

Momentum Income Portfolio*

month ended 29 March 2019

Portfolio details

Investment manager	Momentum Global Investment Management (MGIM)				
Inception	31 May 2011	Tactical version	.v9	AMC	0.25% +VAT
MGIM management from	1 February 2016	Minimum investment	£1,000	TER†	0.93%
Target volatility	6-9%	Current yield	3.23%		

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.

Portfolio performance (%)

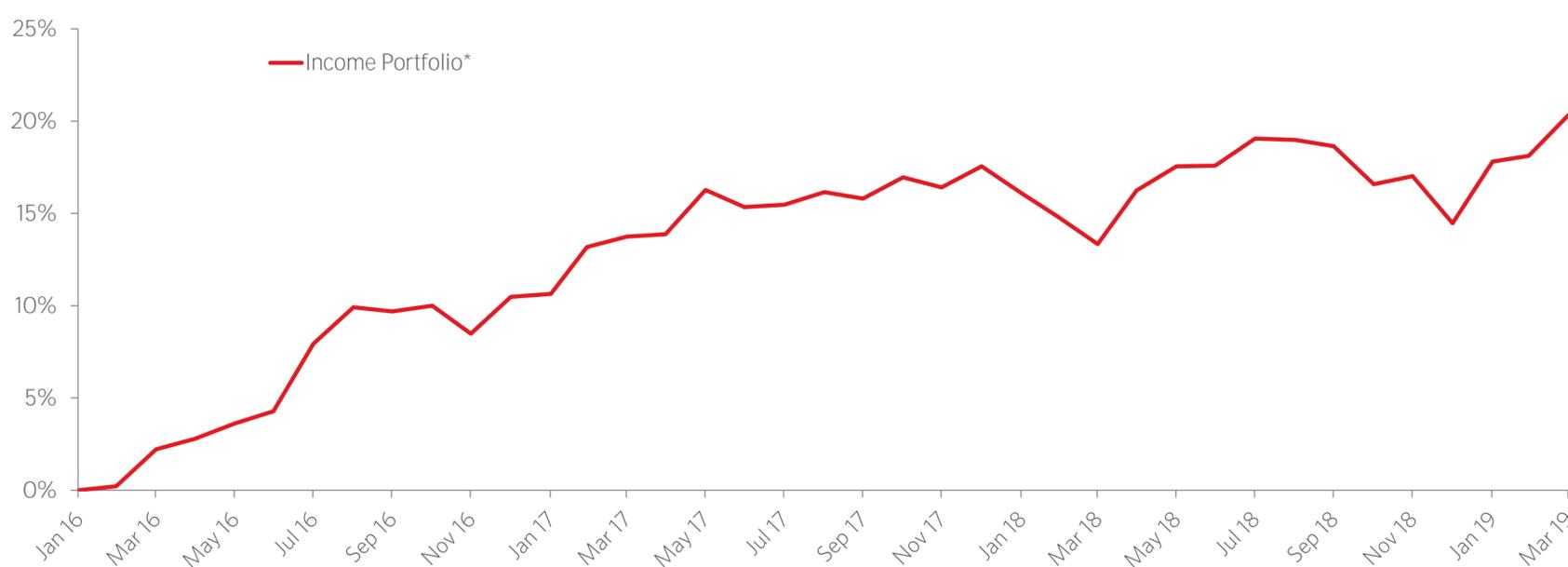
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	Since launch (annualised)	2018	2017	2016 ¹	2015	2014
Portfolio return*	1.9	5.1	1.4	6.2	5.6	4.7	4.9	(2.6)	6.4	9.3	2.2	4.5
MSCI UK	3.2	9.4	(1.2)	7.6	9.8	5.8	6.3	(8.8)	11.7	19.2	(2.2)	0.5
ICE BofAML Sterling Broad Market	3.1	3.8	5.2	3.9	4.0	5.7	5.4	(0.1)	2.6	10.6	0.5	13.9

Annualised performance to last quarter-end (%)

	Mar 18 - Mar 19	Mar 17 - Mar 18	Mar 16 - Mar 17	Mar 15 - Mar 16	Mar 14 - Mar 15
Portfolio return*	6.2	(0.4)	11.3	(0.1)	6.8

Past performance is not indicative of future returns. The portfolio performance is calculated on a total return basis, net of all fees and in GBP terms. Source: FE Analytics, Bloomberg

Historical cumulative performance¹



Source: FE Analytics

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.



