

iMGP

Growth Strategy Portfolio USD

Managed by
Hottinger & Co Limited

Share class : RUSD
ISIN : LU1909136431

For qualified and retail investors

Investment objective

The Sub-fund aims to provide long-term capital growth by investing in a wide range of asset classes and by offering a significant exposure to equity markets. The Sub-fund may invest, mainly through funds and worldwide, in equities, fixed-income instruments (such as bonds, notes and convertibles, including, on an ancillary basis, high yield, subordinated and inflation-linked bonds), as well as, to a lesser extent, in instruments offering exposure to commodities.

Risk/Return profile

LOWER RISK
(Typically lower rewards)

HIGHER RISK
(Typically higher rewards)



The SRI (Synthetic Risk Indicator) is the indicator from the ESMA that replaced the SRRI on 1st January 2023. The SRI is calculated as the combination of MRM (Market Risk Measure) and CRM (Credit Risk Measure). Considering that the CRM scores the issuer default risk, which is extremely unlikely on a UCITS Product, the MRM will be the main trigger of the SRI score. The MRM (so the SRI) is a representation of the Market risk of the share class based on historical data (measured or proxied to a similar market risk) over the recommended holding period, unless stated otherwise.

The SRI will have a value from 1 (less volatile) to 7 (highly volatile).

Full details are available on the EUR-Lex website : <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0653>

Fund facts – Scheme – iMGP SICAV

Fund Manager	Hottinger & Co Limited
Distribution	Accumulation
Last NAV	USc 212870
Number of units	229,711.27
Fund size	USD 48.9 mn
Fund type	Fund of Funds
Investment zone	Global
Recommended invest. Horizon	At least 6 years
Share class currency	USD
Inception date	2019.01.31
Legal structure	Luxembourg SICAV - UCITS
Registration	CH,GB,LU,ZA
Classification SFDR	Article 6

Performance & risk measures

Data as of 30.06.2024

The benchmark is being used for illustrative purposes as the fund does not have a benchmark.

	YTD performance as of 30.06.2024	% of portfolio	Annualized performance since inception (31.01.2019)	Highest 1y return	Lowest 1y return	Performance one year rolling	Annualized 3-year
iMGP Growth Strategy Portfolio USD	6.87%		6.57%	30.26%	-18.29%	12.06%	0.34%
Benchmark Composite*	7.41%		8.40%	28.57%	-14.94%	13.84%	3.92%
USD 3months	0.28%	10.00%					
iBoxx UST TR Index	-0.23%	25.00%					
60% S&P500 TR + 40% MSCI World EXUS	7.36%	65.00%					

Source as at 30.06.2024: iM Global Partner Asset Management. Past performance does not guarantee or predict future performance. Annualised risk measures based on 3-year weekly returns if more than 3-year history or 1-year if less than 3-year history.

*Computation of a daily weighted average performance (hypothesis: daily rebalancing; weights remain constant over time). Chain-linking of the daily performances. No fees included.

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Manager Comment

Highlights

- Equities continued their rally as Nvidia becomes the “Magnificent 1”
- The US still leads the way, but the breadth of returns remains extremely narrow
- Bonds and equities show positive correlation

Market Review

Global equities returned 2% in June after a strong May showing of 4% as the narrow dispersion of returns continues. The US market, therefore, leads world gains with a positive 3.5% taking performance year-to-date to 14.5%. Technology was the strongest sector up 9% with Nvidia continuing its own meteoric rise to \$3trn gaining a further 12.7% as it briefly overtook Microsoft to become the biggest company by market capitalisation. Investors who have closed their eyes to valuation and followed the momentum have seen their investment rise 159% this year as they bet that the near monopoly that Nvidia enjoys in creating AI chips for data centres will continue. June saw the “Magnificent 7” gain another 9% while the other 493 stocks of the S&P500 gained 1% as the breadth of returns that had broadened in April deteriorated further in June. Cyclical sectors such as Industrials, Energy and Basic Resources were the main drag to markets while the events in France affected European equities losing 2% over the month. Global bonds were also positive in this risk-on environment although developed market yield curves remain inverted at the shorter end, and commodities remain strong as the global economy stays buoyant.

Fund Review

During June, we continue to build out Liquid Alternatives exposure in the portfolio by adding systematic and alternative return strategies. The terms of investment for the fund requires a majority position in funds and we continue to use passive exchange traded funds complemented by direct equity exposure. We continue to see little value in investment grade and high yield credit spreads although some investors are drawn to the overall yield, so our fixed income exposure is in US Treasuries. We continue to maintain our sector themes in fund forms the major market leading stocks have continued to provide good earnings meaning market leadership continues to favour “mega tech” which is fully covered by passive investments. In summary, the core of the portfolio remains stable and unchanged during this important period, and we will look to reduce European equities in favour of US, however mindful of the narrowness of returns we may employ a more equal weight approach.

Outlook

The financial markets have been buffeted by geopolitics over the last few months and with the French, UK, and later US elections all happening in the 2nd half of the year the risk offical drag remains a concern. The size of the fiscal deficit in the US will figure in the minds of investors particularly as the Fed is no longer the main buyer of Treasuries leaving them vulnerable to supply and demand. We believe risk assets will remain in favour over the rest of this year, and it is unlikely that any other region will challenge US leadership.

