

Momentum Portfolios

Q1 2026 Investment Update

Stewards
of your
investment
success



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Manager commentary

The first quarter of 2026 marked a notable shift from the relatively supportive conditions seen through much of 2025. Markets entered the year with optimism, underpinned by easing monetary policy, improving global manufacturing data, and resilient corporate earnings. However, this constructive backdrop was increasingly challenged - and ultimately overshadowed - by a sharp escalation in geopolitical tensions, particularly in the Middle East.

Developed market equities declined over the first quarter, with the MSCI World index falling 1.9% as weakness in US software stocks and heightened risk aversion - driven by the conflict in the Middle East - pressured global markets. A few exceptions stood out, notably Japan which delivered positive returns (+3.9%) supported by yen weakness and optimism following the ruling Liberal Democratic Party's election victory and anticipated stimulus. Emerging markets also outperformed developed markets overall, up 1.6%, supported by early-quarter gains in technology-heavy markets such as Korea and Taiwan as well as strong performance from Latin America equities (+16.7%) on the back of commodities' strength. European equities declined 2.3% amid heightened geopolitical tensions and rising gas prices, while the UK market delivered strong gains, up 3.8%, benefiting from its commodity exposure and a weaker sterling. In contrast, US equities fell over the quarter, with the S&P 500 down 2.7% as software and broader technology stocks struggled under pressure from concerns around the longer term impact of AI disruption on operating business models.

Bond yields rose globally over the period amid heightened uncertainty, particularly during the escalation of conflict in the Middle East in March. In the US, the Federal Reserve (Fed) held rates steady, with markets balancing expectations of future cuts - driven by labour market softening - against inflation risks from higher energy prices, while policy developments, including tariff rulings and Fed leadership changes, added to the backdrop. US Treasuries were relatively resilient in the first quarter of the year whilst UK gilts were the weakest-performing major sovereign bonds, falling 2.0% after an early rally reversed sharply in response to the Middle East-driven energy shock and rising inflation concerns. The Bank of England adopted a distinctly hawkish tone, surprising markets with a unanimous hold and signalling a potential shift toward rate hikes, particularly given the UK's vulnerability to higher gas prices and limited fiscal flexibility. European

government bonds also declined modestly, with the European Central Bank (ECB) maintaining rates but indicating a tightening bias as inflation projections rose, further pressured by the surge in energy prices. Japanese government bonds fell 1.7% amid expectations of looser fiscal policy and a more hawkish Bank of Japan, particularly around upside inflation risks.

In currency markets, the US dollar strengthened, benefiting from its safe-haven status during periods of heightened geopolitical risk. Conversely, both sterling and the Euro faced pressure, reflecting their vulnerability to rising energy costs and weaker external balances. Commodities delivered mixed but generally strong outcomes. Energy was the standout performer, driven by supply disruptions, with Brent crude oil up 95% while gold benefited from increased demand for safe-haven assets amid geopolitical uncertainty and inflation concerns, rising 8% and masking an 18% peak to trough move over the period.

Over the quarter, in this market context, the Momentum MPS generated total returns ranging from -1.8% in MPS5 to -0.4% in the Income Portfolio.

Within the portfolios, the main positive contributors came from our equities allocation to Japan and emerging markets as well as exposure to the property sector. Emerging market debt exposure further contributed positively to performance as did manager selection in the emerging market equities space (Curate) and the UK small cap sector (Aberforth). The main detractors of performance came from manager selection in real assets, global growth and global quality equities (Curate), and UK quality (Evenlode). Our quality managers' structural avoidance of banks and commodity producers has been a headwind for the strategy along with the AI-disruption theme which has indiscriminately affected entire sectors with no consideration given to those companies that are likely to outperform. We continue to support the fundamental rationale, cognisant that these strategies now offer very attractive valuations for high levels of free cash flow yields, margins, and returns on capital. An underweight allocation and manager selection in the gold sector (Ninety One) also detracted as the sharp increase in energy prices adversely impacted expected earnings of gold producer companies. Changes were implemented towards the end of the quarter as detailed in the following section.

