

# Harmony Cautious Income Fund (Class A GBP Dist)

31 October 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

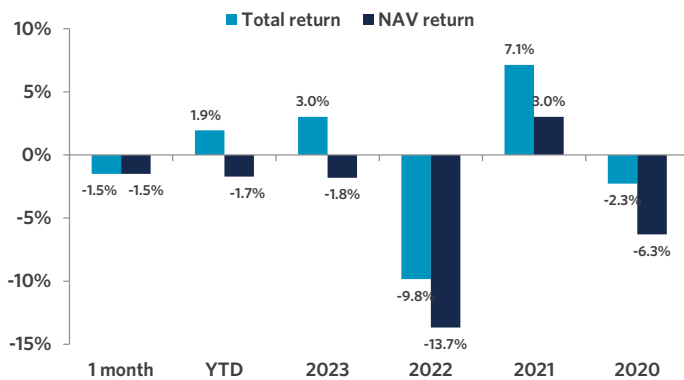


Alex Harvey  
Senior Portfolio Manager  
& Investment Strategist

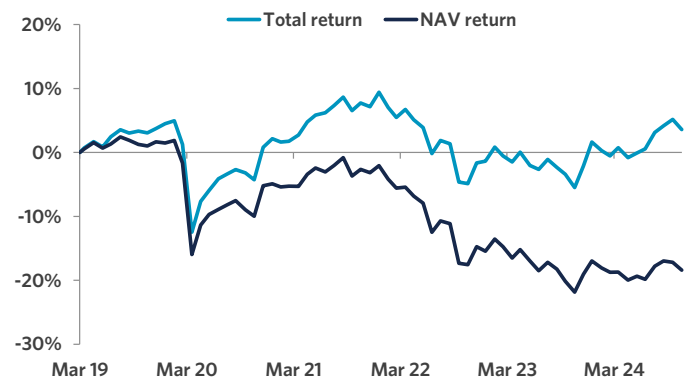


Lorenzo La Posta  
Portfolio Manager

## Fund performance



## Cumulative returns (since inception, 14.03.2019)



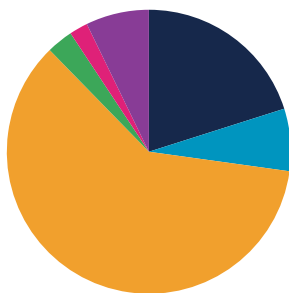
## Cumulative performance (%)

Performance	Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
Cumulative	(1.5)	1.9	9.6	(3.8)	0.5	3.6
Annualised volatility						9.3

## Discrete annual performance (%)

Oct 23 - 24	Oct 22 - 23	Oct 21 - 22	Oct 20 - 21	Oct 19 - 20
9.6	(0.6)	(11.7)	12.5	(7.1)

## Strategy allocation



<b>Equities</b>	<b>20.1%</b>	<b>Fixed income</b>	<b>60.5%</b>
North America equity	8.1%	Government bonds	24.1%
Asia ex-Japan equity	2.9%	Investment grade credit	18.1%
United Kingdom equity	2.9%	Emerging market debt	6.0%
Japan equity	2.5%	Inflation-linked bonds	4.6%
Australasia equity	1.7%	High yield credit	3.2%
Europe ex-UK equity	1.5%	Asset backed securities	3.0%
Other equity	0.5%	Loans	1.5%
<b>Specialist assets</b>	<b>7.1%</b>	<b>Commodities</b>	<b>3.0%</b>
Infrastructure	3.8%	<b>Alternatives</b>	<b>2.1%</b>
Property	2.5%	<b>Cash &amp; equivalents</b>	<b>7.2%</b>
Specialist financials	0.4%		
Private equity	0.4%		

