



**momentum**

global investment management

## **Due Diligence Document**

### Multi-Asset & Model Portfolio Solutions

For professional adviser use only. This document should not be distributed to or relied upon by retail clients.

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## Introduction

Please provide information on your company history, ownership, structure and business strategy.

### Momentum Global Investment Management

Momentum Global Investment Management was established in the UK in 1998 and focuses on designing, building and managing outcome-based investment solutions, delivered through multi-asset portfolios and tailored client solutions. The firm is a wholly owned subsidiary of Momentum Metropolitan Holdings Limited, a large South African insurance and investment business, listed on the Johannesburg Stock Exchange.

Our team of investment specialists are empowered to work collaboratively as a team, and with partners, to identify and implement innovative investment ideas based on our wealth of experience.

We work closely with our institutional and adviser partners in the UK and Europe, Asia and the Middle East, South America and South Africa in order to manage solutions that meet the needs of our clients.

As at April 2021 Momentum Global Investment Management managed US\$6.6 billion.

### Momentum Metropolitan Holdings Limited

The core businesses of Momentum Metropolitan Holdings Limited are asset management, investment, savings, long and short-term insurance, healthcare administration, health risk management, employee benefits, and rewards programmes. Momentum Metropolitan Holdings Limited conducts its business through operating brands Metropolitan, Momentum, Guardrisk, and Eris Properties.

What is the core purpose of your business?

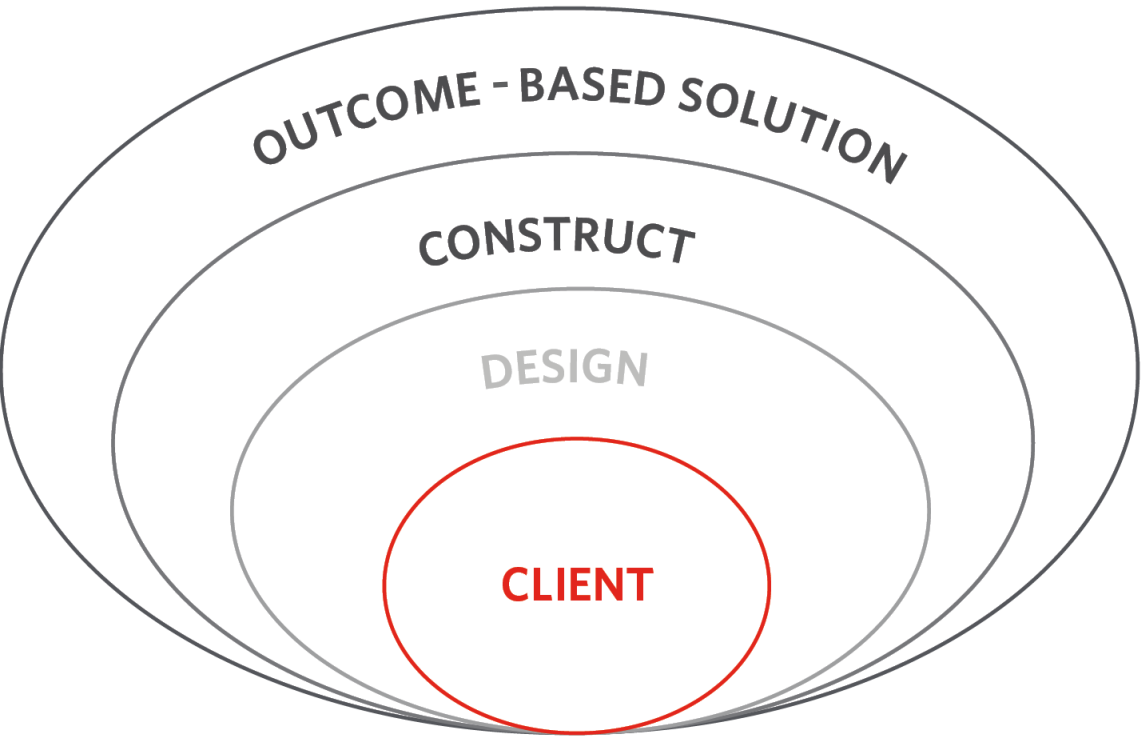
Momentum Global Investment Management was established in the UK in 1998 and focuses on designing, building and managing outcome-based investment solutions.

What do you do?

We develop and manage innovative outcome-based investment solution, delivered through multi-asset portfolios and tailored client solutions. We have a flexible platform to satisfy specific needs of our partners, to enable us to collectively manage the investments of their clients and small to medium sized institutional investors.

What is your approach?

We are deliberately different, we believe that clients invest for outcomes, that is why we invest to achieve these outcomes and make the journey to these outcomes as palatable as possible. We are a client-centric, solutions-driven investment business which is committed to creating solutions with an outside-in approach; this means always starting from the perspective and investment requirements of the client. In doing so, we work collectively with our partners to deliver investment solutions that align with clearly defined investment goals and outcomes of a target consumer group.



Who are your supporting advisers and partners?

Our supporting advisers and partners are typically specialist investment advisory firms, either in the form of Independent Financial Advisory Groups, Wealth Managers, Private Banks, Family Offices, Pension Fund Consultants, and Institutions, all with very specific needs for investment solutions.

We have a global roster of supporting advisers and partners with our main activities based in:

- United Kingdom and Europe
- South Africa and Africa
- The Middle and Far East
- South America

What is your main value proposition to supporting advisers and partners?

- Focused on outcome-based investment
- Expertise and longevity within investment management disciplines
- Portfolio construction
- Multi-asset and multi-specialist managers
- Focus on strategic asset allocation and tactical optimisation
- Managing assets and managers in a well-defined and disciplined process
- Supported by excellent service delivery

What makes you different?

- We believe the following key focus areas set us apart from the competition:
- Outcome-based/client centric solutions
- Relentless focus on delivery
- Uncompromising commitment to our distribution partners
- Our investment team has a long track record of multi-asset management
- Dedicated investment team with average industry knowledge of 15 years and average tenure with Momentum of 10 years

# Company information

## What are the company’s areas of specialism?

We specialise in asset management, delivered through core multi-asset mandates.

We have a highly experienced and well-resourced research team covering global asset classes, sub asset classes, sectors and styles. All our funds and solutions are run on a ‘best of breed’ basis and use a combination of direct investing, specialist third party managers for specific stock-picking expertise, investment trusts and passives solutions where appropriate.

## What are the company’s values?

Momentum is a values-based organisation. Our values define how we do business, make decisions and treat all stakeholders. Our values are:

**Accountability**

We show accountability in our willingness to take ownership for our roles, responsibility for our actions and outcomes, and by honouring our obligations to all stakeholders.

**Diversity**

Throughout our organisation we embrace and promote diversity, together with the many talents and skills our employees bring from different backgrounds and perspectives.

**Excellence**

We strive for excellence in everything we do, by delivering the highest standard of products, service and performance to all stakeholders.

**Innovation**

We thrive on innovation by challenging ourselves to find better solutions, continuously improving our processes and growing our people.