Q1 2026 Portfolio changes

Increased allocation

- » Vanguard UK Short-Term Investment Grade Bond Index
- » BlackRock Cash Fund
- » Aberforth UK Smaller Companies (MPS 7 and MPS 8 only)
- » Curate Global Sustainable Equity Fund (MPS 7 and MPS 8 only)

Decreased allocation

- » Vanguard US Government Bond Index
- » Vanguard Euro Government Bond Index
- » iShares UK Gilts All Stock
- » L&G Global Infrastructure Index
- » L&G Global Real Estate Dividend Index
- » Artemis Short Duration Global High Yield (MPS Income only)

Q1 2026 Fund contributions*

Helped

- » Japan (Fidelity)
- » Emerging market equities manager selection (Curate)
- » Listed property (L&G)
- » UK small cap manager selection (Aberforth)
- » Emerging market debt (L&G)

Hurt

- » UK equities manager selection (Evenlode)
- » Global Quality manager selection (Curate Global Quality)
- » Global Growth manager selection (Curate Global Growth)
- » Real assets manager selection (Momentum)
- » Gold underweight and manager selection (Ninety One)

Portfolio returns to 31 March 2026

| Managed Portfolio | 3 Mths | 6 Mths | YTD | 12 Mths | 3 Yr (ann) | 5 Yr (ann) | Since inception (ann) | Volatility |
|---------------------|--------|--------|-------|---------|------------|------------|-----------------------|------------|
| Managed Portfolio 3 | -0.8% | 1.0% | -0.8% | 5.8% | 4.2% | 2.0% | 3.3% | 4.6% |
| Managed Portfolio 4 | -1.5% | 0.4% | -1.5% | 6.3% | 5.3% | 3.2% | 4.4% | 6.0% |
| Managed Portfolio 5 | -1.8% | 0.6% | -1.8% | 7.7% | 6.3% | 4.2% | 5.3% | 7.3% |
| Managed Portfolio 6 | -1.5% | 1.0% | -1.5% | 9.8% | 7.3% | 5.0% | 6.0% | 8.2% |
| Managed Portfolio 7 | -1.7% | 0.7% | -1.7% | 9.6% | 7.3% | 5.1% | 6.4% | 8.9% |
| Managed Portfolio 8 | -0.7% | 2.2% | -0.7% | 12.6% | 8.0% | 5.0% | 6.8% | 9.6% |
| Income Portfolio | -0.4% | 2.0% | -0.4% | 6.7% | 5.3% | 3.5% | 4.3% | 6.0% |

Discrete annual returns to 31 March 2026

| Managed Portfolio | Mar 25 - 26 | Mar 24 - 25 | Mar 23 - 24 | Mar 22 - 23 | Mar 21 - 22 |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Managed Portfolio 3 | 5.8% | 3.3% | 3.5% | -4.8% | 2.4% |
| Managed Portfolio 4 | 6.3% | 3.9% | 5.7% | -3.9% | 4.4% |
| Managed Portfolio 5 | 7.7% | 3.8% | 7.3% | -3.0% | 5.8% |
| Managed Portfolio 6 | 9.8% | 3.4% | 8.7% | -3.0% | 6.7% |
| Managed Portfolio 7 | 9.6% | 3.3% | 9.1% | -3.0% | 6.8% |
| Managed Portfolio 8 | 12.6% | 2.9% | 8.7% | -3.7% | 5.5% |
| Income Portfolio | 6.7% | 4.5% | 4.6% | -2.7% | 4.7% |

*Not an exhaustive list, information shown highlights the main contributors and detractors. Sources of all data: Momentum Global Investment Management (MGIM), Bloomberg Finance L.P. Performance is calculated on a total return basis in GBP terms. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance. Since inception date 1 January 2010. MGIM commenced management from 1 February 2016.

