

A pack of wolves

– Lorenzo La Posta, CFA

When I was a kid, the concept of wolves being dangerous, aggressive animals was instilled in me: they growl, they stalk, they kill. Yet, have you ever heard spine-tingling howls breaking through the night? It is primordially majestic. As I grew up, I found myself seeing wolves as fascinating, widely misunderstood creatures. I had to find my own pack.

Wolves work together to hunt for food, protect their territory and expand their reach. United they stand, divided they fall. Led by two alphas, they know they are only as strong as the weakest of them. Also, they have a set social structure and rules by which each wolf has its own function but everyone, including the alphas themselves, takes care of and raises the pups. It's all about the team.

“I had to find my own pack”

I joined Momentum three years ago and the first thing that struck me was the extent of the pack behaviour that presented before my eyes. I was a pup when I found myself a family willing to accept me on board and to teach me how to be a better hunter. Sure, the prey we stalk is investment returns rather than animals and our means of communication are not as cool as howls, but ultimately, we have a very strong sense of teamwork. We know that, if we want to provide our clients with the best services, we have to excel in each single part of the investment proposition, from the actual investment idea to its execution, from marketing and client relations to operations management, from the legal, compliance and financial processes to the human and technological resources.

Each one of us brings something unique to the table: area of expertise, past experiences, approach to problem-solving, intellectual curiosity, cognitive or behavioural characteristics. Our differences are valued more than our similarities, and everyone is incentivised to contribute as much as possible, to speak up, to take on responsibilities and become accountable for a certain area of the overall process. In addition, rephrasing a famous book quote, “help will be given at Momentum to those who ask for it”. From day one I have been told to ask for help anytime I needed it, to not be afraid of showing areas of weakness, to learn from my colleagues and to always be available to them, to return the favour. After all, we share the common objective of providing the best service to our clients and teamwork is embedded in our culture.

We very recently welcomed into our pack a few more wolves to expand our territory and our hunting and defence capabilities. A variety of high-quality professionals, business lines and intellectual property is joining us from what was Seneca Investment Managers, to form an even stronger team. Thanks to strong cultural fit and complementary offering, Momentum's newly expanded fund management business in the UK now has physical presence in London and Liverpool, providing outcome-based investment services to clients all over the world, with scale, nimbleness and dynamism. It will be our clients who will ultimately benefit the most from it, through now having access to an even stronger platform, but I have to admit I am looking forward to working with the new colleagues, to sharing knowledge with and learning from them, to challenging and being challenged.

The Marketplace

- Global equities rose +1.5% last week on the back of further positive news regarding vaccine rollouts
- The UK becomes the first country to approve the Pfizer/BioNTech covid-19 vaccine, which will be rolled out this week
- Brent crude rose +2.2% ending the week at \$49.3 a barrel
- Gold rose +2.9% to end the week at \$1838.9 an ounce

Market Focus

US

- The large-cap US equity benchmark returned +1.7% over the week
- The yield on the 10-year Treasury note rose 12 basis points to 0.96%
- The Food and Drug Administration (FDA) is meeting this week to discuss whether the Pfizer/BioNTech vaccine will be given emergency use authorisation
- The manufacturing Purchasing Managers' Index (PMI) edged higher to 56.7 in November from 53.4 in October
- The ISM Services index came in at 55.9, the second consecutive monthly decline of the reading, though it remains above 50, the level which splits expansion from contraction
- The jobs report showed that 245k jobs were added in November, easing from 610k in October, as the unemployment rate fell to 6.7%
- Pending home sales fell -1.1% in October, against +1.0% expected, in the second consecutive month of decline
- President-elect Biden is reported to be planning to conduct a full review of the existing trade deal with China.

UK

- UK equities rose +3.0% on the week

- Brexit negotiations are ongoing as divisions remain on key issues
- The Internal Market Bill, which sought to break sections of the Withdrawal Agreement with the EU, arrives back at the House of Commons for further debate
- The UK manufacturing PMI was 55.6 for November
- Mortgage approvals rose to 97.5k in October, their highest level since 2007.

Europe

- The main continental European equity index fell -0.4% last week
- The November Euro Area manufacturing and composite PMIs came in at 53.8 and 45.3 respectively
- The Euro Area unemployment rate fell slightly to 8.4% in October from 8.5% in September. This reading came in line with expectations.
- German retail sales rose by 2.6% in October, against 1.2% expected
- Germany's preliminary inflation data for November showed an accelerating decline in prices. Italy saw more moderate deflation over the same period.

Asia/Rest of The World

- The global emerging markets equity benchmark rose +1.7% last week
- China's official manufacturing PMI for November was 52.1 against 51.5 expected, with the services reading at 56.4, bringing the composite reading to 55.7, beating last month's 55.3 reading
- The US House of Representatives has passed a bill that could lead to Chinese companies being delisted from US exchanges if regulators aren't given access to their audits
- Japan's manufacturing PMI was 49, South Korea read 52.9 and India read 56.3.

