

Momentum Income Portfolio*

month ended 30 April 2019

Portfolio details

Investment manager	Momentum Global Investment Management (MGIM)				
Inception	31 May 2011	Tactical version	.v10	AMC	0.25% +VAT
MGIM management from	1 February 2016	Minimum investment	£1,000	TER†	0.91%
Target volatility	6-9%	Current yield	3.18%		

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 (%)

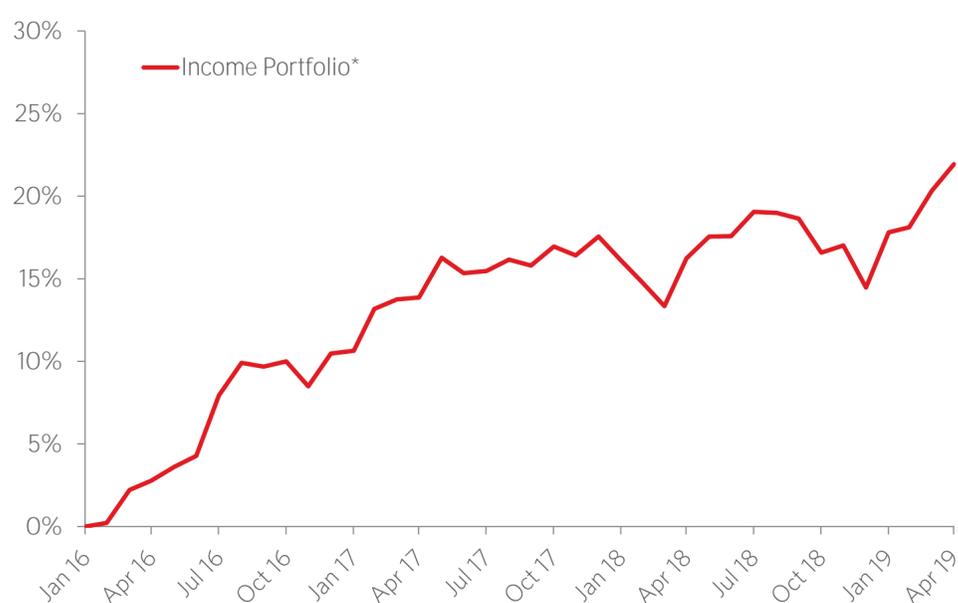
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	Since launch (annualised)	2018	2017	2016 ¹	2015	2014
Portfolio return*	1.3	3.5	4.6	4.9	5.9	4.7	5.0	(2.6)	6.4	9.3	2.2	4.5
MSCI UK	2.2	7.8	6.1	3.0	10.1	5.6	6.5	(8.8)	11.7	19.2	(2.2)	0.5
ICE BofAML Sterling Broad Market	(1.2)	1.2	3.1	3.4	3.9	5.2	5.1	(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.

Investment team



James Klempster, CFA
Director of Investment Management



Alex Harvey, CFA
Portfolio manager

The Income Portfolio is managed by James Klempster and Alex Harvey. James and Alex form part of our 13 strong investment team who have collectively built and evolved our proprietary investment process over the past 20+ years. The experienced team consists of specialists in equity, fixed income and alternative asset classes as well as members who focus on asset allocation, risk management, portfolio construction and trade implementation.



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

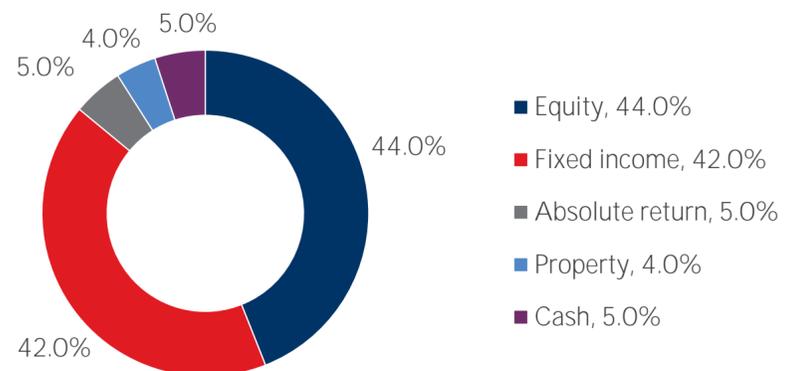
* The Cautious Income, Income and Higher Income Portfolios were merged in December 2017. Historical performance figures prior to the merger in December 2017 have been simulated to represent one-third of the Cautious Income Portfolio, one-third of the Income Portfolio one-third of the Higher Income Portfolio. 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 30 April 2019, 0.91% 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%	4.4%
AXA US Short Duration High Yield	8.0%	4.1%
TB Evenlode Global Income	8.0%	2.4%
Schroder Income Maximiser	7.0%	7.6%
TB Evenlode Income	7.0%	3.1%
iShares UK Gilts All Stocks Index	6.0%	1.4%
JPM Emerging Markets Income	6.0%	4.1%
L&G EM Government Bond \$ Index	6.0%	4.1%
Vanguard US Government Bond Index	6.0%	2.0%
Cash	5.0%	0.0%

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

Tactical asset allocation



Allocations subject to change. Source: MGIM

Market commentary

After an extraordinary first quarter for global financial markets, risk assets continued their rally in April. All major equity markets produced solid positive returns with developed equities again outperforming emerging markets, returning 3.2% versus 1.7%. US equities returned 4% in US dollar terms and hit another record high late in the month. Markets were supported by the Federal Reserve maintaining its dovish policy stance, steady progress in US-China trade talks and stronger-than-expected economic data. The strong performance in the US was however exceeded by Europe, advancing 4.3% in euro terms, buoyed by signs that the sharp slowdown in growth across the eurozone was stabilising. The UK equity market recorded a positive return of 2.2% but lagged global equities. Following months of heightened political uncertainty, the EU and UK agreed on an extension to the Brexit deadline until 31st October, at the start of April, removing the immediate threat of a 'no-deal' exit. Within fixed income, markets were more mixed, with safe haven government bond markets in slightly negative territory while credit outperformed. US Treasuries declined 0.7% while high yield and investment grade produced positive returns, supported by encouraging economic data. In the UK, a flexible extension to the Brexit deadline boosted investor sentiment, pushing the yield on the 10-year Gilt 18 basis points higher to 1.2%. In commodities, oil was the notable mover, gaining 6% over the month amid rising supply concerns.

Source: MGIM, Bloomberg

Platforms available



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