

Harmony Cautious Income Fund (Class E GBP Acc)

30 May 2025

This is a marketing communication for professional advisors only

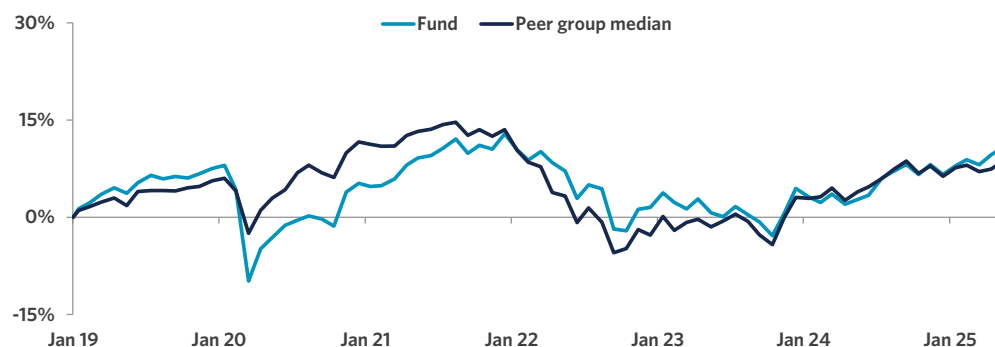
Investment objective*

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.

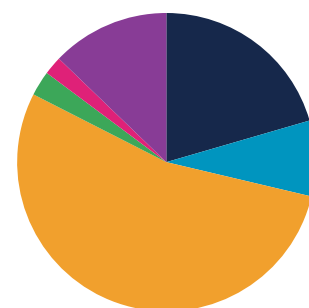
Manager commentary

- » 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.

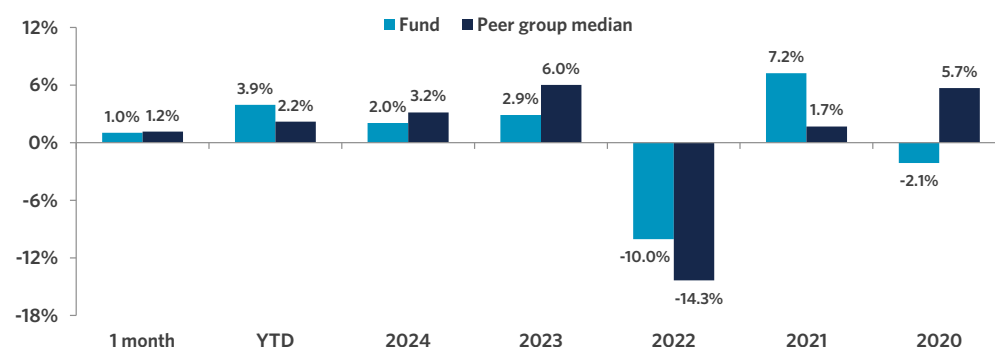
Cumulative returns (since inception, 17.01.2019)



Strategy allocation



Fund performance



Cumulative performance (%)

Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
1.0	3.9	7.8	3.4	14.3	10.8

Discrete annual performance (%)

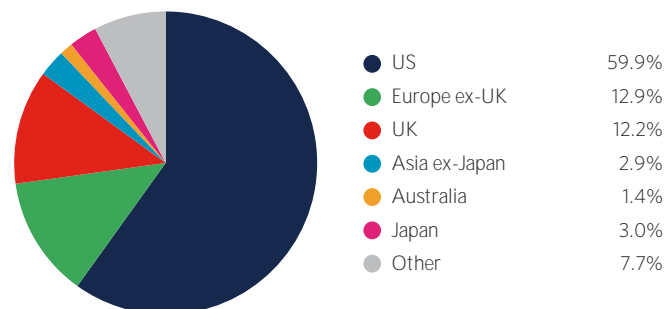
May 24 - 25	May 23 - 24	May 22 - 23	May 21 - 22	May 20 - 21	Annualised volatility
7.8	2.0	(6.0)	(1.8)	12.7	8.5

Equities	20.5%
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%
Specialist assets	8.2%
Property	3.7%
Infrastructure	3.1%
Specialist financials	0.7%
Private equity	0.7%
Fixed income	53.8%
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%
Commodities	2.7%
Alternatives	2.0%
Cash & equivalents	12.8%

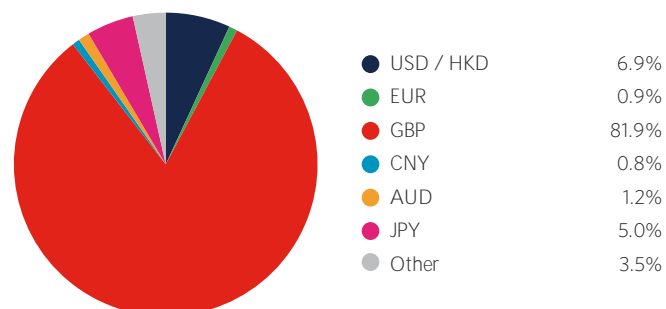
Portfolio holdings

Equities	20.5%
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%
Specialist assets	8.2%
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%
Fixed Income	53.8%
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 ^A	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%
Commodities	2.7%
WisdomTree Core Physical Gold ETC	2.7%
Alternatives	2.0%
Neuberger Berman Uncorrelated Strategies	2.0%
Cash & equivalents	12.8%
Cash	12.8%

Geographic allocation



Currency allocation



Key information

Investment manager	Momentum Global Investment Management
Currency	GBP
Inception date	17 January 2019
Minimum investment	USD 250,000 (GBP equivalent)
Investment horizon	4 years +
Subscriptions/redemptions	Daily
ISIN	LU1922159352
Peer group	Morningstar USD Cautious Allocation**
Price per share (NAV)	GBP 1.1077

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. Performance is calculated on a total return basis, unless otherwise stated. Past performance is not a guide to future performance. ^AManaged internally within Momentum's investment team. Full list of investments available on request. **Peer group median has been adjusted for USDGBP hedging costs and is expressed in GBP. Performance is calculated on a total return basis, unless otherwise stated. Past performance is not a guide to future performance.

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.

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