**Integrity**

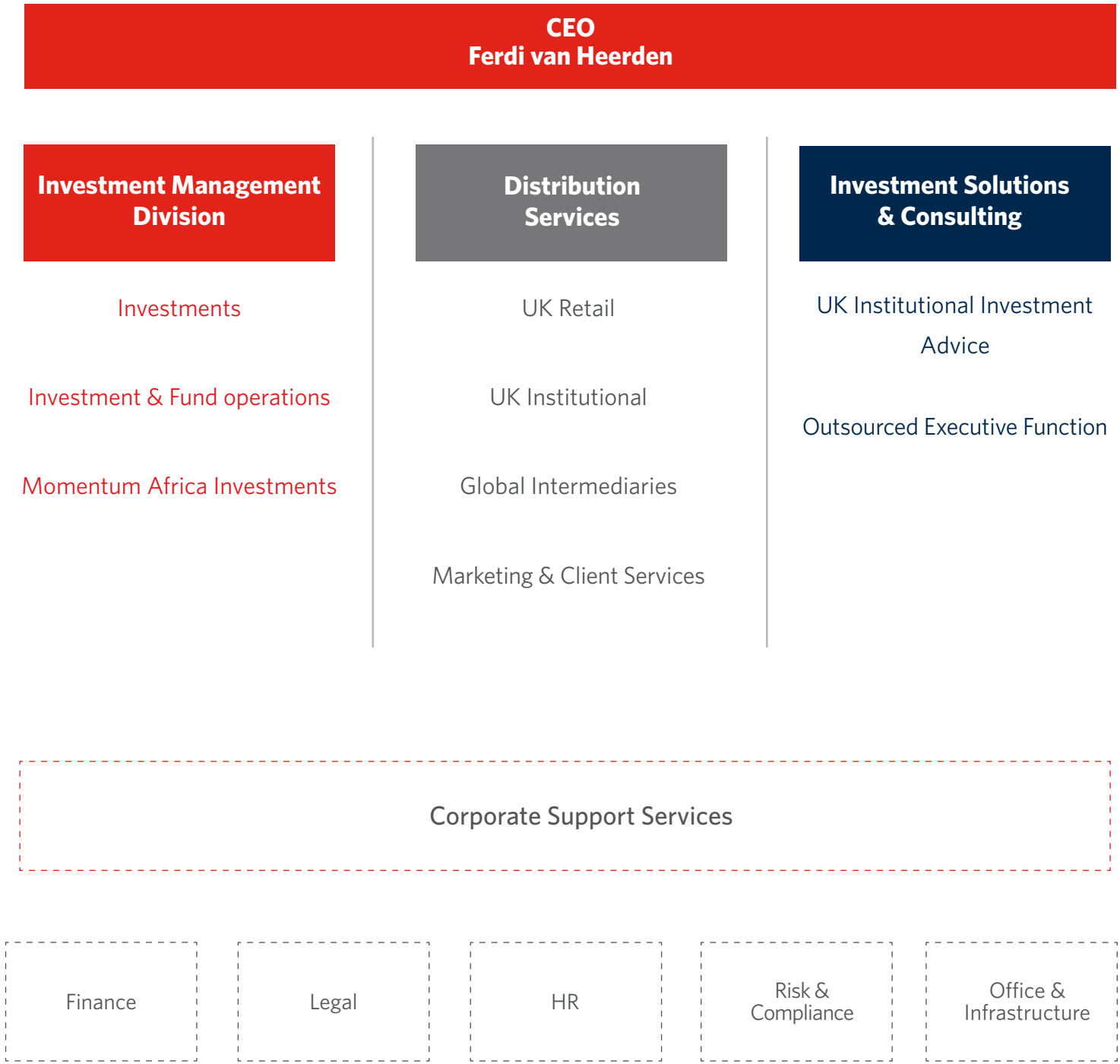
We uphold integrity by living up to what we say, doing the right thing, being honest and treating all people with respect.

**Teamwork**

Through teamwork, we support each other by listening, collaborating, encouraging and respecting each other in our quest to achieve mutually beneficial results.

Please detail the structure of your organisation.

The structure of our UK organisation is shown below.



Please state your Board of Directors and their experience.  
Our Board of Directors are shown below, their biographies can be found in the appendix.



**Jeanette Marais**  
Chair



**Ferdi van Heerden**  
Chief Executive Officer



**Jonathan Barnard**  
Chief Finance & Operations Officer



**David Lashbrook**  
Director of Africa Real Estate



**Reena Thakkar**  
Director



**Nigel Dunkley**  
Non-Executive Director



**Peter Mann**  
Independent Non-Executive Director



**David Thomas**  
Independent Non-Executive Director

Please state the members of your investment Strategy Group and their experience  
The members of our Investment Strategy Group are shown below, their biographies can be found in the appendix.



**Glyn Owen**  
Investment Director



**Andrew Hardy**  
Director of Investment Management



**Alex Harvey**  
Senior Portfolio Manager & Investment Strategist



**Richard Stutley**  
Portfolio Manager



**Richard Parfect**  
Portfolio Manager



**Mark Wright**  
Portfolio Manager



**Tom Delic**  
Portfolio Manager



**Gary Moglione**  
Portfolio Manager

# Multi-Asset fund range

The Momentum Multi-Asset Range has been designed to offer a range of risk-rated funds targeting either income or inflation plus returns over four or more years. The funds are broadly diversified portfolios investing in a wide range of global asset classes such as equities, fixed income, cash, property and alternative strategies. The Funds’ strategic asset allocation is designed with the aim of achieving the stated target return while staying within their nominated risk bands. The Funds’ tactical asset allocation is actively managed and reflects Momentum’s views on asset classes, regions and currency.

## VT Momentum Diversified Cautious Fund

The Fund is designed for investors who require a real return over the medium to long term of 3% above inflation, net of fees and who have a low tolerance for risk. It is classified as ‘low risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 3 and has a minimum suggested time horizon of four years.

## VT Momentum Diversified Balanced Fund

The Fund is designed for investors who require a real return over the medium to long term of 4% above inflation, net of fees and whose tolerance for risk falls between low and medium. It is classified as ‘lowest medium risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 4 and has a minimum suggested time horizon of five years.

## VT Momentum Diversified Moderate Fund

The Fund is designed for investors who require a real return over the long term of 5% above inflation, net of fees and whose tolerance for risk falls between medium and low. It is classified as ‘low medium risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 5 and has a minimum suggested time horizon of six years.

## VT Momentum Diversified Income Fund

The Fund is designed for investors who require a natural high income and capital appreciation over the long term above inflation, net of fees and whose tolerance for risk falls between medium and low. It is classified as ‘low medium risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 5 and has a minimum suggested time horizon of six years.

## VT Momentum Diversified Growth Fund

The Fund is designed for investors who require a real return over the long term of 6% above inflation, net of fees and whose tolerance for risk is medium. It is classified as ‘medium risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 6 and has a minimum suggested time horizon of seven years.

