GFI I2 inception date) and 11.02.22: composite of MIF GFI A and MGF GFI I2 on an asset-weighted basis. Historical performance figures for MIF GFI A and MGF GFI I2 have been adjusted to incorporate the prevailing fees for MGF GFI I.

Issuers

| Holding | Sector | Weight |
|-----------------------------|------------------|--------|
| Japan | Global sovereign | 28.9% |
| United States of America | Global sovereign | 25.4% |
| Australia (Commonwealth of) | Global sovereign | 12.1% |
| Germany | Global sovereign | 11.2% |
| Italian Republic | Global sovereign | 9.4% |
| Canada | Global sovereign | 3.8% |
| Spain (Kingdom of) | Global sovereign | 2.9% |
| United Kingdom | Global sovereign | 2.2% |
| Netherlands | Global sovereign | 1.1% |
| France | Global sovereign | 0.9% |
| Kingdom of Denmark | Global sovereign | 0.1% |

Source: Amundi Asset Management

Key rate duration exposure vs benchmark, by currency and by Eurozone country

| REST OF THE WORLD | Sum of Modified Duration | | Maturity | | | | |
|-------------------|--------------------------|----------|------------|------------|-----------|-----------|-----------|
| | Region | Currency | 1-3 | 3-7 | 7-15 | 15-35 | Total |
| | Europe | CHF | 0 | 0 | 0 | 0 | 0 |
| | DKK | | | | | | |
| | EUR | -34 | 26 | 83 | -30 | 45 | |
| | GBP | -3 | -8 | -29 | 25 | -15 | |
| | NOK | | | | | | |
| | SEK | 0 | 0 | 0 | 0 | -1 | |
| | Europe Total | | -37 | 18 | 54 | -5 | 29 |
| Japan | JPY | 30 | -6 | 30 | -9 | 45 | |
| | Japan Total | | 30 | -6 | 30 | -9 | 45 |
| US | AUD | -22 | 30 | 30 | 7 | 45 | |
| | CAD | 14 | -28 | -25 | -5 | -44 | |
| | NZD | | | | | | |
| | USD | -30 | -30 | -15 | 30 | -45 | |
| | US Total | | -38 | -28 | -10 | 32 | -44 |
| | Total | | -45 | -16 | 74 | 18 | 30 |

| EUROZONE | Sum of Modified Duration | | Maturity | | | | |
|-----------|--------------------------|---------|------------|-----------|-----------|------------|-----------|
| | Group | Country | 1-3 | 3-7 | 7-15 | 15-35 | Total |
| | Core | DE | -24 | 30 | 30 | -30 | 6 |
| | Core Total | | -24 | 30 | 30 | -30 | 6 |
| Semi-Core | AT | | | | | | |
| | BE | -1 | -2 | -3 | -5 | -11 | |
| | FI | | | | | | |
| | FR | -4 | -12 | -4 | -16 | -36 | |
| | NL | | | | | | |
| | Semi-Core Total | | -4 | -14 | -7 | -21 | -47 |
| Periphery | ES | -2 | -7 | 30 | -7 | 13 | |
| | IE | | | | | | |
| | IT | -3 | 17 | 30 | 29 | 72 | |
| | PT | | | | | | |
| | Periphery Total | | -6 | 10 | 60 | 21 | 85 |
| | Total | | -34 | 26 | 83 | -30 | 45 |

Source: Amundi Asset Management

Important Information

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. Past performance is not a guide to future performance. Performance is calculated on a total return basis, net of all fees.

The Momentum IF Global Fixed Income Fund merged with Momentum GF Global Fixed Income Fund on 04.02.2022. Both Funds are managed to the same strategy and were running in parallel between 04.02.2022 and 10.02.2022. The Momentum GF Global Fixed Income Equity Fund is a sub-fund of MGF SICAV, a Luxembourg-registered Société d'Investissement à Capital Variable (SICAV), organised under Luxembourg Law of 2010.

This is a marketing communication. This document does not provide all the facts needed to make an informed investment decision. Prior to investing, investors should read the Key Information Document (KID) and seek professional investment advice where appropriate. KIDs and the Prospectus are available in English at momentum.co.uk.

This Fund is a sub-fund of the MGF SICAV, which is domiciled in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier. The Fund conforms to the requirements of the European UCITS Directive. Either Momentum Global Investment Management Limited (MGIM) or FundRock Management Company S.A., the Management Company, may terminate arrangements for marketing under the denotification process in the new Cross-border Distribution Directive (Directive EU) 2019/1160. This financial promotion is issued by MGIM who, is the Investment Manager, Promoter and Distributor for the MGF SICAV. MGIM is registered in England and Wales No. 03733094. Registered Office: The Rex Building, 62 Queen Street, London EC4R 1EB. MGIM is authorised and regulated by the Financial Conduct Authority No. 232357.

