

# Harmony Cautious Income Fund (Class E AUD Acc)

30 May 2025

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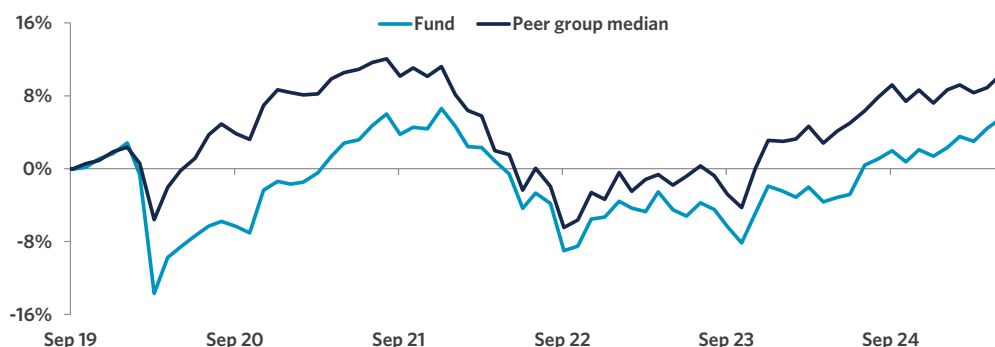
## Investment objective\*

The portfolio aims to deliver a stable level of income of 3-4% per annum whilst still maintaining the capital value, via strategic exposures to a wide range of global asset classes.

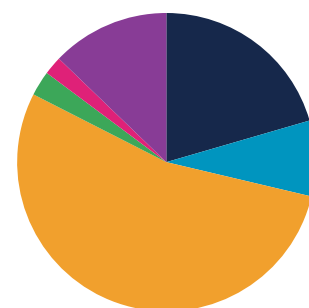
## Manager commentary

- » In May, markets rallied as fears of a trade war receded, buoyed by positive AI developments. This "TACO" (Trump Always Chickens Out) theme saw US-China tariff de-escalation, boosting equities, particularly US tech giants like Nvidia. However, government debt sustainability concerns in the US, UK, and Japan pushed long-term bond yields to multi-year highs, causing bond markets to struggle. Central banks remain cautious on rate cuts amid resilient economies and persistent inflation. While short-term uncertainty lingers, the corporate sector's strength and the transformative potential of AI provide a more encouraging long-term outlook.
- » Against this backdrop, we implemented two tactical trades in the portfolio.
- » Firstly, in the second half of the month, we reduced some of the equity positions that we had increased allocation to in early April, in the depths of the tariff crash. We had let them successfully run overweight for 6 weeks, after which we thought it prudent to bank the profits and look at opportunities elsewhere.
- » Only a few days later, in fact, we invested in a 30-year inflation-protected US bond. With bond yields spiking and market sentiment probably excessively negative about US fixed income, we thought it prudent to take a contrarian view and took the opportunity to bring the portfolio's interest-rate sensitivity back in line with strategic levels, which increases yield generation and enhances protectiveness.

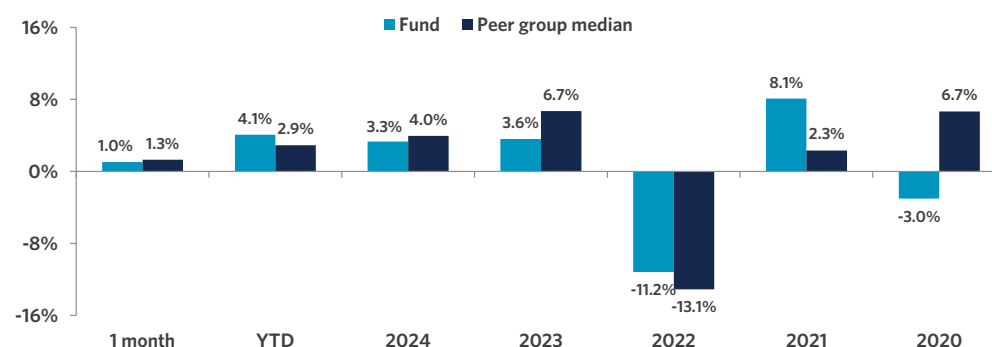
## Cumulative returns (since inception, 27.09.2019)



## Strategy allocation



## Fund performance



## Cumulative performance (%)

Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
1.0	4.1	8.9	6.1	15.4	5.5

## Discrete annual performance (%)

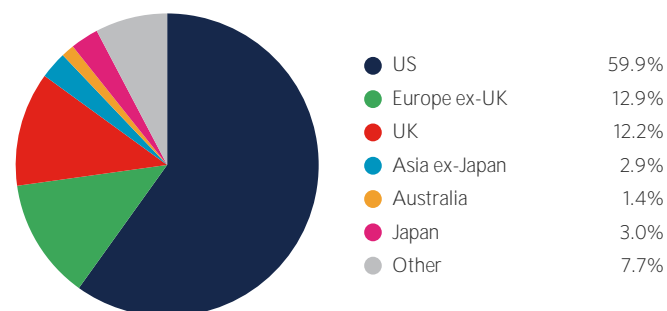
May 24 - 25	May 23 - 24	May 22 - 23	May 21 - 22	May 20 - 21	Annualised volatility
8.9	1.4	(4.0)	(3.3)	12.5	8.5

