

# Momentum Passive Plus Cautious Portfolio

31 December 2024

For professional advisors only

## INVESTMENT OBJECTIVE & STRATEGY

The Momentum Passive Plus Cautious Portfolio aims to deliver growth in real terms aligned to the risk profile of the solution, with anticipated volatility in the range of 4-7%. The portfolio aims to operate within the 'low' risk profile. The portfolio will invest across a range of asset classes using passive instruments.

## INVESTMENT TEAM



Alex Harvey, CFA  
Lead Oversight  
Senior Portfolio Manager  
& Investment Strategist



Gregoire Sharma, CFA  
Senior Portfolio  
& Research Analyst



Gabby Byron  
Investment Services  
Executive

Our investment approach is team based with all portfolio managers having specific areas of research focus and access to and input from the wider Momentum Global Investments team.

## HISTORICAL CUMULATIVE PERFORMANCE SINCE INCEPTION<sup>1</sup>



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Portfolio return	(1.7)	(0.3)	3.2	4.8	2.4	10.6	3.3
IA Mixed Investment 0-35% Shares	(1.0)	(0.4)	2.2	4.4	(0.6)	6.0	2.8
Difference	(0.7)	0.1	1.0	0.4	3.0	4.6	0.5

DISCRETE ANNUAL PERFORMANCE (%)	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
Portfolio return	4.8	4.7	(6.7)	5.4	2.5

Source: Morningstar, MGIM  
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.

## MONTHLY COMMENTARY

- December's market performance reflected ongoing uncertainties heading into 2025. The Fed's anticipated 25bps rate cut materialised but was tempered by a quarterly dot plot projecting only two rate cuts for 2025 - half the expected number in September. Fed Chair Powell reiterated the need for further progress on inflation before cutting rates further.
- Forward indicators of activity were resilient in the US but weak in Europe and the UK, with recession risks rising in Germany and France. UK business confidence collapsed after October's budget, reviving stagflation fears with core inflation at 3.3%, weekly earnings rising 5.2%, and growth in negative territory. China's policy shifts toward monetary easing and fiscal policy provided hope, though Trump's trade tariffs cast uncertainty.
- Markets reflected these challenges with weakness across major asset classes. Global equities, measured by the MSCI World index, fell -1.0% in December while global emerging markets returned 1.5%. Elsewhere, the ICE BofA Global Broad Market index declined -2.4%, with UK gilts and UK investment grade bonds returning -2.5% and -0.6% respectively. US Treasuries and US investment grade bonds returned -0.1% and -0.5%, with the dollar rising 1.7% against the pound.
- The most significant move was in bonds, with longer maturity yields rising due to inflation fears, slower rate cuts, and concerns over rising government debt. The US 10-year Treasury yield ended the year at almost 4.6%, up 100bps since September's rate cut, while UK 30-year bond yields hit a 21st-century high of 5.13%, driven by stagflation concerns.
- Uncertainty remains elevated as markets brace for President Trump's inauguration and the implementation of his policy agenda. Risks from policy missteps, sticky inflation, high tariffs, high government debt levels, and geopolitical tensions weigh on the outlook, while high equity valuations add to investor caution.
- The policy easing cycle is expected to continue, supporting equities, while the recent bond sell-off has improved fixed income valuations. Opportunities lie in US equities beyond megacap tech stocks and in markets outside the US where valuations are generally more attractive. We remain cautiously constructive for 2025.

Source: Bloomberg Finance LP, MGIM

## PLATFORM AVAILABILITY



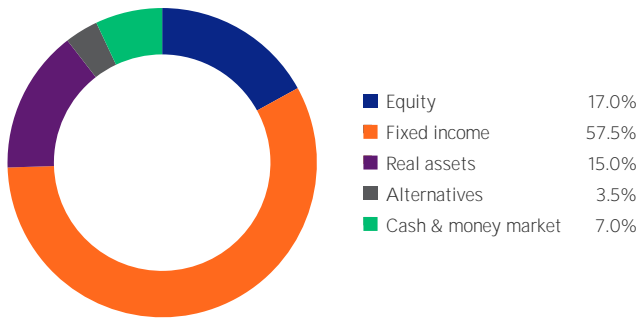
## PORTFOLIO RATINGS



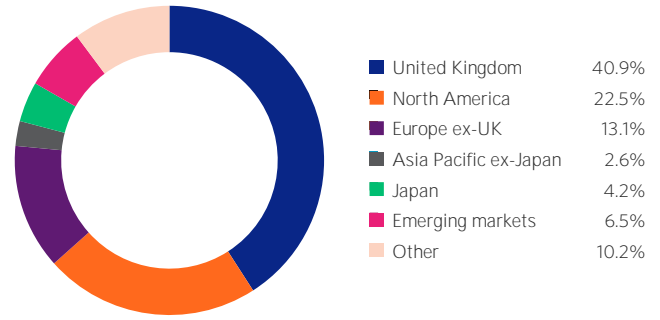
Actual performance may vary subject to the timely execution of orders.

Sources: Morningstar, MGIM, unless otherwise stated. <sup>1</sup>The Momentum Passive Plus Portfolios' returns are net of the AMC and underlying fund charges but do not take into account the platform provider's charges. Performance may also differ depending upon which platform is used to access the Momentum Passive Plus Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms.

## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION



Allocations subject to change. Source: MGIM

## TOP TEN HOLDINGS

HOLDING	Percentage
1. Vanguard US Government Bond Index	16.0%
2. iShares UK Gilts All Stocks Index	13.0%
3. L&G Global Infrastructure Index	8.0%
4. Vanguard UK Short-Term Investment Grade Bond Index	7.5%
5. iShares Environment & Low Carbon Tilt Real Estate Index	7.0%
6. Vanguard FTSE UK All Share Index	6.5%
7. Fidelity Index World	6.5%
8. Vanguard Euro Government Bond Index	5.5%
9. BlackRock ICS Sterling Liquidity	5.0%
10. L&G Global Inflation Linked Bond Index	5.0%

## PORTFOLIO DETAILS

PORTFOLIO DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Inception	1 March 2016
Currency	GBP
Minimum investment	£1,000
Investment timeframe	4 years +
Target volatility	5-8%
Benchmark	IA Mixed Investment 0-35% Shares
AMC	0.15%
OCF <sup>2</sup>	0.39%

Source: MGIM

<sup>2</sup>As at 31.12.2024, 0.39% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include platform provider's charges.

## CONTACT US

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## IMPORTANT INFORMATION

Prior to 15.04.2024 the Momentum Passive Plus Cautious Portfolio was known as pi Cautious Portfolio. Fact sheet geographic allocation percentages are in some cases based on the normalised (or benchmark) asset allocations of investee funds, as opposed to the actual exposures of those funds at the date of the fact sheet. This reflects the expected average allocation over time which will result from decisions to hold particular funds.

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