

# Momentum Income Portfolio

31 May 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 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	2.1	4.8	5.7	4.8	14.5	4.1
Peer group median	0.6	2.1	5.8	7.5	1.5	12.4	3.8

DISCRETE ANNUAL PERFORMANCE (%)	31 May 2024	31 May 2023	31 May 2022	31 May 2021	31 May 2020	Current yield (%) <sup>†</sup>
Portfolio return	5.7	(2.1)	1.3	10.6	(1.3)	3.56

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 a reversal of the April sell-off, equity and bond markets generally performed well in May.
- US tech remained dominant, led by Nvidia on the back of yet another extraordinary set of quarterly results, with the company expecting demand for its products to outstrip supply into 2025.
- Following a period of underperformance the UK market is now regaining ground, particularly in the small- and mid-cap space where attractive valuations have piqued interest from private equity and overseas companies.
- Elsewhere, China, facing well-versed structural problems, and hit in May with additional US tariffs on semiconductors and EVs, has taken further steps to stimulate its sluggish economy.
- The uncertainty around the pace at which inflation can be reined in, and the resultant timing and extent of interest rate cuts, continued to generate considerable volatility in bond markets.
- Concerns surrounding sticky inflation spread to the UK and Europe, with monthly inflation prints coming in above expectations in both economies.
- Global developed markets returned 2.6% with emerging markets returning -1.2%. Within developed equities, UK small-caps and Europe were the strongest performers over the month returning 5.7% and 3.4% respectively. Japan and UK large-caps were the laggards, returning -0.4% and 1.7% respectively.
- UK gilts and UK investment grade corporate bonds returned 0.8% and 0.9% in May, whilst US treasuries and US investment grade corporate bonds returned -0.2% and 0.2% respectively, hindered by the dollar which fell 2.0% against the pound.

Source: Bloomberg Finance LP, MGIM

## PLATFORM AVAILABILITY



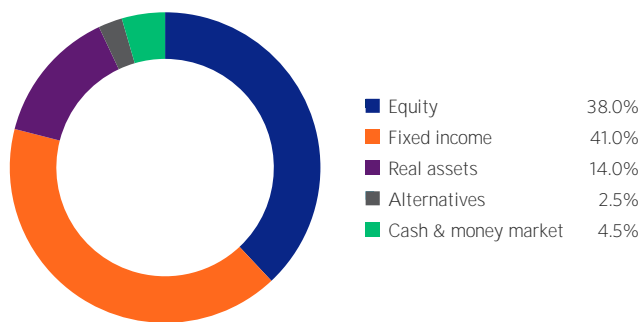
## FUND RATINGS



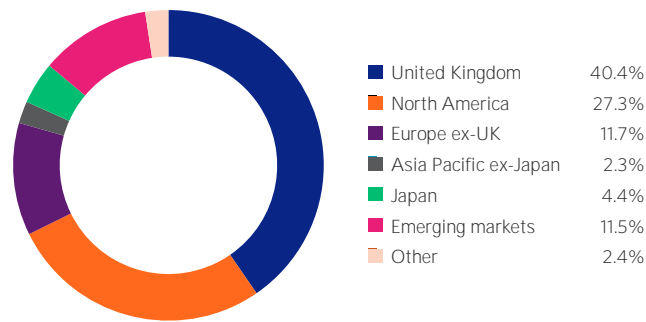
Actual performance may vary subject to the timely execution of orders.

Sources: Bloomberg Finance LP, MGIM, unless otherwise stated. <sup>1</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%	2.2%
2. VT RM Alternative Income	10.0%	7.4%
3. L&G Global Inflation Linked Bond Index (GBP hedged)	9.0%	3.8%
4. Schroder Income Maximiser	8.0%	6.6%
5. IFSL Evenlode Income	7.0%	2.9%
6. AXA US Short Duration High Yield	6.5%	4.4%
7. L&G EM Government Bond \$ Index	6.0%	6.1%
8. TM Redwheel UK Equity Income	5.0%	3.2%
9. Vanguard Euro Government Bond Index (GBP hedged)	4.5%	0.0%
10. iShares UK Gilts All Stocks Index	4.0%	2.4%

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	.v22
Target volatility	4-7%
AMC	0.25%
OCF <sup>2</sup>	0.77%

<sup>2</sup>As at 29.02.2024, 0.77% 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

STEVE HUNTER  
Head of Business Development  
D 0151 906 2481 M 07470 478 974  
E [steve.hunter@momentum.co.uk](mailto:steve.hunter@momentum.co.uk)

JONATHAN GARNER  
Business Development Consultant  
D 0151 906 2479 M 07469 392 164  
E [jonathan.garner@momentum.co.uk](mailto:jonathan.garner@momentum.co.uk)

ALISTAIR YEOMAN  
Business Development Consultant  
D 020 7618 1785 M 07789 745 214  
E [alistair.yeoman@momentum.co.uk](mailto:alistair.yeoman@momentum.co.uk)

EMMA CLIFT  
Head of Distribution Services  
D 020 7618 1806  
E [distributionservices@momentum.co.uk](mailto:distributionservices@momentum.co.uk)

## IMPORTANT INFORMATION

Factsheet 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 factsheet. This reflects the expected average allocation over time which will result from decisions to hold particular funds.

This material is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person. It is not an invitation to subscribe and is by way of information only. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be solely relied on in making an investment or other decision. If you are considering investing in the Momentum Income Portfolio clients should consult a suitably qualified and approved Financial Adviser. The performance shown represents performance of the Income Portfolio that is periodically restructured and rebalanced based on the impact of material, economic and market factors that influence MGIM's decision-making on asset allocation. The Income Portfolio is applied to client accounts by the platform provider but it may take some time for the client accounts to mirror the performance of the Income Portfolio. It is for this reason that client accounts may not have achieved exactly the same returns as the Income Portfolio. The performance of the Income Portfolio is based on the actual performance of the underlying funds included in the portfolios. These performance figures have not been audited by an external body. The value of investments may go down as well as up and the value will depend on fluctuations in financial markets outside MGIM's control, as a result an investor may not get back the amount invested. Past performance is not indicative of future performance and reference to a security is not a recommendation to buy or sell that security. This material is issued and approved by MGIM, authorised and regulated by the Financial Conduct Authority (FCA). MGIM is registered in England and Wales No. 03733094. Registered Office: The Rex Building, 62 Queen Street, London EC4R 1EB. The information contained in this fact sheet does not apply to clients who have invested via Skandia. Ratings: Defaqto is a financial information business. Profile published 08.03.2024 by Distribution Technology based on data and information as at 31.12.2023.