Sustainable Managed Portfolios

Portfolio commentary

The first quarter of 2026 marked a notable shift from the relatively supportive conditions seen through much of 2025. Markets entered the year with optimism, underpinned by easing monetary policy, improving global manufacturing data, and resilient corporate earnings. However, this constructive backdrop was increasingly challenged- and ultimately overshadowed- by a sharp escalation in geopolitical tensions, particularly in the Middle East.

Developed market equities declined over Q1, with the MSCI World index falling 1.9% as weakness in US software stocks and heightened risk aversion -driven by the conflict in the Middle East- pressured global markets. A few exceptions stood out, notably Japan which delivered positive returns (+3.9%) supported by yen weakness and optimism following the ruling Liberal Democratic Party's election victory and anticipated stimulus. Emerging markets also outperformed developed markets overall, up 1.6%, supported by early-quarter gains in technology-heavy markets such as Korea and Taiwan as well as strong performance from Latin America equities (+16.7%) on the back of commodities' strength. European equities declined 2.3% amid heightened geopolitical tensions and rising gas prices, while the UK market delivered strong gains, up 3.8%, benefiting from its commodity exposure and a weaker sterling. In contrast, US equities fell over the quarter, with the S&P 500 down 2.7% as software and broader technology stocks struggled under pressure from concerns around AI disruption.

Bond yields rose globally in Q1 2026 amid heightened uncertainty, particularly during the escalation of conflict in the Middle East in March. In the US, the Federal Reserve (Fed) held rates steady, with markets balancing expectations of future cuts- driven by labour market softening- against inflation risks from higher energy prices, while policy developments, including tariff rulings and Fed leadership changes, added to the backdrop. US Treasuries were relatively resilient in the first quarter of the year whilst UK gilts were the weakest-performing major sovereign bonds, falling 2.0% after an early rally reversed sharply in response to the Middle East-driven energy shock and rising inflation concerns. The Bank of England adopted a distinctly hawkish tone, surprising markets with a unanimous hold and signalling a potential shift toward rate hikes, particularly given the UK's vulnerability to higher gas prices and limited fiscal flexibility. European government bonds

also declined modestly, with the ECB maintaining rates but indicating a tightening bias as inflation projections rose, further pressured by the surge in energy prices. Japanese government bonds fell 1.7% amid expectations of looser fiscal policy and a more hawkish Bank of Japan, particularly around upside inflation risks.

In currency markets, the US dollar strengthened, benefiting from its safe-haven status during periods of heightened geopolitical risk. Conversely, both sterling and the euro faced pressure, reflecting their vulnerability to rising energy costs and weaker external balances. Commodities delivered mixed but generally strong outcomes. Energy was the standout performer, driven by supply disruptions, with Brent crude oil up 95% while gold benefited from increased demand for safe-haven assets amid geopolitical uncertainty and inflation concerns, rising 8% and masking an 18% peak to trough move over the period.

Over the quarter, in this market context, the Momentum MPS generated total returns ranging from -1.1% in sMPS5 to -0.7% in sMPS4.

Within the portfolios, the main positive contributors came from our listed infrastructure exposure, and manager selection in emerging market equities (Curate). The main detractors of performance came from manager selection in the commodities sector (Ninety One), as well as in the quality and quality growth sectors (Evenlode and Edentree respectively). Our quality managers' structural avoidance of banks and commodity producers has been a headwind along with the AI-disruption theme which has indiscriminately affected entire sectors with no consideration given to those companies that are likely to outperform. We continue to monitor the situation, and support the fundamental rationale, cognisant that these strategies now offer very attractive valuations for high levels of free cash flow yields, margins, and returns on capital. An underweight exposure to inflation linked bonds further detracted as did an underweight exposure to and manager selection in the gold sector (Ninety One) where the sharp increase in energy prices adversely impacted expected earnings of gold producer companies. Changes were implemented towards the end of the quarter as described in the following section.

