

Momentum Passive Plus Cautious Portfolio

31 October 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
Lead Oversight
Senior Portfolio Manager
& Investment Strategist



Gregoire Sharma
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 INCEPTION¹



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Portfolio return	(0.7)	0.8	4.1	11.0	3.1	10.6	3.4
IA Mixed Investment 0-35% Shares	(0.7)	0.8	3.6	11.2	(0.2)	7.0	2.8
Difference	0.0	0.0	0.5	(0.2)	3.3	3.6	0.6

DISCRETE ANNUAL PERFORMANCE (%)	31 Oct 2024	31 Oct 2023	31 Oct 2022	31 Oct 2021	31 Oct 2020
Portfolio return	11.0	(0.8)	(6.3)	9.7	(2.2)

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

- In October, the most significant market shift was a substantial rise in bond yields, reversing much of the decline seen in Q3. Following the Fed's 50bps rate cut on September 18th, the 10-year Treasury yield, which had fallen to 3.7%, rose by almost 60bps by the end of October, reaching around 4.3%. This increase continued post-election, nearing 4.5%. Expectations for future rate cuts also changed significantly, with the Fed Funds rate now projected to be 3.78% by the end of 2025, up from 2.78% in mid-September.
- Bonds had a poor month, with global bonds returning -3.4% and UK gilts and UK investment grade corporate bonds returning -2.8% and -1.4% respectively. US Treasuries and US investment grade corporate bonds returned 1.9% and 1.8%, with the dollar rising 3.7% against the pound. Global developed markets returned 2.1% with emerging markets returning -0.4%. Within developed equities, the US was the strongest performer over October, returning 3.2% in GBP terms. Elsewhere, gold rose by 8.5%.
- The US economy continued to show strength, with Q3 GDP growing at an annualised rate of 2.8%. Labour market data was mixed but generally indicated resilience. This economic strength led the Fed to push back against market expectations for aggressive rate cuts.
- Outside the US, the ECB made its second 25bps rate cut of the cycle, responding to a fall in Euro Area CPI to 1.7% in September and ongoing weakness in the manufacturing sector. In Japan, political uncertainty arose after the ruling coalition lost its majority in a snap election. And in the UK, the Labour government's first budget introduced significant tax increases and public spending, raising inflation risks and bond yields.
- Overall, while the US showed economic resilience, high tax and regulatory regimes in Europe and the UK continued to stifle growth. Our investment strategy remains cautiously constructive, with plans to add to risk assets during periods of market weakness.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY



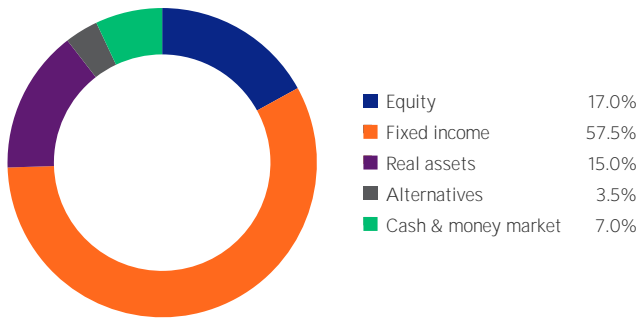
PORTFOLIO RATINGS



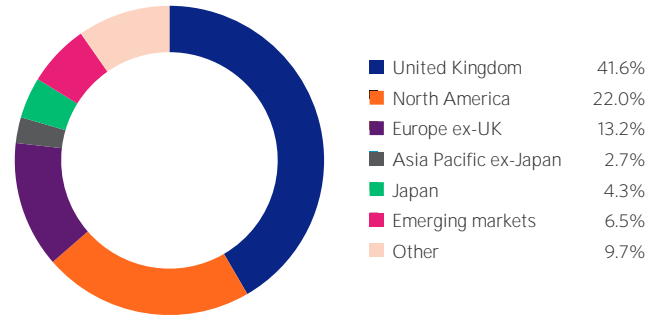
Actual performance may vary subject to the timely execution of orders.

Sources: Morningstar, MGIM, unless otherwise stated. ¹The 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 ²	0.39%

Source: MGIM

²As at 30.06.2024, 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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