

Momentum Income Portfolio

29 November 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 2016¹



CUMULATIVE PERFORMANCE (%)	1 month	3 months	6 months	1 year	3 years	5 years	Since inception annualised
Portfolio return	1.5	1.0	4.3	9.4	6.3	15.2	4.3
Peer group median	1.4	1.5	4.2	10.2	3.6	12.8	4.0

DISCRETE ANNUAL PERFORMANCE (%)	30 Nov 2024	30 Nov 2023	30 Nov 2022	30 Nov 2021	30 Nov 2020	Current yield (%) [†]
Portfolio return	9.4	0.9	(3.7)	8.7	(0.3)	3.63

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

- The upcoming US leadership change intensified global economic and geopolitical uncertainty during the month. President-elect Trump's proposed policies – tax cuts, deregulation, protectionism, and tighter immigration controls – could boost US growth and earnings but they also raise inflation risks, leading to a slower pace of rate cuts from the Fed and strengthening the dollar.
- Outside the US, Europe and China appear vulnerable. Tariff threats could weigh on growth, while Europe's fiscal challenges and political stagnation persist. The UK, despite being less exposed to US tariffs, faces similar high-tax, low-growth dynamics. In contrast, US economic resilience seems likely to continue.
- Global equities remain on track for a second consecutive year of double-digit returns, far outpacing bonds. Gold is the only major asset class to outperform equities, gaining nearly 30% year-to-date, despite falling -2.6% in November. The 'Trump trade' drove the US equity market 7.0% higher in November while most markets in Europe and Asia have drifted lower in recent weeks with global emerging markets falling by -2.6% over the month.
- Elsewhere, bond markets returned 0.5% over the month as measured by the ICE BofA Global Broad Market index, with UK gilts and UK investment grade corporate returning 1.8% and 1.6% respectively. US Treasuries and US investment grade bonds returned 2.0% and 2.5%, with the dollar rising 1.3% against the pound.
- Market expectations have shifted since the election, with US equities climbing, the dollar strengthening, and bond yields rising as inflation forecasts increase. Rate cuts from the Fed are now expected to be slower, with only 3-4 reductions anticipated by end-2025. As the "Trump trade" plays out, investors may adopt a wait-and-see approach heading into the new year.
- While risks remain – potential policy missteps, geopolitical flare-ups, and market overvaluation in areas like crypto and megacap tech – opportunities persist. The bond market sell-off has improved fixed income valuations, while equity valuations outside the US appear attractive. We remain cautiously optimistic for 2025, expecting continued but more volatile equity market gains, driven by a broader range of sectors beyond tech.

Source: Bloomberg Finance LP, MGIM

PLATFORM AVAILABILITY



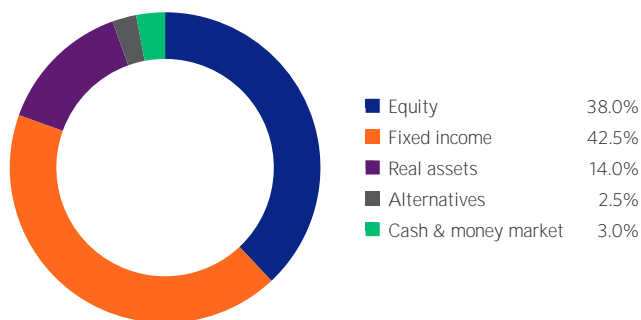
PORTFOLIO RATINGS



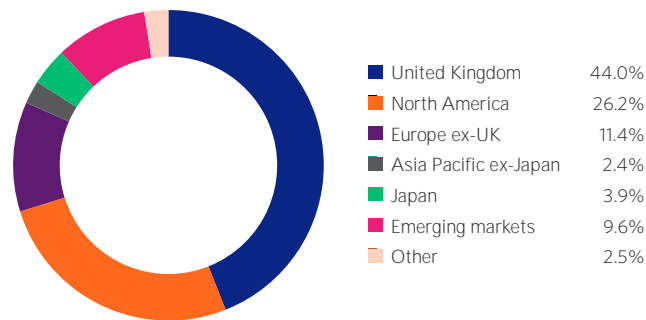
Actual performance may vary subject to the timely execution of orders.

Sources: Bloomberg Finance LP, MGIM, unless otherwise stated. [†]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. IFSL Evenlode Global Income	10.0%	2.2%
2. Vanguard US Government Bond Index	10.0%	3.2%
3. VT RM Alternative Income	10.0%	7.1%
4. Schroder Income Maximiser	8.0%	6.8%
5. IFSL Evenlode Income	7.0%	2.8%
6. AXA US Short Duration High Yield	6.5%	4.6%
7. iShares UK Gilts All Stocks Index	5.5%	2.9%
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

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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 ²	0.76%

²As at 30.06.2024, 0.76% 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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