momentum

Momentum GF Global Fixed Income Fund (Class A)

month ended 30 August 2024

Fund details

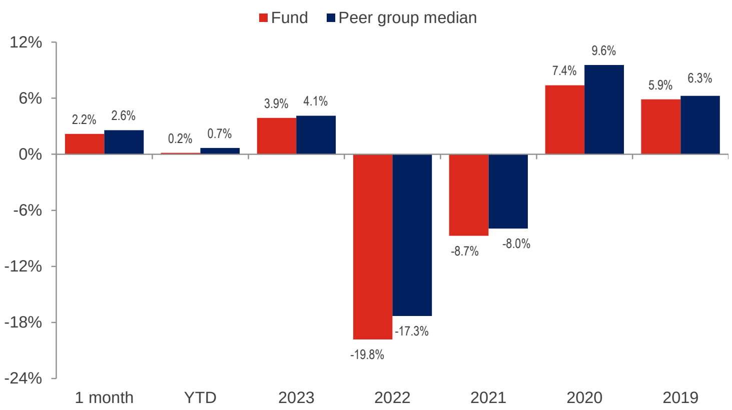
Investment manager: **Momentum Global Investment Management**	Currency: **USD**	Inception date (UCITS): **04 February 2022**
Structure: **SICAV - Part I Luxembourg 2010 Law (UCITS)**	ISIN: **LU2377869800**	Price per share A Class: **USD 103.30**
Benchmark: **JPMorgan Global Government Bond Index TR USD**	Subscriptions / redemptions: **daily**	MGF AUM: **USD 3,329.9 million**
Peer group: **Morningstar EAA Fund Global Bond**	Investment timeframe: **3 years +**	Global Fixed Income Fund AUM: **USD 171.0 million**

Investment objective

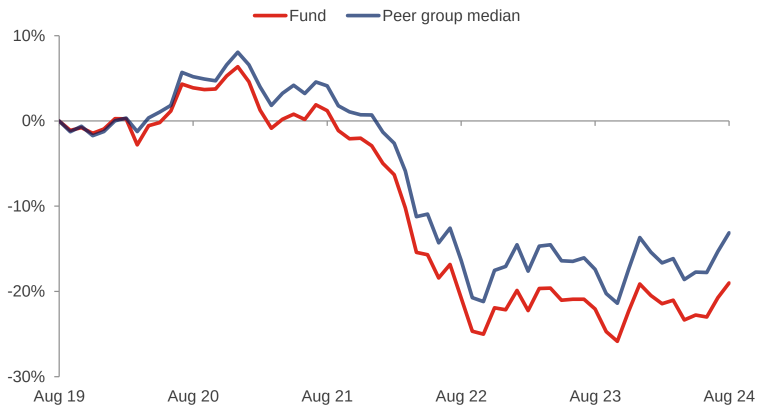
The Fund aims to outperform the JP Morgan Global Government Bond Index unhedged in USD over a rolling 3-year period, by substantially investing in a diversified range of, fixed income securities. The Fund may also invest in money market instruments, fixed income funds and may also use derivatives for 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	2.2%	-
Year-to-date return	0.2%	-
1 year return	3.9%	-
3 year return	-20.0%	-7.2%
5 year return	-19.0%	-4.1%

Annualised volatility (5 year)	7.9%
Sharpe ratio (5 year)	-0.8
Tracking error (3 year)	0.9%

Fund statistics

	Portfolio	Benchmark
Yield	3.8%	3.2%
Modified duration¹	7.13	6.83
SWMD²	1.62	1.05
Average rating³	AA	AA
Total portfolio holdings	125	-
Issuer number	13	-

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	49.3%	49.3%	2.5	2.9
Eurozone	23.4%	23.4%	1.7	1.7
Japan	17.1%	17.1%	2.0	1.5
UK	6.1%	6.1%	0.3	0.5
Other	4.1%	4.1%	0.6	0.2
Total	**100.0%**	**100.0%**	**7.1**	**6.8**

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.

Statistical risk indicators (ex-ante)

	Portfolio
Total portfolio risk (ex-ante tracking error)	**0.77%**
Diversification benefit	(0.52%)
Bond risk	
Global bond country	0.30%
Yield curve segment allocation	0.54%
Global bond exposure	0.07%
Global bond currency bloc	0.35%
Currency risk	
FX inter-bloc (EUR, JPY, CAD)	0.01%
FX intra-bloc	0.01%
US dollar exposure	0.01%

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), and prior to the launch of MGF GFI A has been simulated and comprises three 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; iii) 12.02.22 and 12.02.24 (MGF GFI A inception date): MGF GFI I2. Historical performance figures for MIF GFI A and MGF GFI I2 have been adjusted to incorporate the prevailing fees for MGF GFI A.