Monthly commentary

The US presidential election took the scene in November, with Donald Trump winning by a much larger margin than anticipated and the Republicans taking control of both the House of Representatives and the Senate. That backdrop, along with ongoing strength in US economic data, saw US risk asset do well. Namely, initial jobless claims continued to trend lower, the October ISM Services index rebounded sharply to 56 (from 54.9), and core PCE showed signs of stickiness, printing at +0.3% mom in October. Resilient US macroeconomic data, the prospect of tariffs and tax cuts and deregulation under Trump presidency fuelled some scepticism about upcoming Fed cuts, backed by a hawkish turn in Powell's latest statements. In this context, Treasury yields first rose, along with inflation breakevens, especially at the short end of the curve. However, Scott Bessent nomination as Treasury secretary calmed down market fears on Trump fiscal policy. The curve flattened and US yields retraced down, with US 10y US yields ending the month 12 bps lower at 4.16% after having reached 4.45%. On the other side of the Atlantic there were also significant political developments in France as the government failed to pass the budget and faces the risk of a no-confidence vote. French assets continued to underperform, with the Franco-German 10yr yield spread widening by +7bps over the month to 81bps, while Italian and Spanish spreads remained immune. Trump's election worsened further the European economic outlook and investors priced-in faster rate cuts from the ECB. 10 year German yields moved from 2.38% to 2.08%. On the Geopolitical front, if on one side the Russia-Ukraine front witnessed some escalation, in the Middle East, a ceasefire agreement was reached between Israel and Hezbollah towards the end of the month, which put some downward pressure on oil prices. Moving on to credit, US investment-grade spreads ended November 3bps tighter at 83bps, driven by early-month momentum before retracing slightly higher. Spreads hit a low of 77bps on November 8, marking their tightest level since 1998, supported by strong inflows into high-grade funds, but softened from mid-month as primary ramped up after the elections and dealer inventories crept up from record lows. Conversely, Euro IG spreads closed the month largely unchanged at 107bps, weighed down by weaker macro sentiment. Finally, GBP IG spreads outperformed the broader market in November, ending the month 4bps tighter at 103bps. Sector-wise, Autos demonstrated mixed performance across regions. In the US, Autos were a key outperformer, while European Autos struggled amid stagnating car markets and VW workers' strike. Subordinated debt, particularly AT1s and Tier 2s, exhibited strong performance in Euro IG early in the month, though hybrids faced significant widening pressure later on. In European IG, Banks and Real Estate led gains due to solid earnings and stable fundamentals, while high beta non-Financials underperformed. Within currencies, as expected, Trump's victory triggered a sharp appreciation of the USD, and the DXY Index moved higher by 2.32%. The Euro itself posted its biggest decline against the US Dollar in 18 months as investors contemplated the prospect of further tariffs. On the back of Trump's victory, emerging market assets suffered, but less than expected as the drop in volatility and risk-on move limited the downside. TRY was one of the few positive performers.

Over the month of November 2024, active modified duration positions relative to the JPM GBI Global have been implemented within the investible universe. Globally, the aggregate sum of the active modified duration positions resulted in a slightly overweight overall stance. The headline duration position had a positive contribution to portfolio relative returns.

Currency bloc opportunities to overweight modified duration were identified on Australian, European and Japanese government bond markets. Conversely, opportunities to underweight modified duration were spotted on the US and UK markets. We moved to UW on Canadian modified duration. The Danish, Swedish were kept flatish relative to benchmark at a country level. In total, currency bloc strategies had a negative contribution to portfolio relative returns with negative contributions mainly from underweight USD, GBP and CAD duration and OW Japanese duration.

Regarding country strategies, the EMU modified duration resulted in a net/aggregate long position for the bloc, whilst keeping the long modified duration positions on Germany and underweight Belgium and France. We kept overweight positions on Italy and switched to overweight on Spain in the periphery.

In this context, the intra-EMU country spread positions was a positive contributor as periphery EMU country yields tightened relative to the core EMU markets. In total, the yield curve contribution had positive impact with largest positive contribution posted by USD flattener position.

Source: Amundi Asset Management

Please note, the investment guidelines do not permit active currency positions. Portfolio weights were hedged to benchmark weights within tolerance level.