

Managed Portfolios 3 to 6 and Income, together with Passive Plus Cautious and Moderate, have now been rebalanced with adjustments across equities, fixed income and alternatives.

The rebalance reflects two main considerations. Firstly, the recent sell-off in sovereign bond markets has materially improved yields and prospective returns from government bonds, particularly in the short to intermediate part of the curve. Secondly, emerging market assets continue to offer an attractive medium-term opportunity set, supported by favourable valuations and stronger earnings growth prospects than many developed markets. These opportunities have been funded primarily through reductions to investment grade credit and cash, whilst selected portfolios have also increased allocations to higher-yielding fixed income sectors.

Equities

Emerging market equity exposure has been increased in Managed Portfolios 4 to 6 and Passive Plus Moderate. The asset class continues to offer attractive relative valuations, improving earnings prospects and the potential to benefit from a softer US dollar environment. Within the active portfolios, this increase has been made through the Curate Global Emerging Markets Equity Fund, while Passive Plus Moderate has increased its allocation through the Vanguard Emerging Markets Stock Index Fund.

We remain mindful of the concentration risks within emerging market benchmarks, particularly the significant exposure to technology-related companies, but believe the medium-term opportunity remains attractive at current valuations.

Fixed Income and Cash

UK Gilts exposure has been increased in Managed Portfolios 3 to 5 and in the Passive Plus Cautious and Moderate portfolios. Whilst we maintain a bias towards lower interest rate sensitivity in portfolios, the recent rise in government bond yields has improved prospective returns and created a more attractive entry point in this asset class.

The UK Gilts additions have been funded partly by reductions to investment grade credit. Credit spreads remain relatively tight, meaning investors receive limited additional compensation for taking corporate credit risk compared with government bonds. Vanguard UK Investment Grade Bond Index Fund has therefore been exited in Managed Portfolios 3 and 4 and Passive Plus Cautious. This is a portfolio construction decision rather than a negative view on the asset class, reflecting the improved relative attractiveness of sovereign bonds following the recent rise in yields.

Selected portfolios have also increased exposure to the Artemis Short Duration Global High Yield Bond Fund and the L&G Emerging Markets Government Bond Index Fund. The high yield allocation has been increased in Managed Portfolios 3 to 5 and Income, introduced into Managed Portfolio 6, and increased in Passive Plus Cautious and Moderate. Emerging market debt has been increased across Managed Portfolios 3 to 6 and Income, as well as Passive Plus Cautious and Moderate.

Cash has been reduced where appropriate. Cash has provided useful stability, but the opportunity cost of holding it has increased as prospective returns across government bonds and selected emerging market assets have improved.

Momentum Managed Portfolios (MPS)

New fund allocation - v55



New allocation

Increased allocation

Decreased allocation

Exited holding

No change

	MPS 3	MPS 4	MPS 5	MPS 6	MPS 7	MPS 8	Income
EQUITIES							
UK EQUITY							
Evenlode Income	1.0	1.0	2.0	3.0	2.0	3.0	-
Aberforth UK Smaller Companies	1.0	2.0	3.0	2.0	3.5	2.5	-
Schroder Income Maximiser	-	-	-	-	-	-	3.5
Redwheel UK Equity Income	0.5	3.5	4.0	5.0	5.5	5.0	-
GLOBAL EQUITY							
Curate Global Sustainable Equity Fund	2.0	8.0	8.0	8.0	10.0	12.0	-
Curate Global Growth Equity Fund	2.5	6.0	6.0	8.0	9.5	8.0	-
Curate Global Quality Equity Fund	1.0	4.0	3.5	3.0	7.0	4.5	-
Curate Global Value Equity Fund	1.5	3.5	4.5	7.0	11.0	10.0	-
Trojan Global Equity Fund	1.0	1.0	2.0	3.0	2.0	3.0	-
Fidelity Index Japan	2.5	2.5	3.5	5.0	4.0	5.0	-
L&G S&P 500 Equal Weight Index Fund	3.0	5.0	6.0	6.0	6.0	5.0	5.0
Fidelity Index World	-	-	6.0	8.0	2.0	3.0	8.0
EMERGING MARKET EQUITY							
Fidelity Index Emerging Markets	-	-	-	-	5.0	10.0	3.5
Curate Global Emerging Markets Equity Fund	2.0	5.0	10.5	14.5	18.0	22.0	-
MULTI-ASSET							
Harmony Cautious Income	-	-	-	-	-	-	10.0
Momentum Diversified Income Fund	-	-	-	-	-	-	30.0

