momentum
global investment management

# Momentum Portfolios

## Q2 2026 Investment Update

Stewards of your investment success

# Contents



## Portfolio Management Team

Alex Harvey, CFA
Senior Portfolio Manager
& Investment Strategist

Grégoire Sharma, CFA
Senior Portfolio
& Research Analyst

Gabby Byron
Client
Portfolio Manager

# Momentum Managed Portfolios

## Manager commentary

Global markets delivered strong returns in the second quarter, buoyed by resilient corporate earnings, optimism over the opening of the Strait of Hormuz, and softening energy prices following earlier volatility. Technology stocks led the rally, with AI-related capital expenditure continuing to drive exceptional earnings growth – particularly in semiconductors and hardware.

Global equities delivered a strong second quarter of 2026, with the MSCI World Index rising 13.5%, supported by continued momentum in AI and resilient corporate earnings. Developed market equities benefited from moderating inflation pressures and more stable interest rate expectations, which supported investor confidence and sustained valuations. US equities advanced 14.8%, its strongest quarterly gain since 2020, as strong technology earnings and broader participation beyond mega-cap technology stocks drove performance. Eurozone equities also posted strong gains (12.3%), led by IT and financials, although weaker economic activity and elevated inflation remained challenges. UK equities rose modestly (3.8%), with gains in consumer discretionary and financials offset by weakness in the energy sector as oil prices declined. Emerging market equities significantly outperformed developed markets, delivering their strongest quarterly performance since the Global Financial Crisis, up 23.7%. Korea and Taiwan were standout performers as memory chip and advanced technology companies benefited from strong earnings growth and global AI investment. Japan also performed strongly (+11.5%), supported by technology stocks, financials, and a weaker yen.

Global bond markets delivered a small positive return in the second quarter of 2026 (+0.9%), with no clear trend as markets evaluated the impact of energy price volatility on growth and inflation. The Middle East conflict was a key market driver, with bond yields closely tracking energy prices. As escalation fears increased, yields rose to multi-year highs before reversing following progress towards a potential US-Iran agreement. In terms of monetary policy, the Federal Reserve kept rates unchanged at 3.50%-3.75%, as did the Bank of England at 3.75%, while the ECB raised rates by 25 basis points to 2.25% as inflation remained above target. The Bank of Japan raised rates to 1.0%, signalling gradual policy normalisation. Government bonds markets saw regional performance diverge, with the US (-0.3%) underperforming Europe (+1.9%) and the UK (+2.1%).

UK gilts faced pressure from inflation concerns and political uncertainty as Keir Starmer resigned as prime minister in June bowing to pressure after Andy Burnham's decisive victory in Makerfield, although a smoother leadership transition supported sentiment. Corporate bonds performed strongly, with high yield markets outperforming investment grade credit, benefitting from robust demand, spread compression, and lower interest rate sensitivity.

In currency markets, sterling initially strengthened against the US dollar as weaker US jobs data reduced expectations of further Fed tightening and easing US-Iran tensions diminished support for the dollar. However, subsequent UK political uncertainty reversed most of those gains, leaving sterling up just 0.3%. The Euro and Japanese Yen were also down over the quarter with the latter's move driven by investors repricing the country's fiscal risk and inflation trajectory under the new government. Commodities declined over the quarter overwhelmingly led by energy with Brent crude oil, down 38.5%, as efforts to reopen the Strait of Hormuz eased supply concerns. Gold fell sharply (14.8%), potentially resuming its traditional inverse relationship to real interest rates.

Over the quarter, in this market context, the Momentum MPS generated total returns ranging from +4.7% in MPS3 to +16.8% in MPS8.

Within the portfolios, the main positive contributors came from our allocations to global equities (Curate Global Growth and Global Value). Our real assets exposure (Momentum Real Assets & Income) benefited thanks to stock selection in infrastructure and real estate whilst our commodities underweight also contributed positively to outperformance versus strategic allocations, given the sharp decline in the price of oil and gold. Finally, our underweight to inflation linked bonds marginally contributed to outperformance on the back of falling inflation expectations. The main detractors of performance came from manager selection in global equities with our quality manager (Curate Global Quality) underperforming the broader market which continued to be driven by the AI infrastructure theme over the period. Our UK equity allocation also detracted from performance given the UK market's high energy exposure. Finally, underweights in emerging markets and high yield credit further detracted from relative performance given their strong respective performances over the quarter. Changes were implemented towards the end of the quarter as detailed in the following section.

