



PORTFOLIO SERVICES

Active Fund-Based Asset Management
and Fund of Funds

MOVENTUM 

The independent way to achieve your goals

Moventum's portfolio management products include active asset management, on a fund and ETF basis, as well as its own Moventum funds of funds for various risk-reward profiles to complement the range of services offered by financial service providers.

The nature of your investment must be adapted to your goals. Each investor has different investment goals and requirements which your financial advisor will analyse with you in order to find the appropriate solution for you. Moventum's fund-based portfolio services provide you with the perfect conditions to achieve your goals effectively and sustainably.

Mastering risks and opportunities

The more time you have in which to achieve your goals - for instance, setting up an adequate pension plan - the lower the impact of short-term market fluctuations will be.

Every form of investment has its own special feature

As an investor, you usually have a choice between different forms of investment, such as cash, bonds, real estate or shares. Investment funds usually either invest their capital in one of these categories, or in several in combination. It is important to know that each of these forms of investment has its own risk and return profile. The following graphic illustrates this clearly.

**SUCCESS, RELIABILITY
AND CONTINUITY**

The greatest risk for big goals: Moving too slowly

Risk

Risk is part of everyday life; we take risks because of the inherent opportunities. The same applies when making an investment. Short-term fluctuations in value can increase the risk of incurring losses – but this usually also increases returns.

The long-term potential of promising forms of investment

Even for risk-averse investors, supposedly secure forms of investment such as fixed-interest capital investments may not be the only solution. Fixed-income investments or pension products with a guaranteed pay out provide security as the predicted performance of the capital invested is ensured.

However, in terms of the goals that you have to shape your life and satisfy your needs to be free of financial worries in later life, fixed income and pension products often carry a risk: their returns are insufficient to generate enough capital in a timely manner. In the long term, investors cannot completely forgo returns of attractive asset classes such as shares.

The challenge here is to handle the natural fluctuations of the financial markets professionally.

Risk/return spectrum of the various asset classes

Potential profit | Risk/volatility





LOW

HIGH

Cash | Bonds | Real estate | Shares

Source: own diagram

Different forms of Investment

	 Cash	 Bonds	 Real estate	 Share
	Safe, liquid investments, regular interest payments	Securities for which the issuer undertakes to pay interest in exchange for the capital the investor lends them	Any combination of residential or commercial real estate such as hotels, office complexes or factories	Shares in companies, unit price (= share price) dependent on the economic development of the company (tangible asset)
	Low	Low-Medium	Medium-High	High
	Low	Low-Medium	Medium-High	High
	Short-term	3 years	5 - 10 years	> 10 years

Source: own diagram

Finding the balance between risks and opportunities



INDIVIDUAL RISK-REWARD PROFILE

Inflation

Many forms of investment guarantee a steady and fluctuation-free performance of the invested capital. After deducting inflation, however, the capital growth attained is often disappointing.

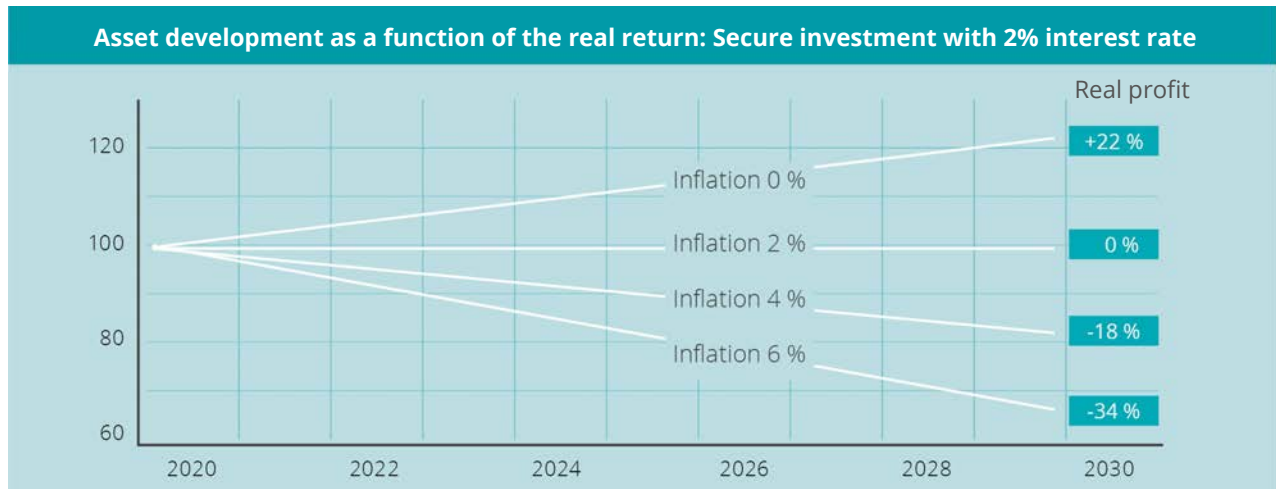
The effects of inflation should always be considered when making an investment: rising prices can significantly lower the value of an investment if the capital does not increase sufficiently. The returns should therefore always be higher than the inflation rate – and also be as high as possible.