Q1 2026 Portfolio changes

New allocation

- » Vanguard UK Short-Term Investment Grade Bond Index

Increased allocation

- » BlackRock Cash Fund

Decreased allocation

- » Vanguard US Government Bond Index
- » Vanguard Euro Government Bond Index
- » iShares UK Tilts All Stock
- » Foresight Sustainable Real Estate Securities
- » Legal & General Global Infrastructure Index

Q1 2026 Fund contributions*

Helped

- » Listed infrastructure (L&G)
- » Emerging market equities manager selection (Curate)

Hurt

- » UK quality and quality growth manager selection (Evenlode, Edentree respectively)
- » Gold underweight and manager selection (Ninety One)
- » Underweight inflation linked bonds (L&G)

Portfolio returns to 31 March 2026

| Sustainable Portfolio | 3 Mths | 6 Mths | YTD | 12 Mths | 3 Yr (ann) | 5 Yr (ann) | Since inception (ann) | Volatility |
|-------------------------|--------|--------|-------|---------|------------|------------|-----------------------|------------|
| Sustainable Portfolio 4 | -0.7% | 1.0% | -0.7% | 6.3% | 5.4% | 2.4% | 1.1% | 7.2% |
| Sustainable Portfolio 5 | -1.1% | 0.7% | -1.1% | 6.7% | 6.1% | 2.9% | 1.4% | 7.9% |
| Sustainable Portfolio 6 | -0.8% | 1.0% | -0.8% | 7.8% | 6.6% | 3.4% | 1.8% | 8.8% |

Discrete annual returns to 31 March 2026

| Sustainable Portfolio | Mar 25 - 26 | Mar 24 - 25 | Mar 23 - 24 | Mar 22 - 23 | Mar 21 - 22 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Sustainable Portfolio 4 | 6.3% | 2.6% | 5.2% | -4.8% | 3.3% |
| Sustainable Portfolio 5 | 6.7% | 2.3% | 6.3% | -3.9% | 3.4% |
| Sustainable Portfolio 6 | 7.8% | 2.3% | 6.9% | -3.5% | 4.1% |

*Not an exhaustive list, information shown highlights the main contributors and detractors. Sources of all data: Momentum Global Investment Management (MGIM), Bloomberg Finance L.P. Performance is calculated on a total return basis in GBP terms. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance. Since inception date 1 January 2010. MGIM commenced management from 1 February 2016.

Passive Plus Portfolios

Portfolio commentary

The first quarter of 2026 marked a notable shift from the relatively supportive conditions seen through much of 2025. Markets entered the year with optimism, underpinned by easing monetary policy, improving global manufacturing data, and resilient corporate earnings. However, this constructive backdrop was increasingly challenged- and ultimately overshadowed- by a sharp escalation in geopolitical tensions, particularly in the Middle East.

Developed market equities declined over Q1, with the MSCI World index falling 1.9% as weakness in US software stocks and heightened risk aversion- driven by the conflict in the Middle East- pressured global markets. A few exceptions stood out, notably Japan which delivered positive returns (+3.9%) supported by yen weakness and optimism following the ruling Liberal Democratic Party's election victory and anticipated stimulus. Emerging markets also outperformed developed markets overall, up 1.6%, supported by early-quarter gains in technology-heavy markets such as Korea and Taiwan as well as strong performance from Latin America equities (+16.7%) on the back of commodities' strength. European equities declined 2.3% amid heightened geopolitical tensions and rising gas prices, while the UK market delivered strong gains, up 3.8%, benefiting from its commodity exposure and a weaker sterling. In contrast, US equities fell over the quarter, with the S&P 500 down 2.7% as software and broader technology stocks struggled under pressure from concerns around AI disruption.