*Source: MSCI, Bloomberg Finance L.P. as at 30 June 2026. All performance numbers in GBP unless stated otherwise.*

## Q2 2026 Portfolio changes

### Added allocaton

- Trojan Global Equity *(Except MPS Income)*
- Fidelity Index World *(MPS 8)*
- RWC Global Convertibles *(MPS 5 – 7)*

### Increased allocaton

- Curate Global Sustainable Equity *(MPS 8)*
- Vanguard UK Short Term Investment Grade Bond *(MPS 4)*
- Artemis Short-Dated Global High Yield *(MPS 5 and Income)*
- L&G EM Government Bond *(MPS 4 – 7 and Income)*
- Ninety One Global Gold *(MPS 4 – 6)*

### Decreased allocation

- Curate Global Quality
- Curate Global Value *(MPS 3 – 7)*
- Curate Global Growth *(MPS 4 and 7)*
- Fidelity Index World *(MPS 5 and Income)*
- Curate Global Emerging Markets Equity *(MPS 7 and 8)*

## Q2 2026 Fund contributions*

### Helped

- Global growth equities manager selection *(Curate Global Growth)*
- Global value equities manager selection *(Curate Global Value)*
- Real assets *(Momentum Real Assets & Income Fund)*
- Commodities underweight
- Inflation linked bonds underweight *(L&G)*

### Hurt

- UK equities overweight
- Global Quality manager selection *(Curate Global Quality)*
- Emerging markets equities underweight and manager selection *(Curate Global EM)*
- Global high yield credit underweight

**Not an exhaustive list, information shown highlights the main contributors and detractors.*

## Portfolio returns to 30 June 2026

| Managed Portfolio | 3 Mths | 6 Mths | YTD | 12 Mths | 3 Yr (ann) | 5 Yr (ann) | Since inception | Volatility |
|---|---|---|---|---|---|---|---|---|
| Managed Portfolio 3 | 4.7% | 3.9% | 3.9% | 7.8% | 6.2% | 2.4% | 3.6% | 4.6% |
| Managed Portfolio 4 | 7.4% | 5.8% | 5.8% | 10.9% | 8.0% | 4.0% | 4.8% | 6.0% |
| Managed Portfolio 5 | 9.5% | 7.6% | 7.6% | 14.0% | 9.4% | 5.2% | 5.8% | 7.4% |
| Managed Portfolio 6 | 12.1% | 10.4% | 10.4% | 18.5% | 11.3% | 6.4% | 6.6% | 8.3% |
| Managed Portfolio 7 | 15.0% | 13.0% | 13.0% | 21.3% | 12.3% | 6.9% | 7.2% | 9.0% |
| Managed Portfolio 8 | 16.8% | 16.0% | 16.0% | 26.2% | 13.7% | 7.2% | 7.7% | 9.8% |
| Income Portfolio | 7.1% | 5.6% | 5.6% | 9.6% | 7.5% | 4.1% | 4.6% | 6.1% |

## Discrete annual returns to 30 June 2026

| Managed Portfolio | Jun 25 - 26 | Jun 24 - 25 | Jun 23 - 24 | Jun 22 - 23 | Jun 21 - 22 |
|---|---|---|---|---|---|
| Managed Portfolio 3 | 7.8% | 5.5% | 5.2% | -1.5% | -4.3% |
| Managed Portfolio 4 | 10.9% | 5.7% | 7.3% | 1.3% | -4.6% |
| Managed Portfolio 5 | 14.0% | 5.5% | 8.9% | 3.2% | -4.7% |
| Managed Portfolio 6 | 18.5% | 5.2% | 10.5% | 4.3% | -5.2% |
| Managed Portfolio 7 | 21.3% | 4.5% | 11.6% | 4.7% | -5.6% |
| Managed Portfolio 8 | 26.2% | 3.9% | 12.0% | 3.6% | -6.9% |
| Income Portfolio | 9.6% | 6.6% | 6.4% | 1.4% | -3.1% |

*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

Global markets delivered strong returns in the second quarter, buoyed by resilient corporate earnings, optimism over the opening of the Strait of Hormuz, and softening energy prices following earlier volatility. Technology stocks led the rally, with AI-related capital expenditure continuing to drive exceptional earnings growth – particularly in semiconductors and hardware.