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

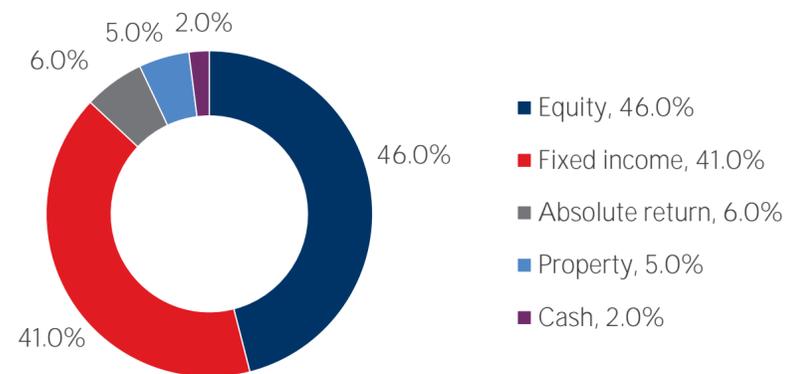
* The Cautious Income, Income and Higher Income Portfolios were merged in December 2017. Historical performance figures prior to the merger in December 2017 have been simulated to represent one-third of the Cautious Income Portfolio, one-third of the Income Portfolio one-third of the Higher Income Portfolio. 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. † As at 31 October 2018, 0.93% 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. ¹ MGIM commenced management as at February 2016.

Current holdings - top 10 funds

Holding	Weight	Current yield ²
MI TwentyFour AM Dynamic Bond	10.0%	4.6%
AXA US Short Duration High Yield	8.0%	2.2%
L&G Emerging Markets Government Bond Index	8.0%	4.1%
Evenlode Global Income	8.0%	2.5%
Evenlode Income	7.0%	3.2%
Schroder Strategic Credit	7.0%	4.2%
JPM Emerging Markets Income	6.0%	4.1%
First State Global Listed Infrastructure	5.0%	1.5%
Jupiter Income Trust	5.0%	4.2%
L&G Global Real Estate Dividend Index	5.0%	3.0%

²The yield does not include underlying fund charges.
Source: MGIM, Bloomberg

Tactical asset allocation



Allocations subject to change. Source: MGIM

Market commentary

Equity markets made further progress in March, with every major region posting positive returns in Sterling terms. Developed market equities returned 3.4% over the month, taking the Q1 2019 return to 10% and recovering much of the ground lost in Q4 2018. The UK equity market rose 3.2%, supported by a weaker pound which fell 1.3% on a trade-weighted basis. Uncertainty surrounding Brexit continues to weigh on the pound and overhang the UK economy. US equities advanced 1.9% in US dollar terms, boosted by encouraging signs of progress in US-China trade talks and a more dovish Federal Reserve. The notable moves in March came in the bond market, with sharp falls in bond yields, particularly in longer maturities. One of the closely watched lead indicators of a recession, the 3 month - 10-year Treasury yield spread, inverted in March, following the Federal Reserve delivering a surprise to the market by removing expectations for any rate rises this year and announcing plans to end its balance sheet run off programme by October. Amid the broad rally in government debt, US Treasuries and UK Gilts returned 2.0% and 3.5%, respectively, in local currency terms. The ongoing uncertainty surrounding Brexit helped UK government bonds to rally, with the yield on the 10-year Gilt falling 30 basis points to 0.99%. In Europe, the generally weak economic data helped push the yield on the 10-year Bund back into negative territory.

Source: MGIM, Bloomberg

Platforms available



Contact details

Claire Wardman
Sales Support
+44 (0)1132 610 506
claire.wardman@momentum.co.uk

Ciara Anderson
Head of Distribution Services
+44 (0)20 7618 1806
distributionservices@momentum.co.uk

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