## Who manages the Multi-Asset Fund Range

The Momentum Multi-Asset range is managed by the Momentum investment team of 21 investment professionals with lead managers and co-managers appointed for named responsibility from within the team. This team has collectively built and evolved our investment process and contains specialists in asset allocation in equity, fixed income and alternative asset classes as well as fund research, risk management, portfolio construction and trade implementation.



Who is the administrator and ACD of the Funds?

Valu-Trac Investment Management Limited is the third party administrator and ACD of the Funds. Valu-Trac Investment Management Limited dealing contact details are: 01343 880 344.

Who is the custodian of the Funds?

The Funds’ custodian is Royal Bank of Canada. We have Service Level Agreements in place with our fund administrators and a service monitoring programme that includes monthly service reviews, KPIs and reporting as a means of monitoring and supervising third party performance.

Who is the Auditor of the Funds?

Books and records of the funds are subject to audit by Johnstone Carmichael LLP. The audit findings form part of our funds’ annual report and accounts, which are available on request.

# Model portfolio range

The Momentum Managed Portfolios are designed to give investors access to discretionary investment strategies. Our solutions are structured to provide a sophisticated investment offering that aims to perform strongly in an array of market conditions and is very competitively priced. Our model portfolio range consists of six Managed Portfolios and one Income Portfolio designed to cater for a wide range of risk and return appetites. All the Portfolios utilise our investment desk’s macroeconomic views, asset allocation framework and contain investment strategies carefully selected by the team from leading global financial institutions.

The Portfolios target inflation plus returns over four or more years. They are broadly diversified investing in a range of equities, fixed income, cash, property and alternative strategies. The Portfolios asset allocation is actively managed and reflects Momentum’s views on asset classes, regions and currency. These can be implemented using either active or passive strategies. The Portfolios are also rebalanced on a regular basis to ensure that the asset allocations adhere to the original risk profiles.

Model Portfolios for Growth

Momentum Managed Portfolio 3

The investment objective of Managed Portfolio 3 is to achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 3 is designed to target a real return of 3% above inflation over the longer term and is aimed at investors who have a low tolerance for risk. It is classified as ‘Low Risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 3. Managed Portfolio 3 targets volatility between 4-7%. Managed Portfolio 3 has a minimum suggested time horizon of four years.

Momentum Managed Portfolio 4

The investment objective of Managed Portfolio 4 is to achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 4 is designed to target a real return of 4% above inflation over the longer term and is aimed at investors who have a low tolerance for risk. It is classified as ‘Lowest Medium Risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 4. Managed Portfolio 4 targets volatility between 6-9%. Managed Portfolio 4 has a minimum suggested time horizon of five years.

Momentum Managed Portfolio 5

The investment objective of Managed Portfolio 5 is to achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 5 is designed to target a real return of 5% above inflation over the longer term and is aimed at investors who have a low-medium tolerance for risk. It is classified as ‘Low Medium Risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 5. Managed Portfolio 5 targets volatility between 8-11%. Managed Portfolio 5 has a minimum suggested time horizon of six years.

Momentum Managed Portfolio 6

The investment objective of Managed Portfolio 6 is to achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 6 is designed to target a real return of 6% above inflation over the longer term and is aimed at investors who have a medium tolerance for risk. It is classified as ‘High Medium Risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 6. Managed Portfolio 6 targets volatility between 10-13%. Managed Portfolio 6 has a minimum suggested time horizon of seven years.

Momentum Managed Portfolio 7

The investment objective of Managed Portfolio 7 is to achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 7 will actively pursue a growth strategy by holding assets at the higher end of the risk spectrum and aims to deliver a commensurate rate of return given its volatility parameters. It is classified as ‘Highest Medium Risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 7. Managed Portfolio 7 targets volatility between 12-15%. Managed Portfolio 7 has a minimum suggested time horizon of eight years.

Momentum Managed Portfolio 8

The investment objective of Managed Portfolio 8 is to achieve sustainable returns from a mix of different asset classes, within a tight risk controlled framework. The Portfolio can invest in a range of asset classes such as equities, bonds, commodities, absolute return funds and cash. Managed Portfolio 8 will actively pursue a growth strategy by holding assets at the higher end of the risk spectrum and aims to deliver a commensurate rate of return given its volatility parameters. It is classified as ‘High Risk’ by Distribution Technology, the independent fund profiling company, and carries a Distribution Technology profile of 8. Managed Portfolio 8 targets volatility between 14-17%. Managed Portfolio 8 has a minimum suggested time horizon of nine years.

Model Portfolios for Income

Income Portfolio

The Momentum Income Portfolio has been developed due to increased demand for an income generating portfolio as an alternative to capital growth. The Portfolio is carefully constructed to offer an attractive yield and spread risk by investing in various asset classes. This includes traditional funds offered by the major investment companies. The investment objective of the Income Portfolio is to achieve a reasonable yield from a mix of different asset classes. The Portfolio will actively pursue a diversified investment strategy targeting a medium yield. The Portfolio will have a medium level of risk to capital and deliver a commensurate rate of return.

Who manages the Momentum Managed Portfolios?

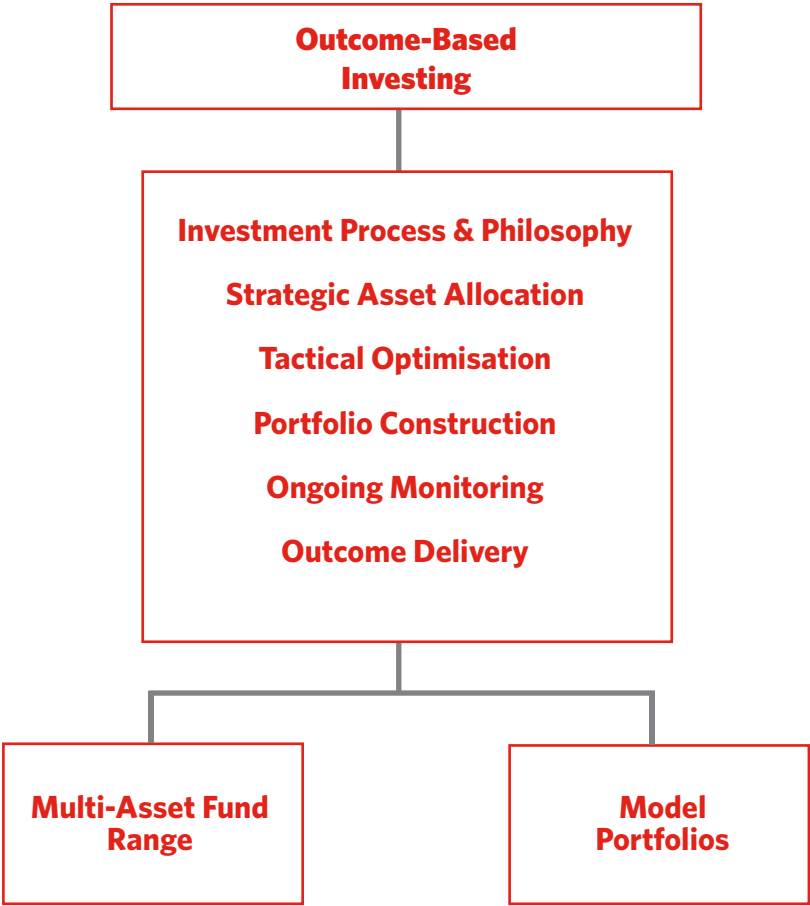
The Momentum Managed Portfolio Series is again managed collectively using the resources of the 21 strong Momentum UK investment team with lead manager responsibilities allocated to specific investment team members. This team has collectively built and evolved our investment process and contains specialists in asset allocation in equity, fixed income and alternative asset classes as well as risk management, portfolio construction and trade implementation.