Global equities delivered a strong second quarter of 2026, with the MSCI World Index rising 13.5%, supported by continued momentum in AI and resilient corporate earnings. Developed market equities benefited from moderating inflation pressures and more stable interest rate expectations, which supported investor confidence and sustained valuations. US equities advanced 14.8%, its strongest quarterly gain since 2020, as strong technology earnings and broader participation beyond mega-cap technology stocks drove performance. Eurozone equities also posted strong gains (12.3%), led by IT and financials, although weaker economic activity and elevated inflation remained challenges. UK equities rose modestly (3.8%), with gains in consumer discretionary and financials offset by weakness in the energy sector as oil prices declined. Emerging market equities significantly outperformed developed markets, delivering their strongest quarterly performance since the Global Financial Crisis, up 23.7%. Korea and Taiwan were standout performers as memory chip and advanced technology companies benefited from strong earnings growth and global AI investment. Japan also performed strongly (+11.5%), supported by technology stocks, financials, and a weaker yen.

Global bond markets delivered a small positive return in the second quarter of 2026 (+0.9%), with no clear trend as markets evaluated the impact of energy price volatility on growth and inflation. The Middle East conflict was a key market driver, with bond yields closely tracking energy prices. As escalation fears increased, yields rose to multi-year highs before reversing following progress towards a potential US-Iran agreement. In terms of monetary policy, the Federal Reserve kept rates unchanged at 3.50%-3.75% as did the Bank of England at 3.75%, while the ECB raised rates by 25 basis points to 2.25% as inflation remained above target. The Bank of Japan raised rates to 1.0%, signalling gradual policy normalisation. Government bonds markets saw regional performance diverge, with the US (-0.3%) underperforming Europe (+1.9%) and the UK (+2.1%). UK gilts faced pressure from inflation concerns and political uncertainty as Keir Starmer resigned as prime minister in June bowing to pressure after Andy Burnham's decisive victory in Makerfield, although a smoother leadership transition supported sentiment. Corporate bonds performed strongly, with high yield markets outperforming investment grade credit, benefitting from robust demand, spread compression, and lower interest rate sensitivity.

In currency markets, sterling initially strengthened against the US dollar as weaker US jobs data reduced expectations of further Fed tightening and easing US-Iran tensions diminished support for the dollar. However, subsequent UK political uncertainty reversed most of those gains, leaving sterling up just 0.3%. The Euro and Japanese Yen were also down over the quarter with the latter's move driven by investors repricing the country's fiscal risk and inflation trajectory under the new government. Commodities declined over the quarter overwhelmingly led by energy with Brent crude oil, down 38.5%, as efforts to reopen the Strait of Hormuz eased supply concerns. Gold fell sharply (14.8%), potentially resuming its traditional inverse relationship to real interest rates.

Over the quarter, in this market context, the Momentum Passive MPS generated total returns ranging from +4.3% in Passive Plus Cautious to +14.2% in Passive Plus Dynamic.

Within the portfolios, the main positive contributor came from our global equities exposure (Fidelity). Our commodities underweight contributed positively to outperformance versus strategic allocations given the sharp decline in the price of oil and gold. Marginal positive contributions also came from our listed infrastructure exposure, and our inflation linked bonds underweight, the latter benefiting from falling inflation expectations. The main negative contributors came from our UK equities allocation given the market's high energy exposure. Finally, underweights in emerging markets and high yield credit further detracted from performance given their strong respective performances over the quarter. Changes were implemented towards the end of the quarter as detailed in the following section.