Bond yields rose globally in Q1 2026 amid heightened uncertainty, particularly during the escalation of conflict in the Middle East in March. In the US, the Federal Reserve (Fed) held rates steady, with markets balancing expectations of future cuts- driven by labour market softening - against inflation risks from higher energy prices, while policy developments, including tariff rulings and Fed leadership changes, added to the backdrop. US Treasuries were relatively resilient in the first quarter of the year whilst UK gilts were the weakest-performing major sovereign bonds, falling 2.0% after an early rally reversed sharply in response to the Middle East-driven energy shock and rising inflation concerns. The Bank of England adopted a distinctly hawkish tone, surprising markets with a unanimous hold and signalling a potential shift toward rate hikes, particularly given the UK's vulnerability to higher

gas prices and limited fiscal flexibility. European government bonds also declined modestly, with the ECB maintaining rates but indicating a tightening bias as inflation projections rose, further pressured by the surge in energy prices. Japanese government bonds fell 1.7% amid expectations of looser fiscal policy and a more hawkish Bank of Japan, particularly around upside inflation risks. In credit, spreads widened in both investment grade and high yield with the latter outperforming the former on the back of lower interest rate sensitivity.

In currency markets, the US dollar strengthened, benefiting from its safe-haven status during periods of heightened geopolitical risk. Conversely, both sterling and the euro faced pressure, reflecting their vulnerability to rising energy costs and weaker external balances. Commodities delivered mixed but generally strong outcomes. Energy was the standout performer, driven by supply disruptions, with Brent crude oil up 95% while gold benefited from increased demand for safe-haven assets amid geopolitical uncertainty and inflation concerns, rising 8% and masking an 18% peak to trough move over the period.

Over the quarter, in this market context, the Momentum Passive MPS generated total returns ranging from +0.3% in Passive Plus Cautious to -0.9% in Passive Plus Dynamic.

Within the portfolios, the main positive contributor came from our listed infrastructure exposure, our UK equities allocation given the UK market's significant commodities exposure, and our allocation to Japanese equities. Exposure to emerging market debt also contributed positively. The main negative contributors came from our global equities exposure, manager selection in the real assets sector (Momentum) as interest rates rose with markets pricing in the inflationary impact of energy supply disruptions stemming from the Middle East conflict. An underweight exposure to and manager selection in the gold sector (Ninety One) also detracted as the sharp increase in energy prices adversely impacted expected earnings of gold producer companies. Changes were implemented towards the end of the quarter as described in the following section.

Q1 2026 Portfolio changes

New allocation

- » Vanguard UK Short-Term Investment Grade Bond (Cautious and Moderate only)
- » Fidelity Index World (Dynamic only)

Decreased allocation

- » Vanguard US Government Bond
- » Vanguard Euro Government Bond
- » iShares UK Gilts All Stock
- » L&G Global Infrastructure Index
- » BlackRock Global Property Securities Tracker
- » Momentum Real Assets Growth and Income (Dynamic only)

Q1 2026 Fund contributions*

Helped

- » Listed infrastructure (L&G)
- » UK equities (Vanguard)
- » Japanese equities (Fidelity)
- » Emerging market debt (L&G)

Hurt

- » Global Property (BlackRock iShares)

Portfolio returns to 31 March 2026

| Passive Plus Portfolio | 3 Mths | 6 Mths | YTD | 12 Mths | 3 Yr (ann) | 5 Yr (ann) | Since inception (ann) | 5 Yr Volatility |
|------------------------|--------|--------|-------|---------|------------|------------|-----------------------|-----------------|
| Passive Plus Cautious | 0.3% | 2.5% | 0.3% | 8.0% | 5.6% | 3.1% | 3.6% | 5.5% |
| Passive Plus Moderate | -0.6% | 2.7% | -0.6% | 13.2% | 9.3% | 6.7% | 6.0% | 7.5% |
| Passive Plus Dynamic | -0.9% | 3.0% | -0.9% | 16.4% | 11.1% | 7.6% | 7.5% | 9.3% |

Discrete annual returns to 31 March 2026

| Passive Plus Portfolio | Mar 25 - 26 | Mar 24 - 25 | Mar 23 - 24 | Mar 22 - 23 | Mar 21 - 22 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Passive Plus Cautious | 8.0% | 3.9% | 5.0% | -4.6% | 3.6% |
| Passive Plus Moderate | 13.2% | 5.2% | 9.8% | -2.5% | 8.4% |
| Passive Plus Dynamic | 16.4% | 5.9% | 11.4% | -2.4% | 7.9% |

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