Risk/reward profile

Your financial advisor offers you a solution that is tailored exactly to your individual risk/reward profile.

- Whether you are looking to accumulate or preserve assets, with Moventum, you decide together with your advisor which risk/reward profile suits you best.
- The selected risk/reward profile is the foundation for the management of your portfolio.
- On a quarterly basis, both asset classes and individual funds are reviewed and adapted to the selected risk/reward profile.

Risk reduction by diversification



Source: own diagram

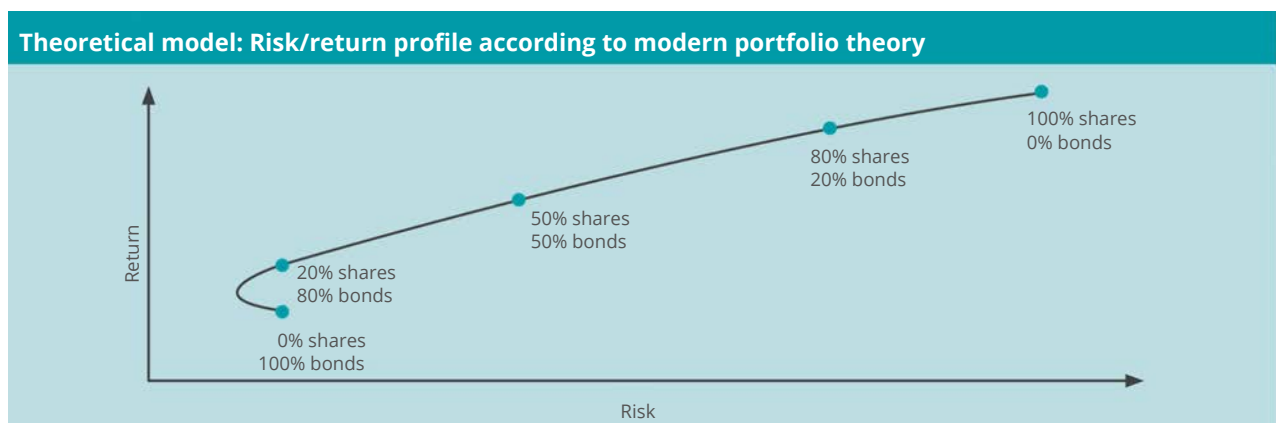
Even after deduction of the inflation rate, an investment can generate high returns, and remember, looking at the performance of past investments is not a reliable guide to future returns.

It makes more sense to distribute the invested capital, especially when financial markets are subject to high fluctuations. This so-called 'diversification' is one of the most effective ways to achieve good returns with an acceptable level of risk. Diversification increases the opportunities for investors to benefit from growth of a market which is performing positively whilst mitigating the effects of negative trends on another market.

There is a variety of different criteria according to which an investment can be diversified, for example:

- asset classes
- regions
- sectors
- strategies, etc.

The graph below shows that the risk/reward profiles of different, mixed portfolios vary greatly. If a portfolio does not contain any shares, the return potential is rather low. The higher the proportion of shares in the portfolio, the higher the return potential; however, these portfolios also involve a higher risk.