*Source: MSCI, Bloomberg Finance L.P. as at 30 June 2026. All performance numbers in GBP unless stated otherwise.*

## Q2 2026 Portfolio changes

| Increased allocation | Decreased allocation |
|---|---|
| » Artemis Short-Dated Global High Yield *(Moderate only)* | » Fidelity Index World *(Moderate and Dynamic)* |
| » L&G EM Government Bond *(Moderate and Dynamic)* | » Vanguard Emerging Markets Stock *(Dynamic only)* |
| » Ninety One Global Gold *(Moderate only)* | |

## Q2 2026 Fund contributions*

| Helped | Hurt |
|---|---|
| » Global equities *(Fidelity)* | » UK equities overweight |
| » Commodities underweight | » Emerging market equities underweight |
| » Inflation linked bonds underweight | » Global high yield credit underweight |
| » Listed infrastructure *(L&G)* | |

**Not an exhaustive list, information shown highlights the main contributors and detractors.*

## Portfolio returns to 30 June 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 | 4.3% | 4.6% | 4.6% | 11.0% | 7.4% | 3.4% | 4.0% | 5.6% |
| Passive Plus Moderate | 9.0% | 8.3% | 8.3% | 19.8% | 12.3% | 7.6% | 6.8% | 7.7% |
| Passive Plus Dynamic | 14.2% | 13.1% | 13.1% | 27.8% | 15.9% | 9.4% | 8.7% | 9.9% |

## Discrete annual returns to 30 June 2026

| Passive Plus Portfolio | Jun 25 - 26 | Jun 24 - 25 | Jun 23 - 24 | Jun 22 - 23 | Jun 21 - 22 |
|---|---|---|---|---|---|
| Passive Plus Cautious | 11.0% | 5.3% | 6.1% | -0.5% | -4.0% |
| Passive Plus Moderate | 19.8% | 6.6% | 10.9% | 4.2% | -2.4% |
| Passive Plus Dynamic | 27.8% | 7.0% | 13.7% | 5.2% | -4.4% |

*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.*

**For more information,**
**please contact Distribution Services**

distributionservices@momentum.co.uk

+44 (0)207 618 1829

www.momentum.co.uk

**Investment Manager** -This document is for information purposes only and does not constitute an offer or invitation to anyone to invest in any Momentum Global Investment Management Limited ('MGIM') funds and has not been prepared in connection with any such offer. This is a marketing communication.

MGIM periodically restructures and rebalances the constituent investments to consider changing economic, market and other conditions, and these portfolio changes will sometimes cause the underlying client accounts held by the relevant platform provider to reflect a time-delay before aligning with the investment performance of the portfolio itself. The Investment performance of these portfolios is not externally audited, and reflects the actual performance of the underlying investment constituents.

This communication may only be used by a person in a jurisdiction where it is legally permitted to do so. The original recipient is responsible to ensure that no breach of local laws occurs in sharing its contents. This document should not be reproduced or distributed except via original recipients such as authorised financial advisers that are permitted to do so by local regulation and should not be made available to retail investors. This communication is not for distribution in the United States of America.

Any opinions expressed herein are those at the date of issue and cannot be depended on to predict future events. They do not necessarily reflect the views of any company in Momentum Group Limited or any part thereof. All data is sourced to MGIM unless otherwise stated. We believe that the information contained is from reliable sources, but do not guarantee the relevance, accuracy, validity or completeness thereof.  Subject to UK law, MGIM does not accept liability for irrelevant, inaccurate, invalid or incomplete information contained, or for the correctness of any opinions expressed.

Past performance is not 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 the investments. The value of investments and any income from them may fluctuate and investors may incur losses. All investments involve risks including the risk of possible loss of principal. Liquidity risk may delay or prevent account withdrawals or redemptions. High volatility of fund prices can result from unstable market conditions.

The investment opportunities described herein do not take into account the specific investment objectives, financial situation, knowledge, experience or specific needs of any particular person and are not guaranteed.

We are unable to give financial advice. If you are unsure about the content contained within/suitability of the funds mentioned, please speak to a financial adviser.

This document is produced and issued by MGIM (company registration no. 3733094) with its registered office at 3 More London Riverside, London, SE1 2AQ. MGIM is authorised and regulated by the Financial Conduct Authority in the UK (firm reference no. 232357).

## Do you need this in a different format?

Please get in touch if you would like this document in large font or as audio.

**+44 (0) 20 7618 1829**

**DistributionServices@momentum.co.uk**