

# Harmony Cautious Income Fund (Class D EUR 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.

## Lead portfolio managers



Andrew Hardy  
Director of Investment  
Management

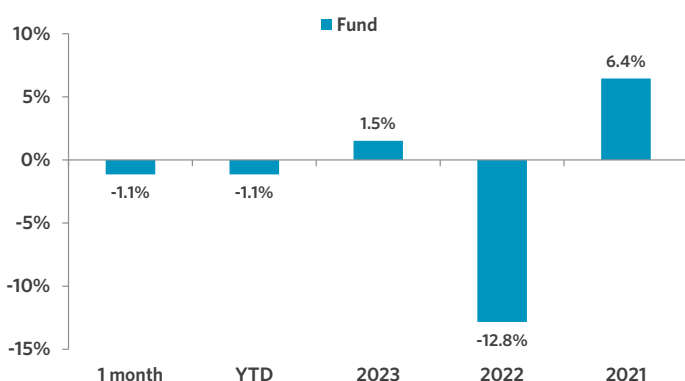


Alex Harvey  
Senior Portfolio Manager  
& Investment Strategist

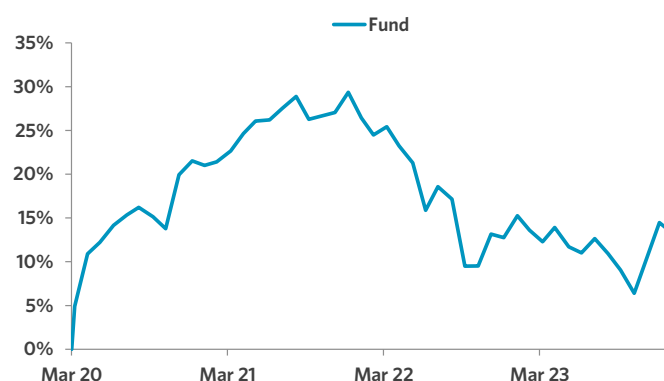


Lorenzo La Posta  
Portfolio Manager

## Fund performance



## Cumulative returns (since inception, 24.03.2020)



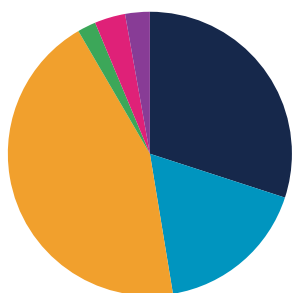
## Cumulative performance (%)

Performance	Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
Cumulative	(1.1)	(1.1)	(1.8)	(6.5)	-	13.2
Annualised volatility						8.0

## Discrete annual performance (%)

Jan 23 - 24	Jan 22 - 23	Jan 21 - 22	Jan 20 - 21	Jan 19 - 20
(1.8)	(8.8)	4.5	-	-

## Strategy allocation



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

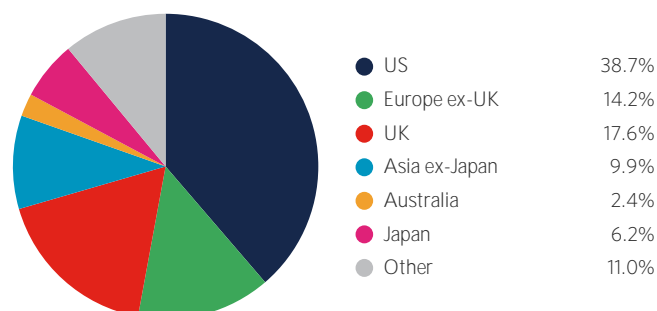
## Manager commentary

- » 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.

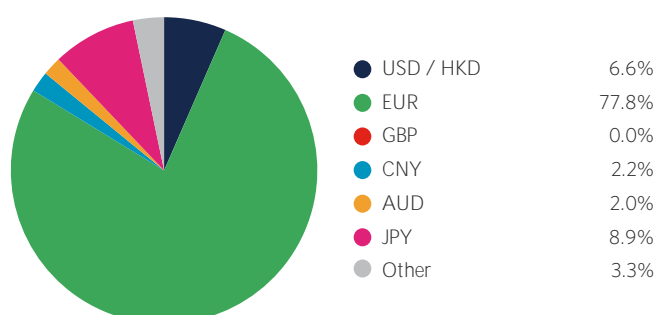
## Portfolio holdings - top 20

Holding	
US Treasury Bonds	8.9%
Robeco QI Global Conservative Equities	6.3%
Jupiter Global Emerging Markets Short Duration Bond	6.1%
Prusik Asian Equity Income	5.9%
iShares Emerging Markets Government Bond Index	5.5%
Artemis Short-Dated Global High Yield Bond (GBP hedged)	4.7%
iShares Developed Real Estate Index	4.7%
iShares EUR Govt Bond Climate	4.6%
Morant Wright Fuji Yield	4.4%
WS Evenlode Global Income	4.4%
TwentyFour Income	4.3%
Morgan Stanley Global Brands Equity Income	4.1%
First Sentier Responsible Listed Infrastructure	3.7%
Neuberger Berman Uncorrelated Strategies	3.5%
Sequoia Economic Infrastructure Income	3.3%
UK Direct Equities <sup>4</sup>	3.3%
Cash	2.8%
UK Gilts	2.3%
iShares Physical Gold ETC	2.1%
Jupiter Financials Contingent Capital	2.0%

## Geographic allocation



## Currency allocation



## Key information

Investment manager	Momentum Global Investment Management
Currency	EUR
Inception date	24 March 2020
Structure	Part I Luxembourg 2010 Law (UCITS)
Minimum investment	USD 7,500 (EUR equivalent)
Investment horizon	4 years +

Momentum Global Funds AUM	EUR 2,743.9 million
Cautious Income Fund AUM	EUR 26.0 million
Subscriptions/redemptions	Daily
ISIN	LU1926195568
Price per share (NAV)	EUR 1.1315

## Deferred Subscription Charge - Class D only

The Fund is permitted to make a charge on the sale of Shares to an investor of 5 per cent of the amount subscribed. The amount of this charge is paid by the Fund at the time of the subscription and is deferred and amortised over a 5-year period. Shareholders of Share Class D see the cost of this charge reflected in a decreased Net Asset Value price of Share Class D.

Should an investor redeem before the 5-year period has elapsed, the Fund is permitted to deduct the remainder of the Deferred Subscription Charge from the redemption proceeds for the benefit of the relevant Fund. The remaining charge will be calculated on a first in, first out basis and pro-rata dependent upon the number of Shares redeemed.

Charges will be applied to the redemption proceeds as below:

» Within one year of initial subscription	5%
» Between 1 & 2 years of initial subscription	4%
» Between 2 & 3 years of initial subscription	3%
» Between 3 & 4 years of initial subscription	2%
» Between 4 & 5 years of initial subscription	1%
» After 5 years of initial subscription	No charge

At the end of the month following the five-year anniversary of the original subscription, once the initial charge is repaid in full to the Fund, any remaining shareholding will be automatically converted to Share Class A.

Please refer to the Deferred Subscription Charge section of the prospectus for further details.

**Important Information** - All data sourced from Momentum Global Investment Management, JP Morgan Bank (Luxembourg) S.A., Bloomberg Finance L.P. 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. Past performance is not a guide to future performance. Performance is calculated on a total return basis, net of all fees. The Fund is not managed with reference to a benchmark, but its performance may be measured against one. <sup>4</sup>Managed internally within Momentum's investment team. Full list of investments available on request.

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](http://momentum.co.uk).

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