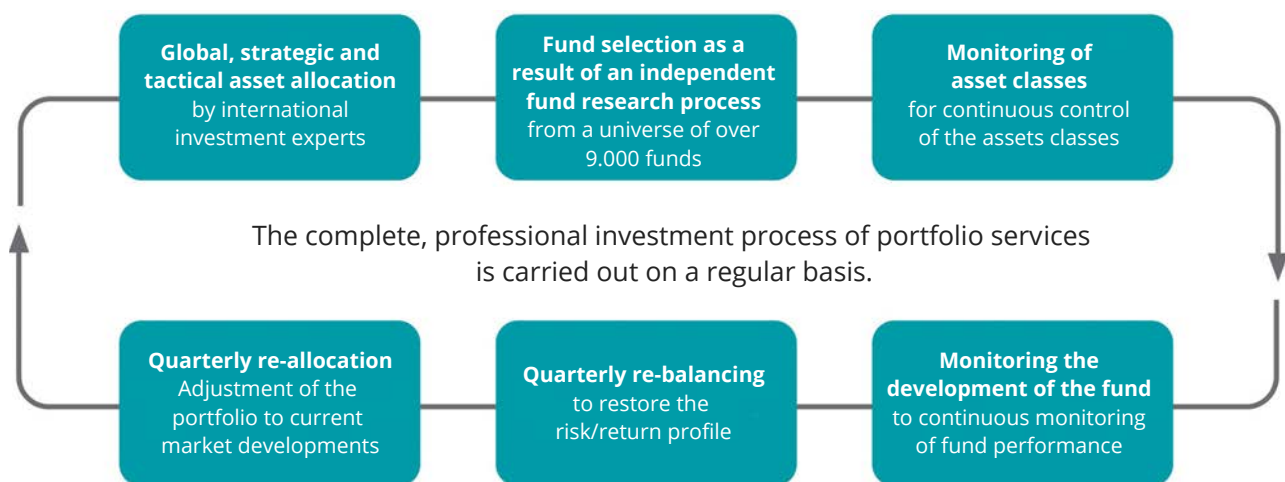
Source: Modern portfolio theory by Harry M. Markowitz

The perfect balance between craftsmanship and robust industrial processes

Investment markets frequently and significantly change their relative attractiveness.

Moventum checks the distribution of the invested capital over the various asset classes at regular intervals. This distribution (asset allocation) according to fundamental asset classes such as shares or bonds, national markets or sectors is largely responsible for the results of your investments.

International studies show that up to 90% of the return on an investment is decided by the asset allocation – the asset allocation of Moventum's portfolio services is therefore reviewed and adjusted on a quarterly basis. With a fund-based portfolio service from Moventum, you are choosing an excellent diversification of your investment with a professional investment process.

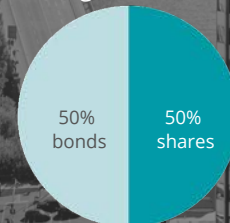


The process over time

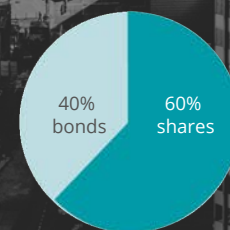
Clear benefits for you as an investor

- Independent, internationally renowned investment experts analyse and evaluate asset classes, fund research, fund values and fund selection for you.
- You benefit from various portfolio strategies which are tailored exactly to your risk/return profile.
- Your fund selection is adjusted quarterly to current developments and asset classes, and is automatically adjusted to your personal risk/ return profile (strategic reallocation and rebalancing).
- Detailed reporting including portfolio and market reports regularly inform you as an investor about the status of your investment.

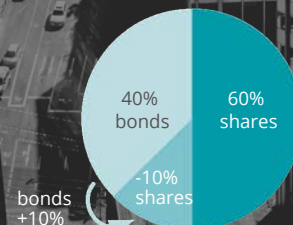
Target allocation



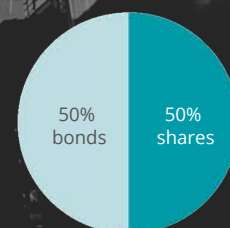
Before checking the weighting



Adjustment process



After the portfolio is adjusted



Considering sustainability criteria

Extreme weather conditions, not only in the form of droughts, floods and forest fires, but also the melting of the polar ice caps and a possible rise in sea levels, are causing more and more investors to ask: how can I minimise negative impacts on the environment to greatest effect with my own financial investments? And how can I avoid investing in companies that exploit workers in developing countries?

Both the financial industry and the regulators at European and national levels have created a whole range of different standards and certifications to guide investors. Many of them focus on environmental, social and/or governance (ESG) criteria when considering the investments they assess. However, the multitude of different standards makes it difficult to compare funds in terms of their sustainability criteria.

The European Union has made this somewhat easier by introducing its own standard since the beginning of 2021, but most funds on the European market do not currently have a rating that would justify their classification as sustainable in the sense of the European ESG criteria.

That said, the number of sustainably managed funds is steadily increasing and the comparability of the various certification standards is also making progress. As soon as the selection of sustainable funds is sufficient to offer diversified strategies, Moventum will become active here. Until then, the following applies: the higher the proportion of sustainably investing funds in the overall fund universe, the higher the proportion of sustainable funds within the Moventum strategies tends to be.