# Investment philosophy & process

We believe clients should be able to access our dedicated outcome-based investment process regardless of whether they use a unitised solution or model portfolios. To that end we deliver the same philosophy and process through both delivery mechanisms.

Our core strength is a detailed, in-depth understanding of multiple asset classes. For each asset class we undertake extensive modelling using proprietary techniques to assess likely returns under different scenarios. This allows us to build robust portfolios that are likely to outperform across different economic climates.

Our investment team covers research across a broad range of asset classes and is responsible for asset selection across a wide range of global asset classes such as equities (including third party equity managers, UK equities and direct equities), fixed income, third party fund managers in both offshore and bond assets, property, emerging markets, alternative strategies and investment trusts.



- We believe we have the key components to run multi-asset solutions including:-
- Solid track record of active asset allocation and manager selection
  - A well-resourced, experienced and stable investment team
  - Highly qualified senior investment professionals with extensive experience in direct asset management and manager research
  - Broad asset class coverage across traditional and alternative strategies

The advantage of being a boutique within a large parent asset manager allows us to be flexible in our investment approach whilst still maintaining a boutique approach to asset selection.

What is your investment process?  
Our investment process uses multiple sources to generate performance:



# Asset Allocation Philosophy

We believe that the most consistent source of return comes from understanding valuations and allocating our assets to areas of value. It is from valuation that the best understanding of risk comes. Therefore at the heart of our process is a methodology that allows us to understand the risk/reward trade-offs of very different asset classes in a comparable manner.

Asset allocation is widely accepted as the most important step in portfolio construction. Our dynamic asset allocation process focuses both on which assets to own and the right combination of the assets so the overall portfolio behaves positively across a wide range of economic scenarios. Equity markets can be very volatile - diversifying the portfolio by including various asset classes can lower the overall portfolio risk. We utilise a broad range of asset classes and strategies. By increasing the opportunity set of available asset classes we are able to increase the level of true diversification in the portfolio. We combine assets that vary in response to market-driving forces, leading to more consistent returns.

## Asset class selection is our starting point

Our first focus is to determine the relative attractiveness of asset classes based on our assessment of the macroeconomic environment, valuations and investor sentiment. Our starting point is an assessment of valuation. We look at asset classes in an absolute sense relative to their own history and also relative to other asset classes.

We model and scenario test likely returns for each asset class. We compare valuation versus our bottom-up five year expected returns and on top of this we overlay different economic scenarios to stress test the prospective returns.

We have found that this process often throws up anomalies in terms of entire asset classes being mispriced, either for the better or the worse. These mis-pricings are the starting point for our asset selection and portfolio construction.

Our ideal is to find asset classes that are likely to meet our long term return criteria irrespective of the path of the wider economy.

## Alpha tilting – how we find added value

Within each asset class we go through a similar process to identify the best style within each sub-sector. For instance, with equities we look at value versus growth, small cap versus large cap and many related measures to ensure the equity portion of the portfolio is positioned in the styles with the best prospective returns.

Similarly in credit, the investment team will run analyses showing the relative pricing and benefits of floating rate versus fixed securities, regional makeup and credit rating, mortgage versus corporate related securities and move our portfolio appropriately. Much of this is proprietary research that is conducted in-house.

## How decisions are implemented

We consider implementation in a variety of ways. Accessing either through direct investment or where appropriate external specialist managers and investment trusts to add alpha to our asset class selection or gain exposure to specific / hard to access opportunities.

## How asset allocation is determined – strategic/tactical

The investment management team manages the funds within a strategic framework, and within this they tactically allocate assets on an active basis in order to take advantage of the best available opportunities at all times. The team has few limitations (either from a mandate or business perspective) that might impede the implementation of their views, and their belief in where the best value lies. The finesse of our process allows us to be very nimble in changing asset allocation.

By implementing our views using ‘best of breed’ external managers and passive strategies, we can access each asset class to add alpha or implement a market exposure/beta view. The use of external managers also negates any emotional attachment to an internal team and enables swift decision making when making asset allocation calls. It is essential that we benefit from market opportunities appropriately and access them as cost effectively as possible.

We believe few investors have either the mandate or ability to scrutinise such a wide range of asset classes with a consistent approach to finding value.



Establishment of the risk and return balance in the portfolio

Portfolios are monitored on an ongoing basis. The continual review of the level of expected returns from each asset class determines the ongoing composition of each portfolio. The funds are rebalanced on an ongoing basis so as to reflect the ongoing views of the Investment Management team, whilst remaining within mandate specific parameters. This discipline is undertaken only as frequently as necessary so as to avoid any unnecessary costs for investors.

As the valuation opportunity changes the funds are rebalanced to appropriately reflect the future opportunity set.

Country and sector allocation vs. fund and asset selection

The portfolios are not bound by country or sector limits, the portfolio managers will allocate assets according to investment opportunities they deem suitable, regardless of the country or sector but will stay within the relevant risk parameters.

Our research edge

We believe our research edge is our highly experienced and well-resourced research team; they cover a wide range of asset classes including equities, bonds and alternative investments. All our funds and solutions are run on a ‘best of breed’ basis and use specialist managers for specific stock-picking expertise. We believe that focusing on undervalued asset classes is the best way to produce consistent returns while managing risk, particularly the risk of loss of capital. This approach takes advantage of risk return mispricing across asset classes in a way that few investors are able to capture, and protects downside risk.

Risk management philosophy

The same philosophy that drives our asset allocation drives our approach to risk management.

For each asset class we devote a significant effort to projecting returns using consistent assumptions across differing scenarios. This scenario modelling not only drives our understanding of prospective returns, but is also a key part in understanding the true level of risk in the portfolio.

Risk is not best expressed in volatility units, or VaR measures, true risk is much more than that. Ultimately for our investors risk is the chance of a permanent impairment of real purchasing power. Our approach explicitly focuses on this type of risk, allowing the portfolios to aim to deliver superior returns over the long run.

A tried and tested process\*

The process outlined above has been in place for each fund since their inception date and has proven to be successful in differing markets. The key components that demonstrate our success in managing multi-asset solutions are our:

- Excellent track record of achieving outcomes
- Consistent approach risk management that runs through the whole investment process
- Excellent track record of generating returns though active asset allocation and manager selection

*\*This excludes the VT Momentum Diversified Growth Fund and VT Momentum Diversified Income Fund. Past performance is not indicative of future returns.*

# Portfolio construction

Our entire business is built around delivering returns that are meaningful to investors. Our approach to portfolio construction is not a benchmark or peer relative investment strategy, it is shaped by our outcome-based investment philosophy. It is a deliberate and considered strategy of how we invest, designing a path to reach an investment goal and being clear about the milestones that we need to achieve in order to deliver the stated outcome.