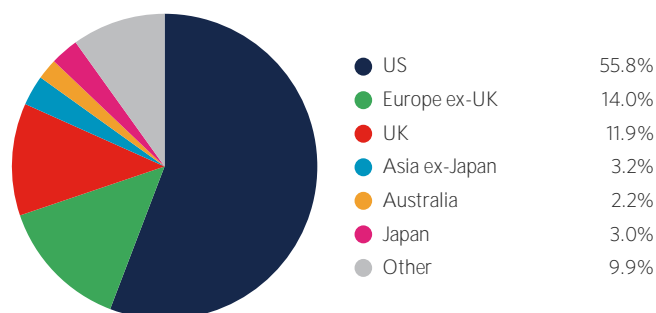
## Manager commentary

- » In October, the most significant shift was a big rise in bond yields, reversing much of the move in Q3, which meant that bonds had a poor month, in turn weighing on valuations across most asset classes (with the notable exception of gold). Against this backdrop, trading activity was significant in October.
- » We added the Candriam Global High Yield fund, a strategy focused on the higher quality, less cyclical and more sustainable parts of the high yield fixed income universe which, coupled with falling inflation, easier monetary policy and a supportive macroeconomic environment, should deliver strong risk-adjusted returns.
- » Early in the month, we switched from US inflation-linked bonds (TIPS) to nominal US treasuries, with the view that inflation expectations being priced in by the bond market were excessive, on a 5 year horizon.
- » We also took profits on some of our Asia exposure. After an incredible rally in late September and a consolidation in early October, we thought it prudent to monetize some and reinvest in other areas that had instead been left behind. We remain overweight China though, conscious that the stimuli and the commitment to the stock market we have seen from the Party and the central bank will provide long-term tailwind to the market.

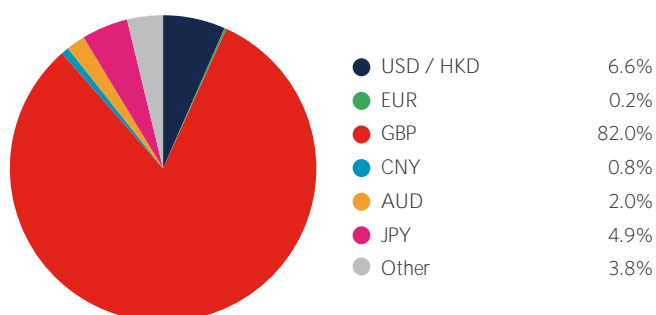
## Portfolio holdings - top 20

Holding	
US Treasury Bonds	14.3%
Direct Investment Grade Credit <sup>A</sup>	10.0%
iShares Global Corporate Bond	8.1%
Cash	7.2%
HSBC Global Emerging Market Government Bond Index	6.0%
iShares EUR Govt Bond Climate	5.8%
US TIPS	4.6%
UK Gilts	4.0%
Robeco QI Global Conservative Equities	3.6%
TwentyFour Income	3.0%
Robeco Multi-Factor Global Equity	3.0%
WisdomTree Core Physical Gold ETC	3.0%
Prusik Asian Equity Income	3.0%
IFSL Evenlode Global Income	2.5%
Neuberger Berman Uncorrelated Strategies	2.1%
Morant Wright Fuji Yield	2.0%
Jupiter Financials Contingent Capital	1.7%
Momentum Real Assets Growth & Income	1.6%
Candriam Global High Yield	1.5%
Sequoia Economic Infrastructure Income	1.5%

## Geographic allocation



## Currency allocation



## Key information

Investment manager	Momentum Global Investment Management
Currency	GBP
Inception date	14 March 2019
Structure	Part I Luxembourg 2010 Law (UCITS)
Minimum investment	USD 7,500 (GBP equivalent)
Investment horizon	4 years +

MGF AUM	GBP 2,608.1 million
Cautious Income Fund AUM	GBP 17.3 million
Subscriptions/redemptions	Daily
ISIN	LU1926194835
Distribution frequency	Quarterly
Price per share (NAV)	GBP 0.8159

**Important Information** - All data sourced from Momentum Global Investment Management, J.P. Morgan SE - Luxembourg Branch, 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>A</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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