**ENVIRONMENT, SOCIAL
AFFAIRS AND CORPORATE
GOVERNANCE**

Your reliable partner

Who is Moventum?

Moventum is a Luxembourg fund platform and a provider of services to financial advisors and asset managers. Moventum supports financial service providers such as financial advisors, asset managers, banks, insurance companies and pension funds in making their work more efficient and effective. A stable and robust investment platform for securities trading, custody and account management and professionally actively managed funds and ETF-based asset management, complement the work of financial service providers.

Financial advisors with clients from a wide range of countries of origin and residence can rely on an international service: Moventum manages client portfolios of over 40,000 clients from more than 120 countries.

As Moventum is completely independent of product providers, financial advisors can provide their clients with unbiased advice, free of conflicts of interest, and execute orders quickly and directly. Easy access to several thousand investment funds supports them in this.

How safe is a Moventum securities deposit account?

Moventum is supervised by the Luxembourg Financial Market Supervisory Authority (CSSF) and is a member of the investor compensation scheme *Système d'indemnisation des investisseurs Luxembourg (SIIL)*. It is licensed by the latter as among other things, an asset manager and as a distributor of investment funds.

Thus, your deposits with Moventum are also protected. All assets, regardless of the type of account chosen, are held separately from the company's assets and are reported as separate assets.

The Banque de Luxembourg holds client deposits with Moventum in safe custody. It is a member of the Luxembourg FGDL (*Fonds de garantie des dépôts Luxembourg*) deposit guarantee fund and belongs to a stable and strong group of companies with top international ratings.

Our ambition, your added value

Our guiding principles at a glance

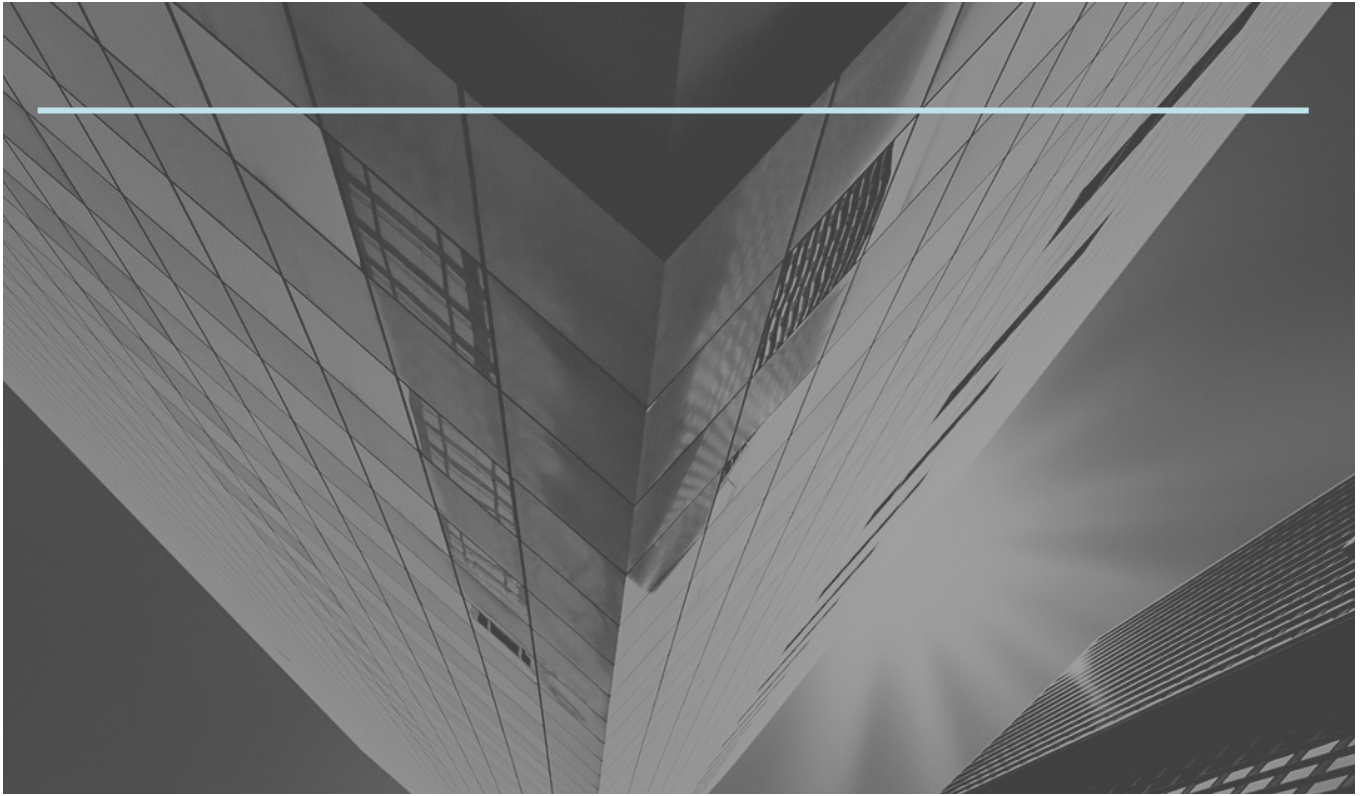
- The best prospects for success are when longterm investments are made in share investment classes: any market fluctuations can be offset over time.
- The opportunities for returns increase in proportion to the risk involved. As in everyday life, both factors need to be weighed against each other and evaluated in accordance with the individual risk/reward profile.
- Risks can be controlled in a targeted manner: by diversifying capital according to different criteria, earnings prospects can be increased without incremental risk.
- At Moventum, the composition and diversification of the portfolio are in expert hands. The goal here is to optimise the risk/return ratio.
- Experience has shown that the time for which investments are held is more important than the moment at which the investment was made, and that it is worth sitting out restless market phases.