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Momentum Managed Portfolios (MPS)

New fund allocation - v55



New allocation

Increased allocation

Decreased allocation

Exited holding

No change

	MPS 3	MPS 4	MPS 5	MPS 6	MPS 7	MPS 8	Income
FIXED INCOME							
INFLATION LINKED GILTS							
L&G Global Inflation Linked Bond Index	5.0	4.0	2.5	1.0	-	-	1.0
GOVERNMENT BONDS							
Vanguard US Government Bond Index	10.0	6.0	2.5	1.5	-	-	2.5
iShares UK Gilts All Stocks Index	16.5	9.5	5.0	1.5	-	-	2.5
Vanguard Euro Government Bond Index	5.5	4.0	3.0	1.0	-	-	-
INVESTMENT GRADE							
Vanguard UK Short Term Investment Grade Bond Index	12.0	7.0	4.0	1.5	-	-	-
Vanguard UK Investment Grade Bond Index	0.0	0.0	-	-	-	-	1.5
HIGH YIELD							
Artemis Short Duration Global High Yield	7.0	5.0	4.0	3.5	-	-	8.0
CONVERTIBLES							
Redwheel Global Convertibles			1.0	1.5	1.5		
EMERGING MARKET DEBT							
L&G Emerging Markets Government Bond (USD) Index	6.0	6.5	5.0	4.0	5.0	-	8.0
LIQUID ALTERNATIVES							
Ninety One Global Gold Fund	2.0	2.5	2.5	2.0	-	-	-
REAL ASSETS							
L&G Global Real Estate Dividend Index	1.0	1.0	1.0	1.5	1.5	1.5	4.0
Momentum Real Assets Growth & Income Fund	10.5	8.0	6.5	4.0	3.0	2.0	8.0
Legal & General Global Infrastructure Index Fund	1.5	1.0	1.0	2.5	1.5	1.5	-
CASH							
Blackrock ICS Sterling Liquidity Fund Premier Acc	3.0	2.0	1.0	0.0	-	-	2.5
GBP Cash	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Momentum Passive Plus Portfolios

New fund allocation - v55



New allocation

Increased allocation

Decreased allocation

Exited holding

No change

	Cautious	Moderate	Dynamic
EQUITIES			
UK EQUITY			
Vanguard FTSE All Share Index	2.5	9.0	11.0
GLOBAL EQUITY			
Fidelity Index World	8.0	30.5	42.0
Fidelity Index Japan	2.5	3.5	4.0
L&G S&P 500 Equal Weight Index Fund	3.0	6.0	5.5
EMERGING MARKET EQUITY			
Vanguard Emerging Markets Stock Index	2.0	10.5	23.0
FIXED INCOME			
INFLATION LINKED GILTS			
L&G Global Inflation Linked Bond Index	5.0	2.5	-
GOVERNMENT BONDS			
Vanguard US Government Bond Index	10.0	2.5	-
iShares UK Gilts All Stocks Index	16.5	5.0	-
Vanguard Euro Government Bond Index	5.5	3.0	-
INVESTMENT GRADE			
Vanguard UK Short Term Investment Grade Bond Index	15.0	5.0	-
Vanguard UK Investment Grade Bond Index	0.0	-	-
HIGH YIELD			
Artemis Short Duration Global High Yield	7.0	4.0	-
EMERGING MARKET DEBT			
L&G Emerging Markets Government Bond (USD) Index	6.0	5.5	6.5
LIQUID ALTERNATIVES			
Ninety One Global Gold Fund	2.0	2.5	-
REAL ASSETS			
L&G Global Infrastructure Fund	5.5	2.0	0.0
Blackrock Global Property Tracker	5.0	1.5	0.0
Momentum Real Assets Growth & Income Fund	2.5	5.0	6.0
CASH			
GBP Cash	2.0	2.0	2.0

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