

# Harmony Cautious Income Fund (Class E AUD Acc)

31 January 2024

This is a marketing communication for professional advisors only

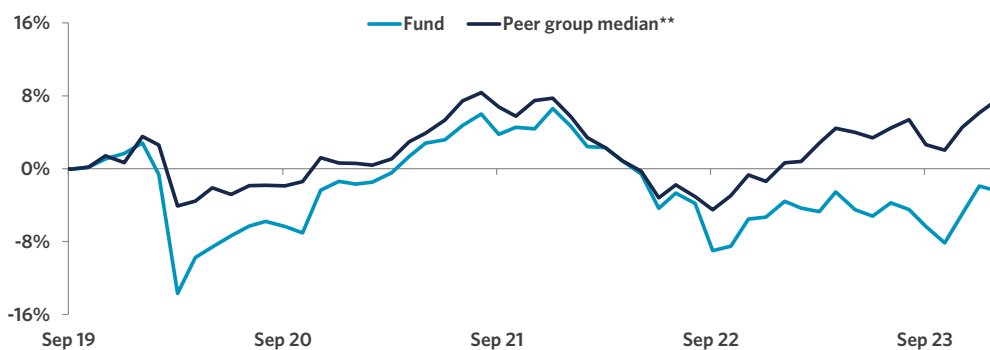
## Investment objective\*

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.

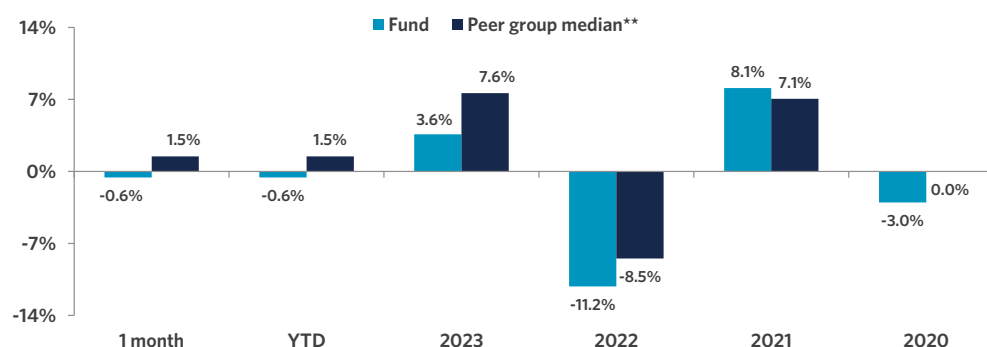
## Manager commentary

- » Markets began to consolidate in January and returns ended the month in a more mixed fashion, compared to the ' (almost) everything rally ' seen in Q4 2023. Global developed and US equities both continued their momentum to reach all-time highs, returning 1.2% and 1.7% respectively. Equity markets in Asia continued to show limited signs of agreement, with Japan posting a 7.8% return, while further challenges in China impacted Emerging Asia, falling 5.2%. UK equities ended the month down 1% after some varied data prints, while European equities outperformed, returning 1.9%. After the bond market rally in December, markets took a step back with global bonds declining 1.3%, following a re-assessment of 2024 interest rate projections. Despite a shaky start, credit markets ended the month undisturbed with a slight 0.2% decline in investment grade. In commodities, a tumultuous month geopolitically, led to a 6.1% rise in oil.
- » Against this backdrop, we left asset allocation unchanged in the portfolio, after a very active last month of the year. On the manager selection front, we exited investments in two UK-focused real estate investment trusts (REITs), namely Ediston Property and LXI. Both had a strong rally since their lows around summer last year, rising by about 20% and 25% respectively, and Ediston announced the disposal of the property portfolio and the voluntary liquidation of the company. We reinvested the proceeds in the iShares Global Real Estate fund, to stay within the asset class but move from a UK to a global exposure.

## Cumulative returns (since inception, 27.09.2019)



## Fund performance



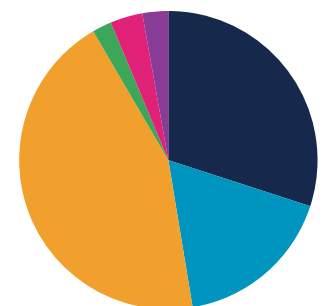
## Cumulative performance (%)

Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
(0.6)	(0.6)	1.2	(0.8)	-	(2.5)

## Discrete annual performance (%)

Jan 23 - 24	Jan 22 - 23	Jan 21 - 22	Jan 20 - 21	Jan 19 - 20	Annualised volatility
1.2	(7.9)	6.4	(4.4)	-	9.4

