

Momentum Income Portfolio

30 May 2025

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 2016¹



| CUMULATIVE PERFORMANCE (%) | 1 month | 3 months | 6 months | 1 year | 3 years | 5 years | Since inception annualised |
|----------------------------|---------|----------|----------|--------|---------|---------|----------------------------|
| Portfolio return | 1.5 | 0.2 | 1.5 | 5.9 | 9.7 | 22.9 | 4.2 |
| Peer group median | 1.8 | (0.4) | 0.5 | 4.8 | 9.0 | 17.7 | 3.9 |

| DISCRETE ANNUAL PERFORMANCE (%) | May 24 - May 25 | May 23 - May 24 | May 22 - May 23 | May 21 - May 22 | May 20 - May 21 | Current yield (%) [†] |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|
| Portfolio return | 5.9 | 5.8 | (2.0) | 1.3 | 10.6 | 3.43 |

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

- Markets rallied in May despite a volatile backdrop dominated by renewed tariff tensions, resilient inflation, and rising bond yields. The prevailing narrative was one of 'TACO': Trump Always Chickens Out, with fears of trade wars subsiding as the US and China agreed to a 90-day negotiation window, cutting tariffs on each other's goods. Trump also postponed proposed 50% tariffs on EU imports, calming recessionary concerns and boosting investor sentiment.
- Equities surged, led by US megacap tech stocks. The S&P 500 returned 5.4%, global developed markets 5.0%, and emerging markets 3.4%. Earnings resilience helped sentiment, with Q1 US EPS growth averaging nearly 13%.
- In contrast, bond markets struggled. Longer-dated yields rose sharply amid concerns over fiscal sustainability. The US 30-year Treasury yield rose 25bps to 4.93%, the highest since before the Global Financial Crisis. Moody's downgrade of US sovereign credit to Aa1, coupled with the House passing Trump's expansive "Big Beautiful Bill Act," reignited focus on America's \$36tn national debt. With a forecast fiscal deficit of 6.3% of GDP this year, markets are pricing in a structural premium for US borrowing.
- Other developed markets face similar challenges. UK 30-year gilt yields reached 1998 highs, as April CPI surprised at 3.5% and resilient growth constrained the Bank of England's ability to ease. Japan, with government debt at 260% of GDP, faces policy tightrope walking as the BoJ attempts to normalise rates without triggering market dislocations.
- Central banks remain cautious. The Fed held rates in May and expectations for cuts have been revised down from four to two 25bps reductions in 2025. Markets are adjusting to "higher for longer" rates, with 30-year real yields now at 2.6%, restoring some value to fixed income.
- While the immediate tariff threats have faded, the path ahead remains unpredictable. We recognise the wide range of potential outcomes given current uncertainties, and firmly believe that diversification will be vital, but volatility will create opportunities to add to risk in our portfolios, albeit with caution and patience in the short term.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY



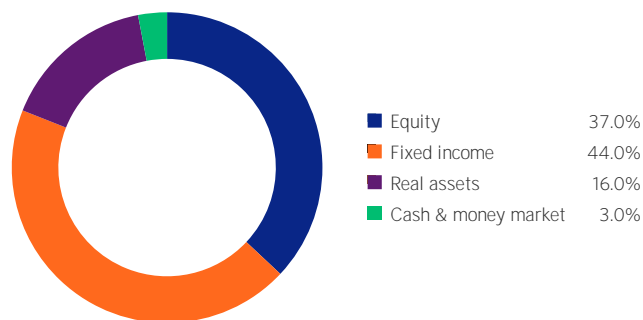
PORTFOLIO RATINGS



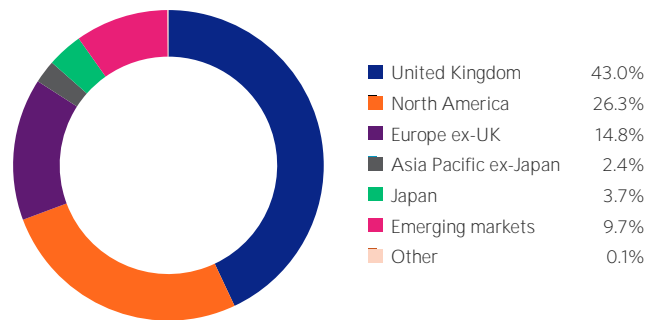
Actual performance may vary subject to the timely execution of orders, platform fees and availability.

Sources: Bloomberg Finance LP, MGIM, unless otherwise stated. [†]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. [‡]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. Vanguard US Government Bond Index | 12.0% | 1.7% |
| 2. IFSL Evenlode Global Income | 10.0% | 2.5% |
| 3. VT RM Alternative Income | 10.0% | 5.1% |
| 4. Schroder Income Maximiser | 8.0% | 7.3% |
| 5. Artemis Short-Dated Global High Yield Bond | 6.5% | 6.4% |
| 6. Vanguard Euro Government Bond Index | 6.0% | 0.0% |
| 7. iShares UK Gilts All Stocks Index | 5.5% | 3.4% |
| 8. IFSL Evenlode Income | 5.0% | 3.0% |
| 9. L&G S&P 500 US Equal Weight Index | 5.0% | 0.8% |
| 10. L&G EM Government Bond \$ Index | 4.0% | 6.2% |

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 | .v24 |
| Target volatility | 4-7% |
| AMC | 0.25% |
| OCF ² | 0.68% |

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

²As at 31.03.2025, 0.68% 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.

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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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