

# Momentum Income Portfolio

31 December 2024

For professional advisors only

## INVESTMENT OBJECTIVE & STRATEGY

The Momentum Income Portfolio has been developed due to increased demand for an income generating portfolio as an alternative to capital growth. The Portfolio is carefully constructed to offer an attractive yield and spread risk by investing in various asset classes. This includes traditional funds offered by the major investment companies. The investment objective of the Income Portfolio is to achieve a reasonable yield from a mix of different asset classes. The Portfolio will actively pursue a diversified investment strategy targeting a medium yield. The Portfolio will have a medium level of risk to capital and deliver a commensurate rate of return.

## 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 FEBRUARY 2016<sup>1</sup>



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Portfolio return	(1.0)	(0.8)	2.8	4.6	3.3	13.4	4.2
Peer group median	(1.0)	(0.2)	2.1	5.1	1.5	10.6	3.9

DISCRETE ANNUAL PERFORMANCE (%)	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	Current yield (%) <sup>†</sup>
Portfolio return	4.6	5.6	(6.4)	9.3	0.4	3.65

Sources: Bloomberg Finance LP, Morningstar, MGIM.  
Peer group: Dynamic Planner Risk Profile 4. Performance is calculated on a total return basis in GBP terms. 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



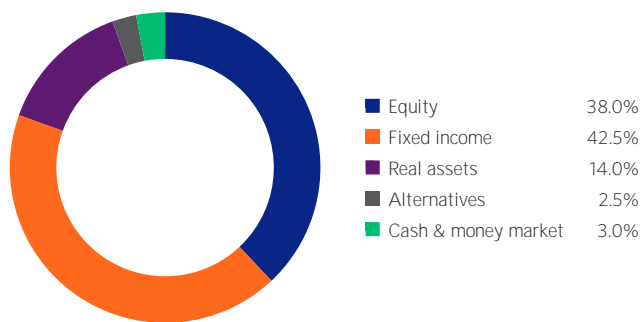
## PORTFOLIO RATINGS



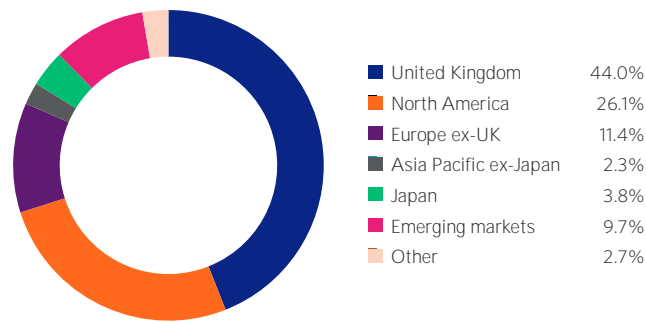
Actual performance may vary subject to the timely execution of orders.

Sources: Bloomberg Finance LP, MGIM, unless otherwise stated. <sup>†</sup>The Cautious Income, Income and Higher Income Portfolios were merged in December 2017. Historical performance figures prior to the merger in December 2017 have been simulated to represent one-third of the Cautious Income Portfolio, one-third of the Income Portfolio one-third of the Higher Income Portfolio. The Momentum Income 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 Income Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. MGIM commenced management as at February 2016. <sup>††</sup>The Current Yield is the weighted average yield of the underlying holdings over the past twelve months. This does not include underlying fund charges.

## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION



Allocations subject to change. Source: MGIM

## TOP TEN HOLDINGS

HOLDING	WEIGHT	YIELD
1. IFSL Evenlode Global Income	10.0%	2.3%
2. Vanguard US Government Bond Index	10.0%	3.3%
3. VT RM Alternative Income	10.0%	7.2%
4. Schroder Income Maximiser	8.0%	6.8%
5. IFSL Evenlode Income	7.0%	2.9%
6. AXA US Short Duration High Yield	6.5%	5.0%
7. iShares UK Gilts All Stocks Index	5.5%	3.0%
8. TM Redwheel UK Equity Income	5.0%	3.7%
9. Vanguard Euro Government Bond Index	4.5%	0.0%
10. L&G EM Government Bond \$ Index	4.0%	5.7%

Yield: This is the current yield and does not include underlying fund charges. Source: MGIM

## PORTFOLIO DETAILS

PORTFOLIO DETAILS	
Investment manager	Momentum Global Investment Management Limited (MGIM)
Inception	1 February 2012
MGIM management from	1 February 2016
Currency	GBP
Minimum investment	£1,000
Tactical version	.v23
Target volatility	4-7%
AMC	0.25%
OCF <sup>2</sup>	0.78%

<sup>2</sup>As at 31.12.2024, 0.78% 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

Fact sheet asset 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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