What special benefit is there for me?

Typically, larger sums of money must be invested to benefit from professional asset management.

However, your financial advisor can provide you with an attractive solution for an initial investment of as little as EUR 5,000:

- professional asset management
- professional investment process managed by expert teams, with regular adjustment of your portfolio in response to market conditions
- quarterly detailed information on your securities deposit account
- no account management/transaction fees
- settlement of all orders for the net asset value
- cost transparency through platform charge, management fee and service fee
- subsequent payments, savings plans and payout plans available at any time.



The financial centre of Luxembourg

A centre of excellence for investment funds, Moventum deliberately chose Luxembourg as a location. Luxembourg is second only to the United States as the largest centre of excellence for investment funds in the world. The Grand Duchy of Luxembourg has always been committed to protecting investors and has strict legislation in place to prevent money laundering. Its experienced supervisory authority (the CSSF) over-sees the protection of deposits, the stability of financial institutions and financial markets and compliance with legal requirements.



PORTFOLIO SERVICES

Would you like to learn more about our asset management services and funds?

Visit us at www.momentum.lu or talk to your financial advisor.

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Ihr Finanzberater

Glossary

Shares

When purchasing a share, the investor acquires a small part of the respective company. The development of the share value depends wholly on the economic development of the respective company.

Asset classes

An asset class refers to the division of the capital market into different classes or investment segments. The major asset classes are shares, bonds (fixed income securities), real estate, liquid assets and commodities (e.g. oil, gold).

Bonds

Bonds or fixed-income securities are so-called "debt securities" through which their issuer takes out a loan. The conditions of the bond, such as the interest, the term or repayment conditions, are clearly defined. There may be price fluctuations during the term.

Diversification

In the financial market, diversification means investing in different asset classes, regions, industries, strategies and company sizes. With this proven strategy, individual risks can be offset and the overall risk to the asset can be minimised.

Fund

In the case of funds, investors invest their capital in a selection of shares, bonds, real estate, etc. For managed funds, care is always taken to minimise risks through diversification.

Inflation

Inflation refers to the decreasing purchasing power of a currency, which automatically results in price increases. The gradual devaluation of currencies can significantly reduce the actual value of an investment if the capital does not increase sufficiently.

Re-Balancing

Rebalancing is the restructuring of investments in order to restore a defined risk/reward profile. Through the different performance of individual asset classes, the original composition of a fund may vary from the selected risk/reward profile.

Return

The return is the ratio between the deposits and payments of an investment and is usually given as a percentage on an annual basis. The best-known return indicator is the interest rate. The return must always be considered in relation to the associated risk.

Risk

Every investment involves a certain degree of risk. Depending on the type of investment, risks develop at different levels and must be carefully weighed against the potential rewards. A greater risk usually has more rewards, but it also increases the chances of losing money.

Volatility

Volatility refers to the fluctuation of financial market parameters such as share prices or interest rates. High volatility therefore always carries a high risk of fluctuations in the value of one's investment. Diversification can offset the consequences of high volatility.

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