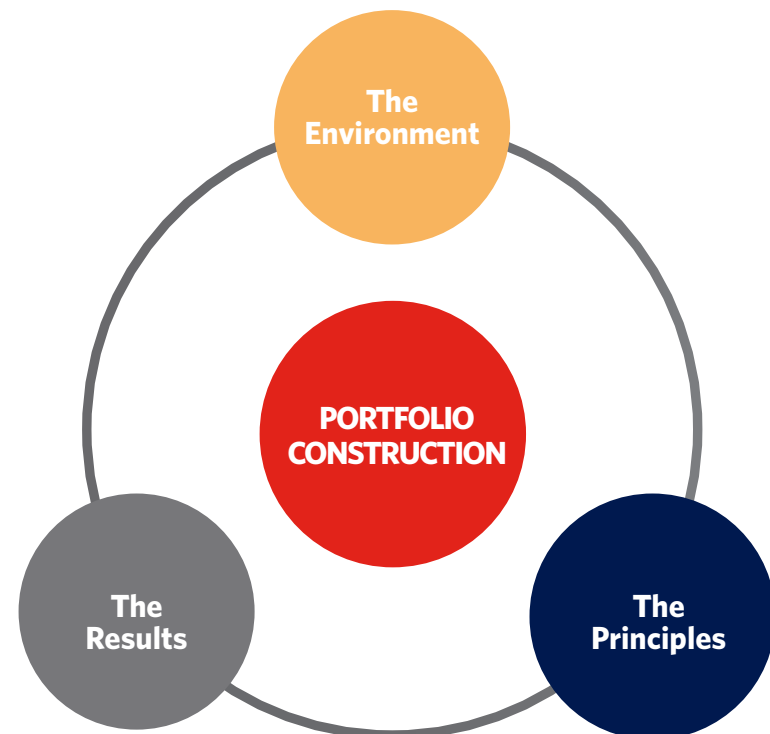
Our outcome-based Investment philosophy also defines risk in a more meaningful way. For private investors, true risk is not a volatility or relative tracking measure, but it is defined in the context of not meeting a stated outcome, falling short of that outcome or experiencing a large drawdown during the investment period. As a result, we think of risk in the same way. The selection of asset classes, strategies and managers are aligned to each portfolio’s objective, recognising that there are different types of risks, and relating these exposures to various risks in the context of the desired outcome and experience.

The end result is a well-diversified, multi-asset, multi-strategy, and multi execution solution. We will take advantage of market valuation opportunities to alter the strategy allocation but only if it enhances the probability of achieving the outcome without introducing excessive additional risk. Since Momentum has no ties to other financial services groups we are free to build our clients’ solutions with the best available strategies across the market. We are also pragmatic in terms of implementation; we would only employ active managers within strategies where it is merited by demonstrable skill, and the introduction of active management enhances the certainty or probability in achieving the outcome.

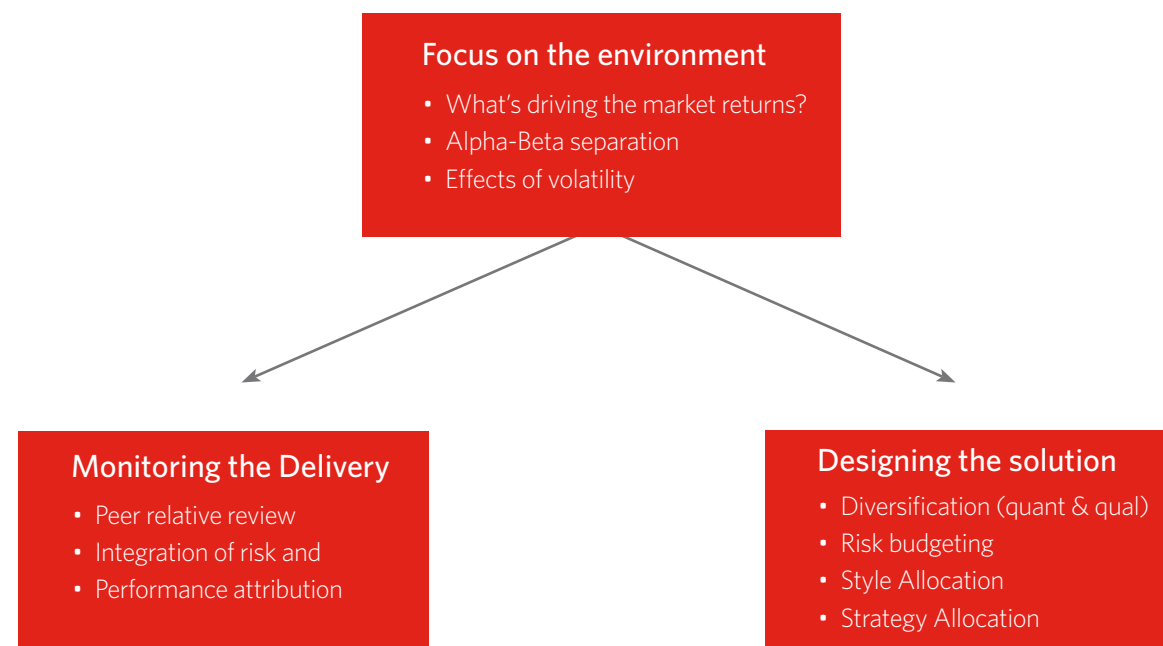
Active risk management is employed, making full use of derivative instruments to hedge against currency and other risks as appropriate. Before we invest in a fund, we conduct stringent manager due diligence, detailed in the Manager Selection Philosophy section.

Our process allows a greater awareness of the market environment and the resulting effect on the managers we employ. The inclusion of new ideas into the portfolios will be facilitated through the portfolio construction process – determining the principles (as with equity), Early Stage Funds and Style tilting.

## Portfolio Construction Objective



## Portfolio Construction Process



# Manager selection process

## Manager selection philosophy

While different asset classes require different approaches to manager selection, there are some common elements that bind our philosophy together. As well as picking the right style of managers, we also aim to pick the “best of breed” within any style. Features we look for to assess a manager includes:

- Consistency in process
- Assets under management
- Individuals, not committees
- Consistent style

## Identifying managers

We do not prescribe to any preconceived or arbitrary criteria when looking for excellent fund managers. We do, however, believe there are certain characteristics and traits that are common to managers who excel in their chosen asset class.

## Philosophy and process

We look for managers who have a clearly defined and well-articulated investment philosophy. The manager must translate the philosophy into a coherent process on a consistent basis, and have the necessary resources to achieve this.

## Style selection philosophy

We believe manager outperformance is often a result of style outperformance. Therefore it is paramount to select styles which are appropriate to the outcome and risk desired.