## Strategy allocation



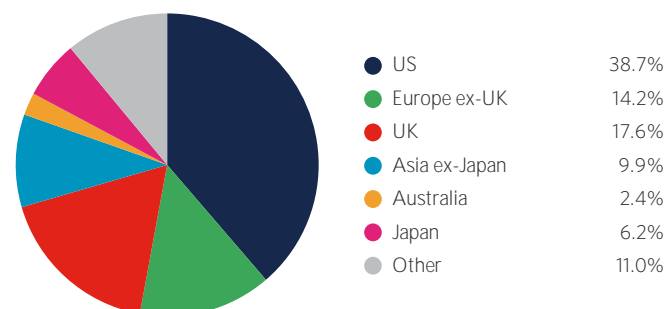
Equities	30.0%
North America equity	9.4%
United Kingdom equity	6.6%
Asia ex-Japan equity	5.9%
Japan equity	4.9%
Europe ex-UK equity	1.8%
Australasia equity	1.3%
Other equity	0.1%
Specialist assets	17.4%
Infrastructure	9.0%
Property	7.4%
Specialist financials	1.0%
Fixed income	44.2%
Government bonds	15.8%
Emerging market debt	12.3%
High yield credit	6.7%
Asset backed securities	4.3%
Loans	3.3%
Crossover credit	0.9%
Inflation-linked bonds	0.9%
Commodities	2.1%
Alternatives	3.5%
Cash & equivalents	2.8%

**Important Information** - All data sourced from Momentum Global Investment Management, JP Morgan Bank (Luxembourg) S.A., Bloomberg Finance L.P. Allocations subject to change. \*There can be no assurance that the Fund will achieve its investment objective. Please refer to the Prospectus for full details of the Fund, its charges, the investment objective and investment policy. \*\*The Peer group median return is a composite of (i) global peers and (ii) local peers, in the ratio 1:2. This weighting methodology is consistent with the "normal" asset allocation of the Fund, with a two-thirds bias towards "home" country assets and currencies. Past performance is not a guide to future performance. Performance is calculated on a total return basis, unless otherwise stated. Past performance is not a guide to future performance.

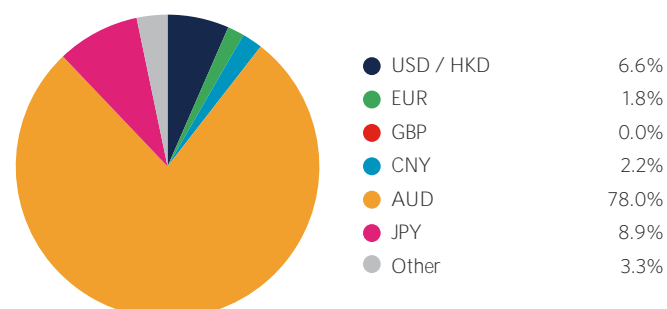
## Portfolio holdings

<b>Equities</b>	<b>30.0%</b>
Robeco QI Global Conservative Equities	6.3%
Prusik Asian Equity Income	5.9%
Morant Wright Fuji Yield	4.4%
WS Evenlode Global Income	4.4%
Morgan Stanley Global Brands Equity Income	4.1%
UK Direct Equities <sup>4</sup>	3.3%
Hereford Bin Yuan Greater China	1.0%
TM Redwheel UK Equity Income	0.6%
<b>Specialist assets</b>	<b>17.4%</b>
iShares Developed Real Estate Index	4.7%
First Sentier Responsible Listed Infrastructure	3.7%
International Public Partnerships	1.5%
AEW UK REIT	1.5%
Life Science REIT	1.2%
Hipgnosis Songs	0.9%
JLEN Environmental Assets Group	0.8%
Cordiant Digital Infrastructure	0.8%
Gore Street Energy Storage	0.8%
Greencoat UK Wind	0.8%
Digital 9 Infrastructure	0.6%
Fair Oaks Income	0.1%
<b>Fixed Income</b>	<b>44.2%</b>
US Treasury Bonds	8.9%
Jupiter Global Emerging Markets Short Duration Bond	6.1%
iShares Emerging Markets Government Bond Index	5.5%
Artemis Short-Dated Global High Yield Bond (GBP hedged)	4.7%
iShares EUR Govt Bond Climate	4.6%
TwentyFour Income	4.3%
Sequoia Economic Infrastructure Income	3.3%
UK Gilts	2.3%
Jupiter Financials Contingent Capital	2.0%
Muzinich Enhanced Yield Short-Term (USD hedged)	0.9%
US TIPS	0.9%
Ashmore Emerging Markets Asian High Yield Debt	0.7%
<b>Commodities</b>	<b>2.1%</b>
iShares Physical Gold ETC	2.1%
<b>Alternatives</b>	<b>3.5%</b>
Neuberger Berman Uncorrelated Strategies	3.5%
<b>Cash &amp; equivalents</b>	<b>2.8%</b>
Cash	2.8%

## 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 source	Bloomberg Finance L.P.
Price per share (NAV)	AUD 0.9752

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This is a marketing communication. This document does not provide all the facts needed to make an informed investment decision. Prior to investing, investors should read the Key Information Document (KID) and seek professional investment advice where appropriate. KIDs and the Prospectus are available in English at [momentum.co.uk](https://momentum.co.uk).

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