

Momentum Income Portfolio*

month ended 30 November 2018

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	3.09%		

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 (%)

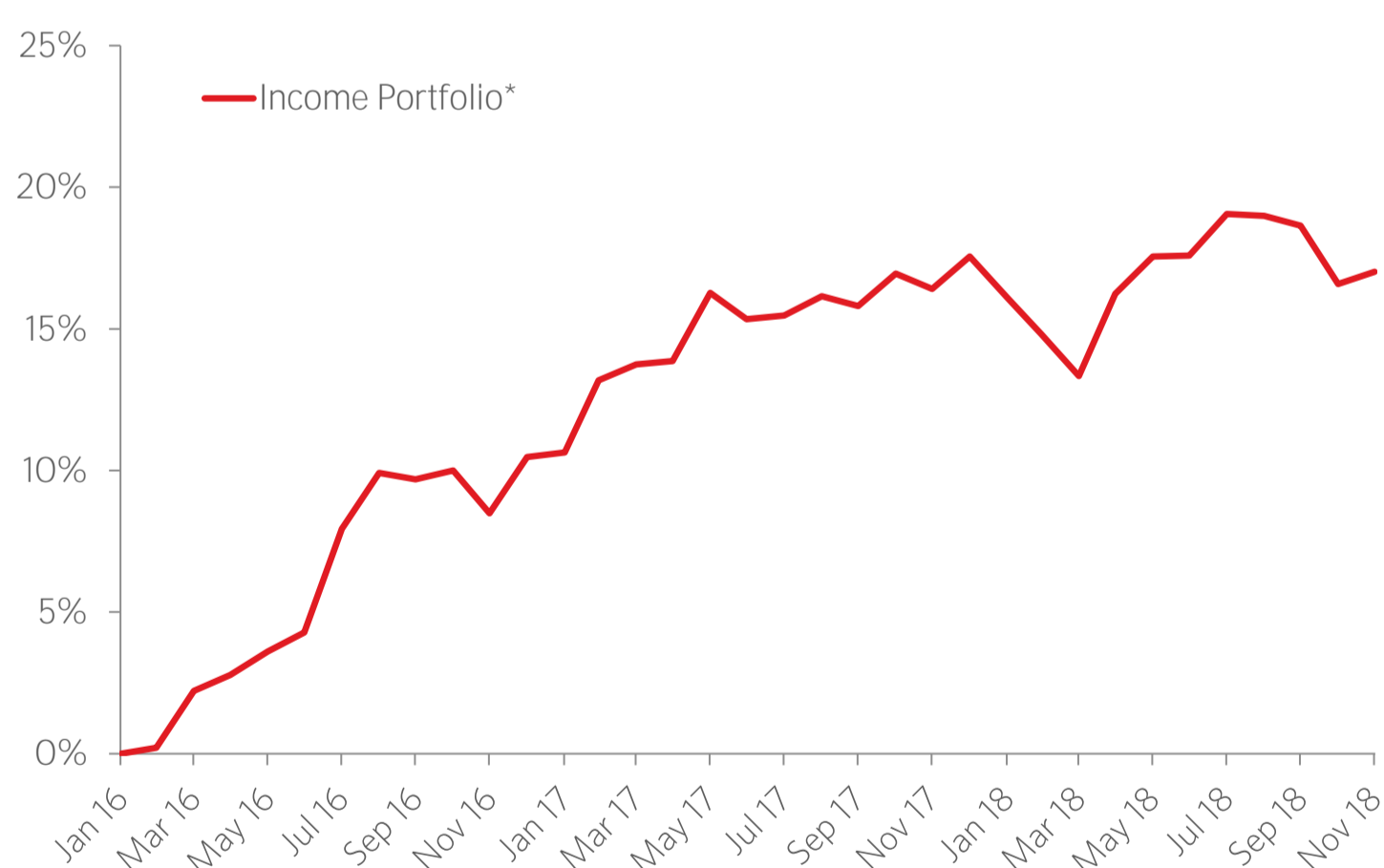
	1 month	3 months	6 months	1 year	3 years (annualised)	5 years (annualised)	2017	2016 ¹	2015	2014	2013	Since launch (annualised)
Portfolio return*	0.4	(1.7)	(0.5)	0.5	4.8	4.3	6.4	9.3	2.2	4.5	4.7	4.7
MSCI UK	(1.5)	(5.0)	(6.9)	(0.6)	7.3	4.7	11.7	19.2	(2.2)	0.5	1.6	5.9
ICE BofAML Sterling Broad Market	(1.3)	(1.9)	(2.4)	(0.6)	3.3	4.7	2.6	10.6	0.5	13.9	(1.1)	4.8

Annualised performance to last quarter-end (%)

	Sep 17 - Sep 18	Sep 16 - Sep 17	Sep 15 - Sep 16	Sep 14 - Sep 15	Sep 13 - Sep 14
Portfolio return*	2.4	5.6	11.2	1.3	4.3

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



Jernej Bukovec, CFA
Portfolio manager



James Klemptster, CFA
Head of Investment Management

The Income Portfolio is managed by Jernej Bukovec and James Klemptster. Jernej and James form part of our 13 strong investment team who have collectively built and evolved our proprietary investment process over the past nineteen 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.