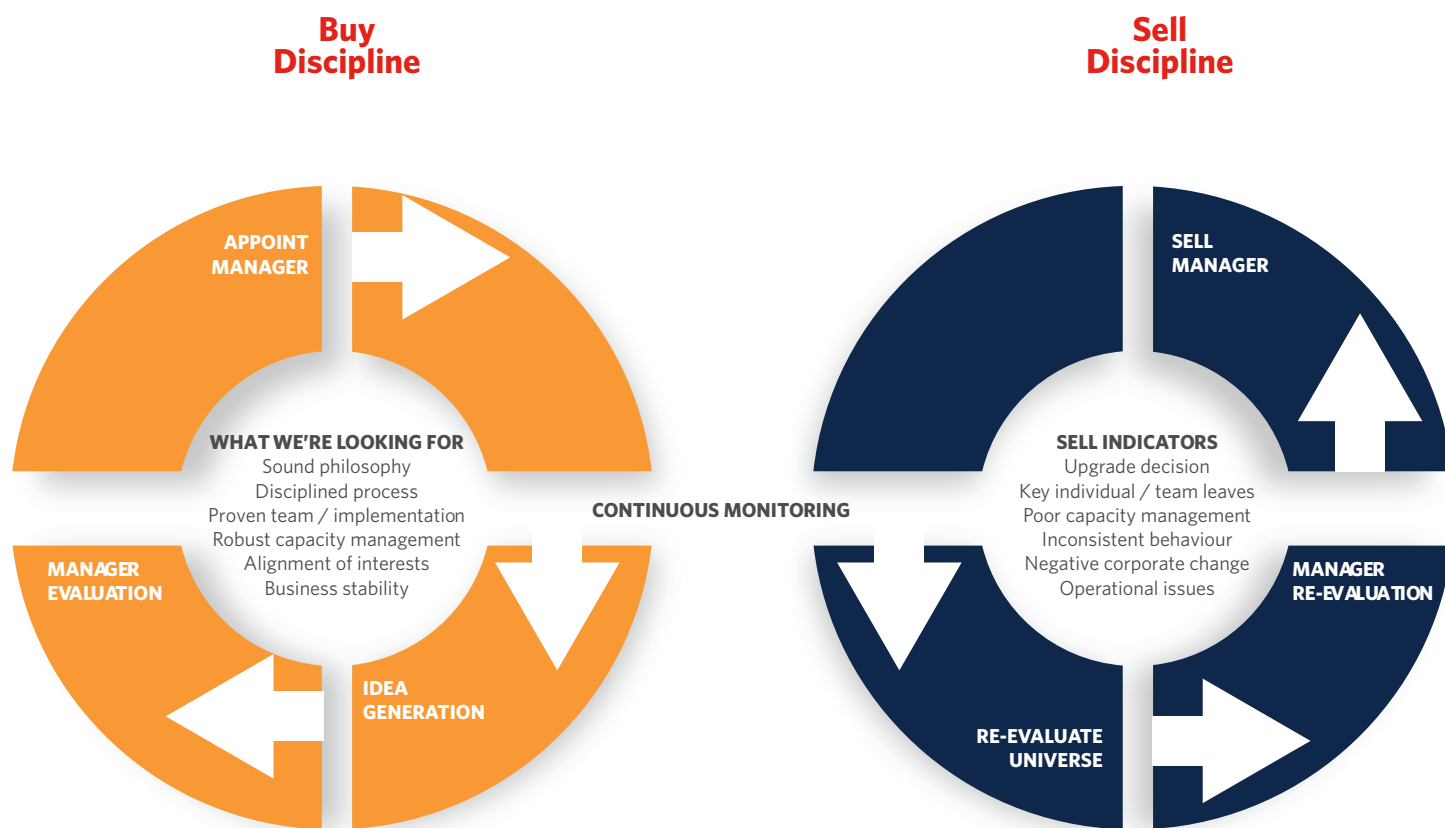
Within our higher risk portfolios and funds we are willing to incorporate a greater style bias which is expected to deliver greater returns but with potentially greater risk.

Within lower risk portfolios our style is more blended across various investment styles. We monitor the relative ‘cheapness’ of various styles by looking at cross sectional valuation views of the market. This allows us to assess which style or section of each market is most likely to outperform in the future, which is often very different to which style has outperformed in the past.

Investment styles the team monitors include:

- Size (eg. small cap vs. large cap)
- Regions (eg. UK vs. Europe vs. US)
- Value / quality / growth
- Numerous equivalents of these are monitored within the credit markets as well

*Valuation is key: take risk only when the odds are in your favour.*



### Adherence to style

We look for managers who are highly disciplined and will adhere to their style definitions even it is out of favour. We believe that these managers will produce consistently better long term relative returns compared with those who deviate from their style according to economic conditions. We combine complementary style specific managers in order to maximise total returns at fund and portfolio levels.

### People

We seek managers who operate in an environment that allows the key skilful individuals to leverage the resource of a wider team.

### Manager selection

We examine the way the manager constructs their portfolio - for example the types of stocks held, the risk appraisal process and the levels of trading and turnover. Through risk and return attribution, we assess whether or not the risks taken by the manager reflect their specific style, philosophy and process.

### Capacity management

The best performance usually comes from skilled managers with small/moderate amounts of assets under management relative to their specific investment universe. We focus our research efforts in this area.

### Due diligence

Our due diligence process is based on the principle that the selected managers must meet all our criteria in organisational structure, investment strategy and process, operational capabilities and transparency.

We visit the fund managers regularly to conduct a thorough due diligence interview and analysis prior to any investment. The operations team can impose their 'veto' on any investment decisions based on operational issues.

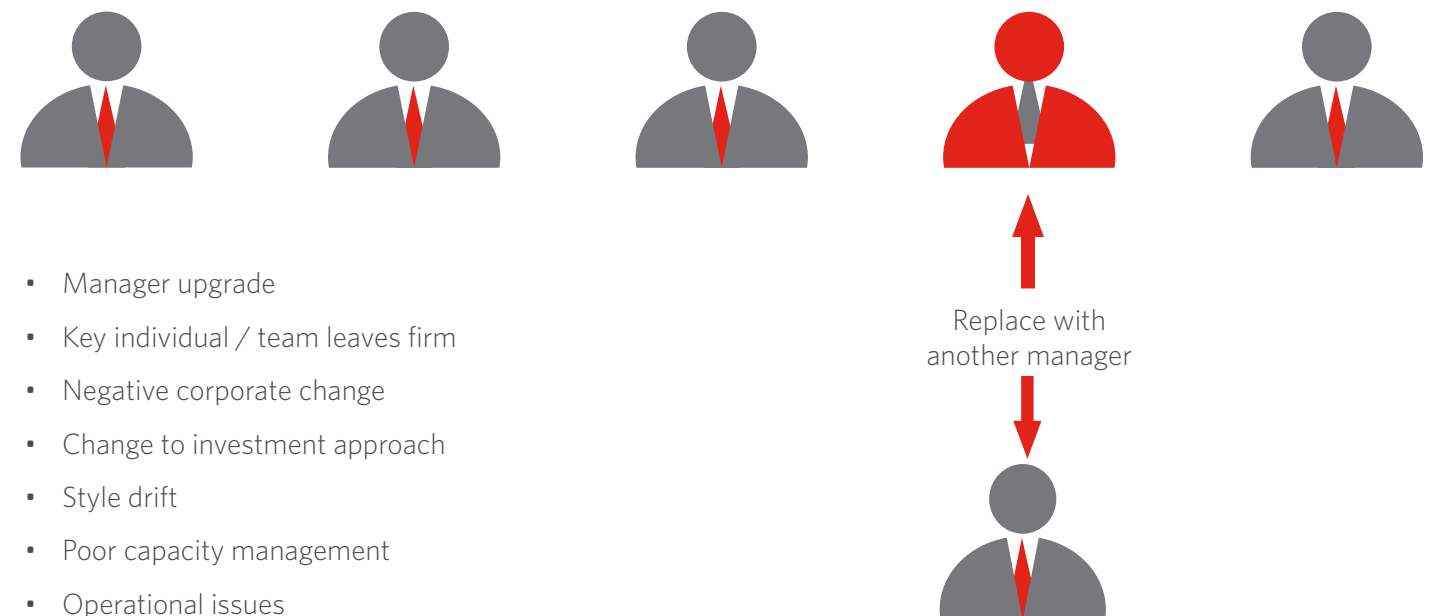
The operational due diligence analysis covers:

- Fund details
- Investment strategy summary
- Investment manager background
- Details on operations
- Business model
- Details on the Administrator, Auditor and Directors.

### Manager de-selection

There are a number of potential triggers that could affect a manager change. All fund managers included in our portfolios are employed to fulfil a specific role within our funds and for a specific skill set. When appointing a sub-advisor, we undertake extensive research and due diligence to ensure we fully understand their process as well as the key drivers of performance.

Should anything negatively impact our view of the manager and / or their ability to generate future returns as illustrated below, we will replace them with another manager. We will also replace an incumbent if we find a manager who we feel is an 'upgrade'. We aim to make as few changes as possible but as many as necessary.



# Compliance & risk

## What are the company’s compliance and risk arrangements?

Momentum has compliance and risk functions comprising of dedicated employees, who perform compliance monitoring and advisory functions, track regulatory developments and the changes the business needs to make to meet them, and drive the Enterprise Risk Management Framework. The functions provide detailed written and oral reports to the Executive Committee and board.

## What is the structure and operation of your investment risk management framework?

Investment risk is managed by the Investment Strategy Group in conjunction with appropriate dialogue with the Chief Executive, the Head of Compliance and the Head of Operations.

## Do you have a Three-line Management Risk Policy? i.e. Business operations, oversight functions, independent assurance provider.

Overall, Momentum operates a three-line defence model. Primary responsibility for control of the business rests with line management, with dedicated compliance and risk functions.

## Does the company have an internal audit function?

Momentum is within the scope of the Momentum Metropolitan Holdings Limited Internal Audit function.

## Please summarise the company’s Treating Customers Fairly Policy.

As an authorised Investment Manager, Momentum adheres to the FCA’s six Treating Customers Fairly outcomes whereby the senior management take responsibility to ensure that these outcomes are central to the corporate culture. All members of staff pay due consideration to the consumer outcomes through interactions with relevant committees and policies which act to establish this culture at all times.

## Please summarise the company’s Execution Policy.

Momentum manages and deals in investments as agent on behalf of its clients. The firm does not execute orders on a principal to client basis or act as an execution venue. Momentum has established and implemented transaction execution arrangements that are designed to allow the firm to take all sufficient steps to obtain the best possible result when executing or placing orders as investment manager on behalf of its clients. In providing best execution to clients, the firm’s policy is to review each type of instrument separately.

## Please summarise the company’s Conflict of Interest Policy.

The Conflict of Interest Policy seeks to ensure that clients’ interests are put first and that employees disregard any other relationship, arrangement, material interest or conflict of interest which may influence any service which the firm provides or may provide to a client. Momentum also enforces numerous related policies that require all employees act with the highest ethical standards and practice, and that they seek to minimise the risk of conflicts of interests with clients, the misuse of privileged or confidential information, or any involvement in insider trading, market abuse or interception of corporate opportunities. Momentum will always attempt as far as possible to manage any identified conflict of interest by imposing actions designed to mitigate the risk of any client receiving unfair treatment.

## Please provide a summary of your Business Continuity arrangements.

In the event of a disaster in the City of London or Liverpool, Momentum has a comprehensive business recovery plan to ensure that disruption to our business would be minimal.

## What is your current Disaster Recovery Plan?

Momentum’s business continuity plan addresses number of scenarios from our staff not being able to access either our office in London and/or Liverpool (either because of damage to the site or significant travel disruption), to the Azure Cloud being compromised to a pandemic.

The default response to a business continuity event is for all staff to connect to Momentum’s infrastructure via their home computers. The infrastructure has been configured in such a way that staff are able to perform all key activities such as portfolio monitoring; loading, authorising, executing and settling trades and reconciling our order and portfolio management system to the third party service providers of the portfolios we manage. Depending on the situation, staff can either log onto their office workstations remotely or directly to the infrastructure using a Citrix connection.

Our Business Continuity Planning (BCP) review and testing is done annually and consists of the following elements:

- A BCP invocation test.
- A BCP readiness test where we verify that all relevant staff are able to connect to their office workstations and the infrastructure directly.
- Full DR test where the infrastructure is fully restored to a new instance of the Azure Cloud.

# Appendix

## Board of Directors

### Jeanette Marais, Chair

Jeanette Marais joined Momentum Metropolitan Holdings Limited on 1 March 2018, as Deputy CEO. Jeanette was previously an executive director at Allan Gray and has extensive knowledge of the retail investments market, intermediary distribution and operational aspects of retail asset management. Jeanette started her career at Momentum in 1990 to 1999, responsible for sales and marketing for the group and Momentum Administration Services. She filled Executive level positions at Stanlib and Old Mutual before joining Allan Gray in 2009. As the Deputy CEO of Momentum Metropolitan Holdings Limited, her portfolio includes being the CEO of Momentum Investments and taking care of the Momentum Metropolitan Holdings Limited marketing and branding department and Distribution, Marais is one of South Africa’s most senior women in financial services.

### Ferdi Van Heerden, Chief Executive Officer

Ferdi joined Momentum in August 2010 from Switzerland, where he was Chief Executive of a new start up insurance venture. Prior to 3 years in Switzerland, he held a number of senior executive positions in both Momentum / Momentum Metropolitan Holdings Limited, one of the top three life insurance and investment groups in South Africa, and the FirstRand Group, both top 30 listed companies on the Johannesburg stock exchange. During his career of almost 20 years with the Group, his responsibilities included heading up Momentum’s individual life operation, the private pension fund administration business, as well as FirstRand’s consumer banking division. Ferdi has more than 25 years’ experience in the life and pensions industry.

Ferdi studied mathematics, statistics, and actuarial sciences and holds a B.Sc and B.Sc Honours from the University of Port Elizabeth. Furthermore he has completed an Advanced Management Program at Insead Business School in France, and has a postgraduate diploma in management from the Henley Business School.