Asset Class/Region	Currency	Currency returns			
		Week ending 4 Dec. 2020	Month to date	YTD 2020	12 months
Developed Market Equities					
United States	USD	1.7%	2.2%	15.9%	20.4%
United Kingdom	GBP	3.0%	4.6%	-11.9%	-7.5%
Continental Europe	EUR	-0.4%	0.5%	0.1%	2.7%
Japan	JPY	-0.6%	1.2%	5.5%	6.8%
Asia Pacific (ex Japan)	USD	1.0%	3.2%	18.5%	26.6%
Australia	AUD	0.5%	1.8%	2.0%	3.4%
Global	USD	1.5%	2.2%	13.7%	17.9%
Emerging markets equities					
Emerging Europe	USD	4.3%	6.2%	-15.9%	-9.9%
Emerging Asia	USD	1.2%	3.5%	24.1%	33.8%
Emerging Latin America	USD	5.8%	7.8%	-16.9%	-10.0%
BRICs	USD	0.0%	2.4%	14.5%	23.6%
China	USD	-1.6%	1.2%	27.5%	39.5%
MENA countries	USD	0.3%	0.2%	-3.1%	1.9%
South Africa	USD	1.7%	5.2%	-8.0%	0.8%
India	USD	2.6%	2.6%	6.3%	7.8%
Global emerging markets	USD	1.7%	3.8%	14.4%	23.4%
Bonds					
US Treasuries	USD	-0.8%	-0.9%	7.7%	7.1%
US Treasuries (inflation protected)	USD	0.1%	-0.1%	10.2%	10.1%
US Corporate (investment grade)	USD	-0.3%	-0.5%	8.8%	9.2%
US High Yield	USD	0.9%	0.8%	5.9%	8.0%
UK Gilts	GBP	-1.0%	-0.8%	6.5%	5.6%
UK Corporate (investment grade)	GBP	-0.1%	0.0%	7.1%	7.5%
Euro Government Bonds	EUR	-0.3%	-0.2%	4.7%	3.9%
Euro Corporate (investment grade)	EUR	0.0%	0.0%	2.6%	2.6%
Euro High Yield	EUR	0.6%	0.6%	2.1%	3.2%
Japanese Government	JPY	0.0%	0.0%	-1.0%	-1.0%
Australian Government	AUD	-0.6%	-0.6%	4.2%	2.3%
Global Government Bonds	USD	0.0%	0.0%	8.4%	8.4%
Global Bonds	USD	0.3%	0.3%	8.4%	8.7%
Global Convertible Bonds	USD	1.4%	1.4%	21.9%	25.1%
Emerging Market Bonds	USD	0.2%	0.4%	5.4%	8.3%

Asset Class/Region	Currency	Currency returns			
		Week ending 4 Dec. 2020	Month to date	YTD 2020	12 months
Property					
US Property Securities	USD	2.1%	3.6%	-8.4%	-8.6%
Australian Property Securities	AUD	0.2%	0.8%	-6.4%	-8.8%
Asia Property Securities	USD	-2.1%	0.0%	-11.1%	-6.9%
Global Property Securities	USD	1.1%	2.4%	-8.0%	-6.0%
Currencies					
Euro	USD	1.6%	1.6%	8.1%	9.6%
UK Pound Sterling	USD	1.2%	0.9%	1.6%	2.9%
Japanese Yen	USD	-0.1%	0.2%	4.3%	4.6%
Australian Dollar	USD	0.6%	1.1%	5.9%	8.5%
South African Rand	USD	0.4%	1.7%	-7.9%	-3.8%
Swiss Franc	USD	1.6%	1.7%	8.6%	11.1%
Chinese Yuan	USD	0.7%	0.7%	6.6%	7.9%
Commodities & Alternatives					
Commodities	USD	0.0%	0.7%	-12.1%	-8.5%
Agricultural Commodities	USD	-2.1%	-0.6%	7.9%	13.2%
Oil	USD	2.2%	3.5%	-25.4%	-21.8%
Gold	USD	2.9%	3.4%	20.8%	24.7%
Hedge funds	USD	0.3%	0.5%	4.7%	6.1%

Important notes

This document is for information purposes only and does not constitute any investment advice. This document is only intended for use by Imperium Capital and their clients. This does not constitute an offer or solicitation to any person in any jurisdiction in which it is not authorised or permitted, or to anyone who would be an unlawful recipient.

Prospective investors should take appropriate advice regarding applicable legal, taxation and exchange control regulations in countries of their citizenship, residence or domicile which may be relevant to the acquisition, holding, transfer, redemption or disposal of any investments herein solicited.

Any opinions expressed herein are those at the date this document is issued. Data, models and other statistics are sourced from our own records, unless otherwise stated. We believe that the information contained is from reliable sources, but we do not guarantee the relevance, accuracy or completeness thereof. Unless otherwise provided under UK law, Momentum GIM does not accept liability for irrelevant, inaccurate or incomplete information contained, or for the correctness of opinions expressed.

The value of investments in discretionary accounts, and the income derived, may fluctuate and it is possible that an investor may incur losses, including a loss of the principal invested. Past performance is not generally indicative of future performance. Investors whose reference currency differs from that in which the

underlying assets are invested may be subject to exchange rate movements that alter the value of their investments.

Under our multi-management arrangements, we selectively appoint underlying sub-investment managers and funds to actively manage underlying asset holdings in the pursuit of achieving mandated performance objectives. Annual investment management fees are payable both to the multimanagement and the manager of the underlying assets at rates contained in the offering documents of the relevant portfolios (and may involve performance fees where expressly indicated therein).

Momentum Global Investment Management (Company Registration No. 3733094) has its registered office at The Rex Building, 62 Queen Street, EC4R 1EB

Momentum Global Investment Management Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom, and is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act 37 of 2002 in South Africa.

© Momentum Global Investment Management Limited 2020