Portfolio composition


With the core of the portfolio now invested in competitively valued passive index ETFs in line with the regulatory guidelines for a fund of funds, we have continued our review of the liquid alternatives exposure in the portfolio replacing the majority of the existing holdings and adding systematic and alternative return strategies in line with the funds guidelines for a minimum of 5% in Alternatives. While the review was undertaken in which a number of expensive, semi-liquid funds were replaced with daily dealing alternative UCITS funds, the allocation was supported by a doubling in the Gold exposure to 6.8% which was a positive contributor as Gold returned 4.2% over the course of the quarter. Towards the end of the period we took a profit in 2% of the position leaving it at 5% at quarter-end. We have now added 4 funds totaling approx. 8% of the portfolio offering a blend of strategies aimed at reducing volatility and returns uncorrelated to equities and bonds. This takes the Alternatives exposure to 13% well within maximum investment guidelines. We continue to see little value in investment grade and high yield credit spreads although some investors are drawn to the overall yield, and the historically low default rates, so our fixed income exposure of 11.5% is in US Treasuries ETFs looking to maintain an average market duration. The equity composition includes a satellite of 30% in direct developed equities and a core of passive index ETFs that are 43% of the fund maintaining the fund of funds guidelines. Total equity exposure stands at 72% with the US at 32% and Europe at 17%. The political environment in France during June impacted European equities turning performance negative over the quarter and providing a headwind to performance. We continue to maintain our 6% sector themes of Global Semi-Conductors, and World Energy in passive fund form as the major market leading stocks have continued to provide good earnings meaning market leadership continues to favour “mega tech”. In summary, the core of the portfolio remains stable and unchanged during this important period, and we will look to reduce European equities in favour of US, however mindful of the narrowness of returns we may employ a more equal weighted approach.

Adherence to investment policy objectives

Above fund adhered to its investment policy objectives.

Portfolio breakdown

Asset allocation

Equity		50.25%
Cash		6.03%
Bonds		43.72%

Top 5 Long

iShares Core SP 500 ETF USD Acc	12.00%
UBS LUX MSCI JP ETF (SWX)	5.90%
ISHARES STOXX 600 UCITS (DE) ETF(GER)	5.70%
ETFS PHYS SWISS GOLD USD	4.80%
iShares MSCI EM Asia ETF USD Acc	4.20%
	32.60%

Source as at 30.06.2024: iM Global Partner Asset Management

iMGP Growth Strategy Portfolio USD

Share class : R USD

Dealing information

Liquidity	Daily
Cut-off time	TD-1 18:00 Luxembourg
Minimum initial investment	-
Settlement	TD+3
ISIN	LU1909136431
CH Security Nr	44786578
Bloomberg	OYGSURU LX

Fees

Subscription fee	Max 0.00%
Redemption fee	Max 1.00%
Management fee	Max 1.00%
Performance fee	0.00%
TER (Total Expense Ratio)	1.47%
TC (Transaction Cost)	0.05%
TIC (Total Investment Charges)	1.52%

Administrative information

Central Administration	CACEIS Bank, Luxembourg Branch	Auditor	PwC Luxembourg
Transfer Agent	CACEIS Bank, Luxembourg Branch	Management Company	iM Global Partner Asset Management S.A.
Custodian Bank	CACEIS Bank, Luxembourg Branch		
Representative Office	Prescient Management Company (RF) (Pty) Ltd, Registration number: 2002/022560/07 Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 Postal address: PO Box 31142, Tokai, 7966. Telephone number: 0800 111 899. E-mail address: info@prescient.co.za Website: www.prescient.co.za		

Important information

Disclaimer:

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.

Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by CACEIS Bank, Luxembourg Branch no later than 6pm (Luxembourg time) the day before (D-1) the Transaction Date (D), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time CACEIS Bank, Luxembourg Branch shall not be obliged to transact at the net asset value price as agreed to. Funds are priced every banking day following a Transaction Date (D+1) at 3pm (Luxembourg time).

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

For any additional information such as fund prices, brochures and application forms please go to www.imgp.com.

Glossary Summary:

Annualised performance: Annualised performance shows longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Alpha: Denoted the outperformance of the fund over the benchmark.

Sharpe Ratio: The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.

Standard Deviation: The deviation of the return stream relative to its own average.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

Max Gain: Largest increase in any single month

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

Average Duration: The weighted average duration of all the underlying interest bearing instruments in the Fund.

Average Credit quality: The weighted average credit quality of all the underlying interest bearing instruments in the Fund (internally calculated).

Dividend Yield: The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.

PE Ratio: The weighted average price earnings ratio of all the underlying equity in the Fund. The price earnings ratio of each company is the price divided by the earnings per share.

High Water Mark: The highest level of performance achieved over a specified period.

Fund of Funds: A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios.

Contact Details:

Representative Office:

Prescient Management Company (RF) (Pty) Ltd, **Registration number:** 2002/022560/07. **Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945. **Postal address:** PO Box 31142, Tokai, 7966. **Telephone number:** 0800 111 899. **E-mail address:** info@prescient.co.za. **Website:** www.prescient.co.za

Trustee/ Depository:

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Share class : R USD



Investment Manager:

Hottinger & Co Limited, **Registration number:** 01573969 is an authorised Financial Services Provider under the supervision of the British Financial Conduct Authority (FCA)

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*Performance Fee: The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark using a participation rate of 15%. A permanent high watermark is applied, which ensure that performance fees will only be charged on new performance. There is no cap on the performance fee.

*must only be displayed if the fund levies a performance fee.

iMGP Growth Strategy Portfolio USD is registered and approved under section 65 of the Collective Investment Schemes Control Act 45 of 2002.