

Momentum Income Portfolio

31 October 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
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 FEBRUARY 2016¹



| CUMULATIVE PERFORMANCE (%) | 1 month | 3 months | 6 months | 1 year | 3 years | 5 years | Since inception annualised |
|----------------------------|---------|----------|----------|--------|---------|---------|----------------------------|
| Portfolio return | (1.2) | 0.2 | 3.9 | 11.3 | 5.3 | 14.5 | 4.2 |
| Peer group median | (0.5) | 0.8 | 3.4 | 12.6 | 2.3 | 12.3 | 3.9 |

| DISCRETE ANNUAL PERFORMANCE (%) | 31 Oct 2024 | 31 Oct 2023 | 31 Oct 2022 | 31 Oct 2021 | 31 Oct 2020 | Current yield (%) [†] |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|--------------------------------|
| Portfolio return | 11.3 | 0.9 | (6.3) | 14.2 | (4.8) | 3.66 |

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

- 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



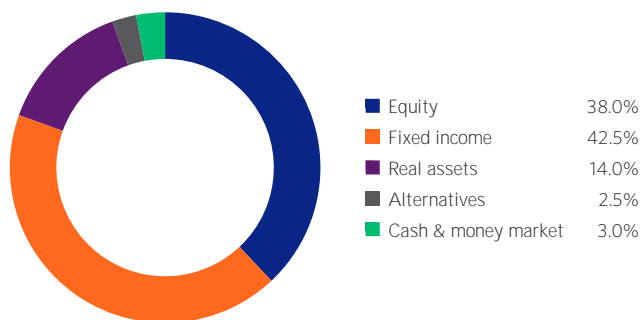
PORTFOLIO RATINGS



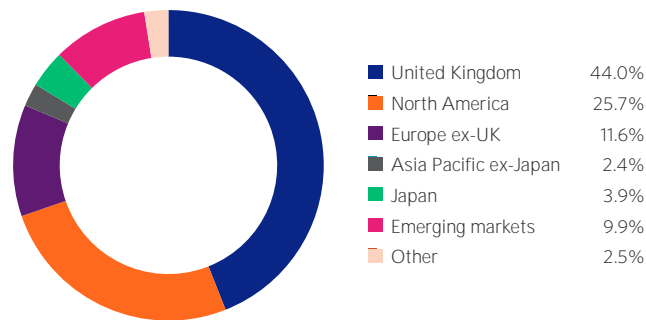
Actual performance may vary subject to the timely execution of orders.

Sources: 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% | 3.3% |
| 3. VT RM Alternative Income | 10.0% | 6.9% |
| 4. Schroder Income Maximiser | 8.0% | 7.0% |
| 5. IFSL Evenlode Income | 7.0% | 2.9% |
| 6. AXA US Short Duration High Yield | 6.5% | 4.7% |
| 7. iShares UK Gilts All Stocks Index | 5.5% | 3.0% |
| 8. TM Redwheel UK Equity Income | 5.0% | 3.8% |
| 9. Vanguard Euro Government Bond Index | 4.5% | 0.0% |
| 10. L&G EM Government Bond \$ Index | 4.0% | 5.9% |

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 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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