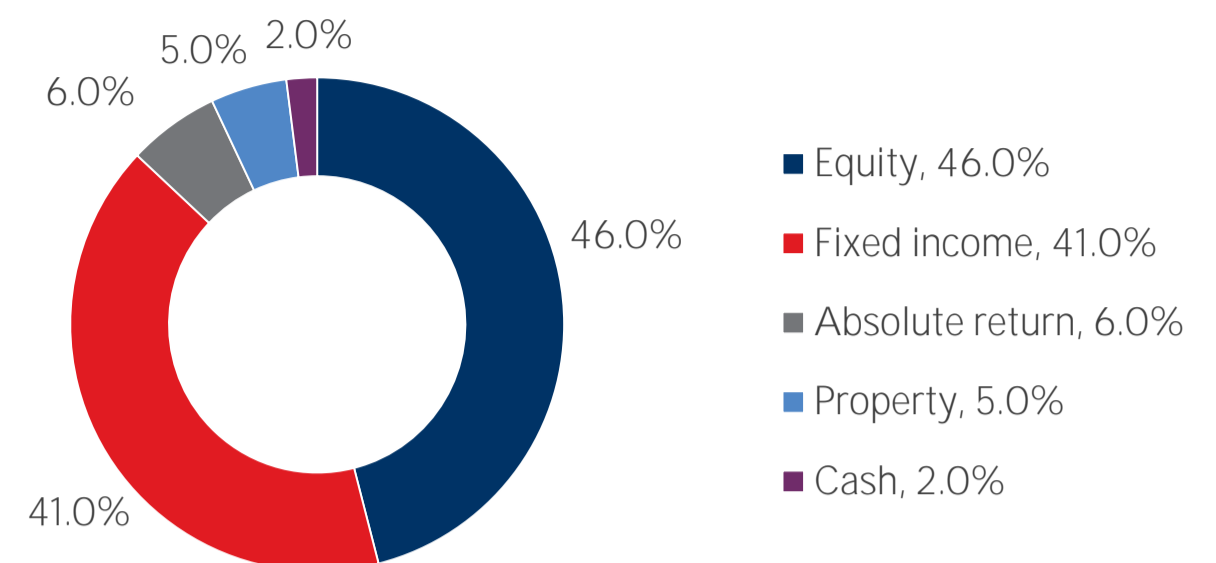
* The Cautious Income, Income and Higher Income Portfolios were merged in December 2017. Historical performance figures prior to the merger in December 2017 have been simulated to represent one-third of the Cautious Income Portfolio, one-third of the Income Portfolio one-third of the Higher Income Portfolio. 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 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%	4.7%
AXA US Short Duration High Yield	8.0%	1.9%
L&G Emerging Markets Government Bond Index	8.0%	4.3%
Evenlode Global Income	8.0%	2.3%
Evenlode Income	7.0%	1.1%
Schroder Strategic Credit	7.0%	4.3%
JPM Emerging Markets Income	6.0%	4.2%
First State Global Listed Infrastructure	5.0%	1.5%
Jupiter Income Trust	5.0%	4.0%
L&G Global Real Estate Dividend Index	5.0%	3.2%

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

Tactical asset allocation



Allocations subject to change. Source: MGIM

Market commentary

Following the sizeable declines in October, a degree of stability returned to markets in November. Global equities posted modest gains but not without some considerable volatility during the month. In Sterling terms, emerging market equities returned 4.1%, outperforming the 1.1% gain in developed markets. Oil notably underperformed, as concerns of a global oversupply led to a sharp reversal from four-year highs in early October. Brent Crude declined 22.2%, ending the month at \$58.7 per barrel. US equities returned 2.0%, boosted early in the month by the US Midterm election result, and climbed higher at the end of the month following the Federal Reserve Chairman Powell declaring US interest rates were 'just below neutral'. Asia Pacific ex Japan equities posted the strongest returns, advancing 4.5%, amid optimism over a more gradual pace of interest rate hikes in the US and a sharp fall in the price of crude oil boosting net oil importers. UK equities performed poorly, declining 1.5% with Brexit-related uncertainties continuing to dampen sentiment. European equities posted negative returns, declining 0.5%, weighed down by concerns over economic growth and the Italian 2019 budget proposal. In fixed income, UK Gilts fell 1.3% while US Treasuries returned 0.9%. Notably, at the end of the month the 10-year US Treasury yield fell below 3% following the Federal Reserve Chairman Powell's dovish leading comments.

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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