<b>Equities</b>	<b>20.5%</b>
North America equity	9.4%
United Kingdom equity	2.8%
Asia ex-Japan equity	2.4%
Japan equity	2.3%
Europe ex-UK equity	2.3%
Australasia equity	1.0%
Other equity	0.3%
<b>Specialist assets</b>	<b>8.2%</b>
Property	3.7%
Infrastructure	3.1%
Specialist financials	0.7%
Private equity	0.7%
<b>Fixed income</b>	<b>53.8%</b>
Government bonds	18.9%
Investment grade credit	12.3%
Inflation-linked bonds	8.5%
Emerging market debt	6.0%
High yield credit	3.0%
Asset backed securities	3.0%
Loans	2.1%
<b>Commodities</b>	<b>2.7%</b>
<b>Alternatives</b>	<b>2.0%</b>
<b>Cash &amp; equivalents</b>	<b>12.8%</b>

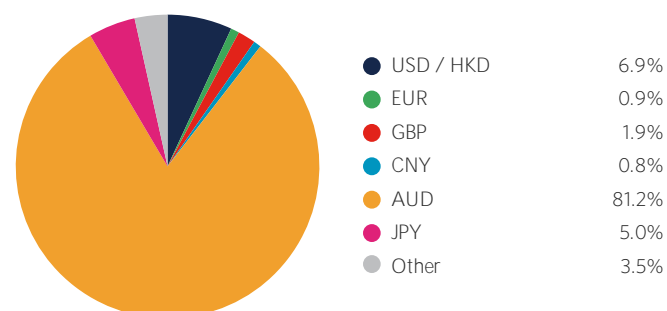
## Portfolio holdings

<b>Equities</b>	<b>20.5%</b>
Robeco QI Global Conservative Equities	4.1%
IFSL Evenlode Global Income	3.0%
Robeco Multi-Factor Global Equity	2.8%
Prusik Asian Equity Income	2.1%
Morant Wright Fuji Yield	1.7%
iShares FTSE 100	1.6%
Evenlode Global Equity	1.1%
Lyrical Global Value Equity Strategy	0.9%
Jennison Global Equity Opportunities	0.9%
iShares MSCI Australia	0.5%
iShares Core MSCI Europe GBP ETF	0.5%
Paradice Global SMID Cap	0.3%
Artisan Global Value	0.3%
Rainier International SMID Cap Growth	0.2%
Granahan US Focused Growth	0.2%
Contrarius Global Equity	0.1%
Comgest Growth Japan	0.1%
Schroder Emerging Markets Value	0.1%
<b>Specialist assets</b>	<b>8.2%</b>
Momentum Real Assets Growth & Income	2.9%
iShares Developed Real Estate Index	2.2%
Gore Street Energy Storage	0.7%
Foresight Environmental Infrastructure	0.4%
Cordiant Digital Infrastructure	0.4%
AEW UK REIT	0.4%
Digital 9 Infrastructure	0.3%
International Public Partnerships	0.3%
Greencoat UK Wind	0.3%
Life Science REIT	0.3%
<b>Fixed Income</b>	<b>53.8%</b>
US Treasury Bonds	9.3%
US TIPS	8.5%
iShares Global Corporate Bond	7.7%
HSBC Global Emerging Market Government Bond Index	6.0%
iShares EUR Govt Bond Climate	5.4%
Direct Investment Grade Credit <sup>A</sup>	4.6%
UK Gilts	4.2%
TwentyFour Income	3.0%
Sequoia Economic Infrastructure Income	2.1%
Candriam Global High Yield	1.5%
Jupiter Financials Contingent Capital	1.5%
<b>Commodities</b>	<b>2.7%</b>
WisdomTree Core Physical Gold ETC	2.7%
<b>Alternatives</b>	<b>2.0%</b>
Neuberger Berman Uncorrelated Strategies	2.0%
<b>Cash &amp; equivalents</b>	<b>12.8%</b>
Cash	12.8%

## Geographic allocation



## Currency allocation



## Key information

Investment manager	Momentum Global Investment Management
Currency	AUD
Inception date	27 September 2019
Minimum investment	USD 250,000 (AUD equivalent)
Investment horizon	4 years +
Subscriptions/redemptions	Daily
ISIN	LU2049050615
Peer group	Morningstar USD Cautious Allocation**
Price per share (NAV)	AUD 1.0550

**Important Information** - All data sourced from Momentum Global Investment Management, J.P. Morgan SE - Luxembourg Branch. Allocations subject to change. 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. <sup>A</sup>Managed internally within Momentum's investment team. Full list of investments available on request. <sup>\*\*</sup>Peer group median has been adjusted for USDAUD hedging costs and is expressed in AUD. Performance is calculated on a total return basis, unless otherwise stated. Past performance is not a guide to future performance.

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