Issuers

Holding	Sector	Weight
Japan	Global sovereign	26.9%
United States of America	Global sovereign	24.8%
Australia (Commonwealth of)	Global sovereign	11.8%
Germany	Global sovereign	10.1%
Italian Republic	Global sovereign	6.5%
Canada	Global sovereign	5.1%
United Kingdom	Global sovereign	2.0%
France	Global sovereign	1.4%
Netherlands	Global sovereign	1.1%
Spain (Kingdom of)	Global sovereign	1.1%
Belgium	Global sovereign	0.2%
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	-35	4	35	1	5
	GBP	-3	-8	-27	18	-20
	NOK					
	SEK	0	0	0	0	-1
Europe Total		-38	-4	7	19	-16
Japan	JPY	30	-30	30	15	45
Japan Total		30	-30	30	15	45
US	AUD	-22	30	27	10	45
	CAD	-1	-18	25	-5	1
	NZD					
	USD	-30	-30	-15	30	-45
US Total		-54	-18	37	35	1
Total		-62	-52	75	68	30

EUROZONE

Sum of Modified Duration		Maturity				
Group	Country	1-3	3-7	7-15	15-35	Total
Core	DE	-25	30	30	-17	18
Core Total		-25	30	30	-17	18
Semi-Core	AT					
	BE	-1	-2	-4	-4	-11
	FI					
	FR	-4	-12	-14	-12	-42
	NL					
Semi-Core Total		-5	-14	-17	-17	-53
Periphery	ES	-2	-7	-7	4	-13
	IE					
	IT	-3	-4	30	30	52
	PT					
Periphery Total		-6	-11	23	34	40
Total		-35	4	35	1	5

Source: Amundi Asset Management

Monthly commentary

August was a volatile month for financial markets. The hectic price action was originally driven by a very hawkish Bank of Japan (BoJ) rate hike on the last day of July. This move surprised the market, and the hike led to a sharp appreciation of the JPY, as investors reassessed their positions and significantly unwound carry trades. The move was exacerbated by investors' concerns regarding the global economic outlook as very weak manufacturing PMIs were reported in most countries, and the JPY - traditionally seen as a safe-harbour asset, further benefitted from a flight to quality move before stabilizing at 146 level at the end of the month.

On the US data front, the August NFP report showed a much weaker-than-expected job growth, potentially impacted by hurricane Beryl. Unemployment rate edged up in July, from 4.1% to 4.3%, above the FOMC projection in the June Summary of Economic Projection (SEP). The CPI indicated a slight decline in inflationary pressures but not as much as market hoped for. FED chair Powell confirmed the beginning of the much-anticipated policy normalisation in September at the Jackson Hole Economic Symposium, sticking once again to the data dependant approach and therefore not indicating the size of the coming cut, reinforcing the focus on the NFP report on Sep, 6. These elements above fuelled expectations of a fast slowdown of the US economy and US government bond yields took a sharp leg lower in August. 10-year US Treasury yields slid below 3.8% for the first time in several months, before bouncing back up and ending the month at 3.9%. The short-end was the most volatile segment, with the 2-year US Treasury yield moving from 4.3% to 3.9% in two trading sessions, ending at 3.9%. The long-end of the curve also repriced, with the 30-year yield decreasing from 4.3% to 4.2%.

On the other side of the pond, yields moves were more muted. The Bank of England (BoE) cut base rate 25bps to 5% in a split decision, but maintained a relatively hawkish stance compared to other Central Banks. This prevented UK Gilts yields from declining. The 10-year UK Gilt yield ended the month at 4%, in line with where it started. Core inflation remained sticky, especially in services, amidst wage pressure. Meanwhile, UK GDP prospects appear a little firmer, house prices are edging up and consumer confidence is improving. In light of all these strong macro indicators, Governor Bailey pushed back against a rapid and aggressive easing at the Jackson Hole gathering. In the Eurozone, inflation fell in August to +2.2% year-on- year (in line with expectations), compared with 2.6% the previous month. This drop was mainly due to the 3% fall in energy prices. German Bunds were pretty stable in August with the 10- year German Bund yield stable at 2.3%.

Moving on to EM, China's latest economic data released showed a particularly fragile picture, disappointing market's expectations. The Q2 annual growth rate was 3.8%, down from the previous quarter rate. The slowdown was attributed to weak domestic demand, sluggish industrial production and continuous challenges in the property sector. Such results resulted in a mixed picture for fixed income markets. LatAm countries such as Brazil and Mexico, which had already implemented monetary policy action against inflation, saw more stable bond markets compared to regions like Southeast Asia, where economies are more exposed to slowing Chinese growth. Still, idiosyncratic risks remain and are particularly visible in FX markets, with MXN depreciating 5.6% while other currencies performed (CLP, ZAR).

Moving on to credit, IG spreads temporarily widened at the beginning of the month in the wake of concerns on the state of the US economy and corresponding flight to quality, before retracing.

Over the month of August 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. The Danish, Swedish and Canadian modified duration positions were kept flattish relative to benchmark at a country level. In total, currency bloc strategies had a positive contribution to portfolio relative returns with positive contributions mainly from overweight AUD and JPY duration.

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

In this context, the intra-EMU country spread positions was a negative contributor as peripheral EMU country yields widened relative to the core EMU markets. In total, the yield curve contribution had negative impact with largest negative contributions posted by USD and EUR flattener positions.

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.

Important Information