### Jonathan Barnard, Chief Finance & Operations Officer

Jonathan joined Momentum in 2003 when the finance team was established as management accountant. As Momentum and FirstRand Bank expanded its operations in the UK Jonathan was promoted to Financial Controller in 2007 of the central finance function. Following the unbundling of Momentum and FirstRand, Jonathan joined Momentum Global Investment Management Limited as Chief Financial Officer in October 2010. Jonathan has a wide ranging remit which includes financial management (including budgets & forecasting); group, regulatory and statutory reporting; cash & balance sheet management; M&A activities; taxation and payroll. In 2019 Jonathan was promoted to Chief Finance & Operations Officer.

### Reena Thakkar, Director

Reena Thakkar is a Senior Investment Consultant at Momentum Investment Consulting & Solutions which was established in 2015 to provide independent investment advice to large UK defined benefit pension funds. She has worked in the industry for over 19 years and is responsible for providing advice to institutional investors across the full investment consulting spectrum, including investment strategy, liability hedging, dynamic de-risking, asset allocation, manager selection & monitoring and implementation. Prior to joining Momentum, Reena has worked at both Willis Towers Watson and Mercer. Reena holds a Masters degree in Engineering, Economics and Management from Oxford University and is a Fellow of the Institute of Actuaries.

### Nigel Dunkley, Non-Executive Director

Nigel joined Momentum in 1991 as the Head of Tax where after he became the Group Financial Manager. In 1995 Nigel founded the Momentum Corporate Advisory Services business unit which specialised in onshore & offshore structured investment products for the Investment Banking and High Net worth retail markets. In 2009 Nigel was appointed as the Momentum Group CFO and formed the group’s Balance Sheet Management Division responsible for capital management, treasury, hedging and optimisation of the Shareholder’s proprietary Balance Sheet. Post the merger of the Momentum and Metropolitan Groups, Nigel was appointed as the CEO of Momentum Metropolitan Holdings Limited Balance Sheet Management, which he handed over in May 2014 when he moved to London to play a strategic role in growing MMI’s global business outside of South Africa. He served on both the Momentum and Momentum Metropolitan Holdings Limited Executive Committee from 2000 to 2014.

### Peter Mann, Independent Non-executive Director

Peter was previously Vice Chairman at Old Mutual Group, Peter was integral to the delivery of the organisation’s growth strategy. Prior to that Peter also acted as CEO of Bankhall, the IFA network group. Peter supported significant revenue growth and steered the company to profit, implementing several new services for existing members across various business lines.

### David Thomas, Independent Non-executive Director

David joined the board of Seneca IM as chief executive in April 2015, he then transitioned to Non-Executive Director in 2020, and has now joined the Momentum Board as a Non-Executive Director as part of the acquisition of Seneca IM in October 2020. He has previously worked in management, business development and investment roles at Momentum, Midas Capital, Cazenove and Flemings among others. David graduated in Modern History from Wadham College, Oxford in 1986. He is a member of the Liverpool University Pension Fund Advisory Committee, and is Fellow of the Royal Asiatic Society. His interests include Asian art, history and dogs.

## Investment Strategy Group

### Glyn Owen, Investment Director

Glyn Owen is Investment Director and a member of the Investment Strategy Group. He manages many of the relationships with key partners and clients. He has over 45 years of investment experience, nearly all of which has been in the City of London. He was one of the founders of Momentum’s international investment business in London in 1998, prior to which Glyn was Head of the International Division at Deutsche Morgan Grenfell, where he was responsible for international investments for non-UK institutions.

### Andrew Hardy, Director of Investment Management

Andrew Hardy is a long-standing member of Momentum’s UK investment team, having been with the company since 2005. Prior to his appointment as Director of Investment Management he was co-Head of Research and has managed portfolios for over ten years, leading on the Harmony Portfolios multi-asset range and global developed and emerging market equity funds. During his time at the company he has played a central role in developing the team’s investment philosophy and process while supporting business strategy and development. He is a CFA Charterholder and has a BSc in Economics from the University of Bath.



Alex Harvey, Senior Portfolio Manager & Investment Strategist

Alex is a senior portfolio manager & investment strategist, based in London, with primary responsibility for research and selection of fixed income and alternative strategies for inclusion in Momentum Global Investment Management's multi asset portfolios. He is portfolio manager of the Momentum Global Fixed Income Fund and the Momentum International Income Fund, and more recently started managing the UK domiciled multi asset portfolios. Alex coordinates the international investment strategy and asset allocation process, liaising closely with the strategy and investment team in South Africa. He joined Momentum in September 2007 having previously worked as Futures Portfolio Manager at JP Morgan Asset Management in London. Alex is a CFA charterholder.

Richard Stutley, Portfolio Manager

Richard originally joined Momentum in 2008 as an intern, and re-joined the team in 2010 after completing his degree in Economics and Politics. He became a CFA charter holder in 2013. Richard has progressed from being an Analyst to an Assistant Portfolio Manager, to now a Portfolio Manager. He specialises in building multi asset solutions for clients, assisted by the wider investment team at Momentum.

Richard Parfect, Portfolio Manager - Research Area: Specialist Assets

Richard applies our value driven approach to his specific focus on specialist assets. Richard is a Fellow of the CISI and was a founder of Seneca IM in 2002. Richard joined Momentum in April 2021 as part of the acquisition of Seneca IM. He previously worked as a UK equity analyst at Merseyside Pension Fund and started his career at Neilson Cobbold.

Mark Wright, Portfolio Manager - Research Area: UK Equities

Mark is responsible for UK equity research across Seneca IM's investment mandates. Mark recently joined Momentum in April 2021 as part of the acquisition of Seneca IM. He began his career at Seneca IM after graduating from University of York with a BSc degree in Economics. Mark is a CFA Charter holder and an accredited member of the CFA Institute.

Tom Delic, Portfolio Manager - Research Area: Emerging Markets and overseas Equites & Credit

Tom is responsible for our third party fund selection alongside Gary Moglione. Tom recently joined Momentum in April 2021 as part of the acquisition of Seneca IM. He has worked in the investment industry since 2009 after graduating from the University of Liverpool with a first class degree in Mathematics with Finance. After beginning his career as an investment analyst for Royal Liver Asset Managers, he later joined Seneca IM in October 2011.

Gary Moglione, Portfolio Manager - Research Area: Developed Markets and overseas Equities & Credit

Gary joined Seneca IM in April 2018, and is responsible for our third party fund selection alongside Tom Delic. Gary recently joined Momentum in April 2021 as part of the acquisition of Seneca IM. He has worked in the investment industry since 1999 with a major portion of this specialising in fund selection both on a fund of funds and a multi-manager basis. He has previously worked as a fund manager for Royal Liver Asset Management where he managed two of their multi-manager funds (UK Equity and Global Equity). He then joined the multi-asset team at Pioneer Investment Management (later to be taken over by Amundi Asset Management) to manage equity assets in their funds of fund range.

# Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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*Intermediary relationship management  
South East (ex London) and Scotland*

With us, investing is personal



## Adviser Solutions Due Diligence Document

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