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| Fund Recommendation Report

| Momentum GF Global Equity Fund
Distributing Share Class (USD)

Prepared for : Advisory Client Distribution
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Classification : **Confidential**

1. Executive Summary

RECOMMENDATION: BUY | Target Distribution: 7% p.a. | Annualised Return Since Inception: 11.2%

Newport Distribution Limited Fund Research Group is pleased to recommend the Momentum GF Global Equity Fund – Distributing Share Class as a compelling solution for clients seeking attractive dividend income combined with long-term equity growth to protect against inflation erosion.

The Fund targets a **7% annual distribution** (paid quarterly at approximately 1.75% per quarter) while simultaneously seeking modest capital appreciation over the medium to long term. This dual objective – income generation plus real capital preservation – sets it apart from traditional equity income strategies that typically sacrifice growth potential to sustain yield, or growth strategies that offer negligible income.

Backed by a proven multi-manager architecture, a track record of over 500% cumulative return since inception, and assets under management exceeding USD 1.1 billion, the Momentum GF Global Equity Fund represents one of the most compelling propositions in the global equity income space today.

2. The Investment Case: Income with Inflation Protection

2.1 The Challenge Facing Income Investors

In an environment where global inflation remains above historical averages and central bank policy rates have begun to normalise, income investors face a persistent dilemma. Traditional income assets such as government bonds and cash deposits offer yields that may fail to keep pace with rising living costs over the longer term. Meanwhile, equity markets have historically delivered real returns of approximately 6–8% per annum above inflation over extended periods, as evidenced by the MSCI World Index’s annualised return of approximately 8.9% since 1986, compared with average US inflation of around 2.8%.

The Momentum GF Global Equity Fund’s Distributing Share Class directly addresses this challenge by providing a structured income stream drawn from a diversified global equity portfolio that has consistently outperformed its benchmark.

2.2 Why Equities for Income?

Global equities offer a unique combination of attributes for income-oriented investors. Dividend payments from quality companies tend to grow over time, providing a natural hedge against inflation. Unlike fixed-rate bonds, where income is eroded in real terms by rising prices, equity dividends from well-managed businesses have historically grown at or above the rate of inflation. Moreover, the capital value of the underlying equity portfolio has the potential to appreciate, providing a total return that significantly exceeds what is achievable through fixed income alone.

The Momentum GF Global Equity Fund enhances this proposition further by employing a managed distribution mechanism targeting 7% per annum, drawing on both the natural income generated by the portfolio and, where necessary, capital appreciation, to deliver a consistent and attractive cash flow to investors.

3. Fund Overview and Structure

3.1 Key Fund Details

Feature	Detail
Fund Name	Momentum GF Global Equity Fund – Distributing Share Class
Investment Manager	Momentum Global Investment Management Limited
Structure	UCITS SICAV – Part I Luxembourg 2010 Law
Currency	USD
ISIN (B Distributing)	LU3280502264
Target Distribution	7% per annum (c.1.75% quarterly)
Fund AUM	USD 1.1 billion (as at 31 December 2025)
MGF SICAV AUM	USD 4,074.7 million
Benchmark	MSCI World NR USD
Minimum Investment	USD 7,500
Subscription / Redemption	Daily
Investment Horizon	7 years +
Inception Date	16 December 2019 (UCITS); strategy since February 2009

3.2 Multi-Manager Architecture

A distinguishing feature of the Momentum GF Global Equity Fund is its multi-manager, multi-strategy approach. Rather than relying on a single investment philosophy, the Fund blends ten specialist underlying managers, each contributing a distinct investment style:

Manager	Style
Artisan	Quality Value
Evenlode	Quality
Granahan	Growth
Jennison	Growth
Lyrical	Value
Morant Wright	Japan Quality Value
Paradice	Quality Value
Prusik	Asia Value
Rainier	Growth
Robeco	Multi

This diversified blend of value, growth, quality and multi-strategy approaches across different regions and market capitalisations is designed to smooth performance through market cycles and support the stability of distributions. It also reduces the concentration risk inherent in single-manager strategies.

4. Performance Track Record

4.1 Cumulative and Annualised Returns (Class A USD, Composite Basis)

The Fund’s long-term track record, dating back to February 2009, demonstrates a consistent ability to deliver strong returns across varying market environments:

Period	Cumulative	Annualised
1 Month (Feb 2026)	1.0%	–
Year-to-Date	2.5%	–
1 Year	15.3%	–
3 Years	55.1%	15.7%
5 Years	52.0%	8.7%
Since Inception (Feb 2009)	503.5%	11.2%

Annualised volatility stands at 15.4%, which is broadly in line with the global equity market, indicating the Fund achieves its superior returns without taking on excessive risk.

4.2 Discrete Annual Performance

Period	Fund	Peer Group Median
2025	16.4%	20.3%
2024	14.1%	12.5%
2023	18.6%	19.6%
2022	-17.5%	-19.3%
2021	18.1%	17.3%

In the challenging bear market of 2022, the Fund demonstrated superior downside protection, declining 17.5% against a peer group median loss of 19.3%. This defensive quality is critical for income investors, as drawdowns directly impact the sustainability of distributions and the time required to recover capital.

4.3 Simulated Distribution Performance

On a simulated basis applying a 7% annual distribution (1.75% quarterly), the Fund’s underlying strategy has demonstrated the ability to deliver an attractive income while still growing the value of the original capital invested at approximately 3.2% per annum. This is a key differentiator: the income does not come at the expense of capital erosion. Investors receive a meaningful yield and still see modest real growth in their invested capital over time.

5. Competitive Comparison

To assess the Fund’s positioning, Newport Distribution Limited has compared it against several prominent global equity income strategies:

Fund / Feature	Target Yield	Approach	Global Divers.	Multi-Mgr
Momentum GF Global Equity (Dist)	7.0%	Multi-manager	Broad	Yes (10)
JPMorgan Global Growth & Income	~4.0%	Single manager	US-heavy	No
Fidelity Global Equity Income	~2.5–3.0%	Single manager	Broad	No
Vanguard Global Equity Income	~3.0–3.5%	Passive	Broad	No

5.1 Yield Advantage

At a 7% target distribution, the Momentum GF Global Equity Fund offers approximately double the yield of most peer global equity income funds. JPMorgan Global Growth & Income (JGGI), one of the highest-yielding alternatives in the AIC Global Equity Income sector, targets approximately 4% of NAV. Fidelity and Vanguard global equity income strategies typically deliver yields in the 2.5–3.5% range. The Momentum Fund’s higher distribution rate is made possible by its total-return approach, drawing on both income and capital gains.

5.2 Multi-Manager Diversification

Unlike single-manager competitors, the Momentum Fund blends ten specialist investment managers across value, growth, quality and systematic styles. This structural diversification provides smoother return patterns and reduces the risk of underperformance from any single investment philosophy falling out of favour. In 2022, the Fund’s diversified approach helped limit drawdowns relative to the peer group, while in 2025, the blend of styles allowed the Fund to capture upside from both the Japan rally and resilient quality software holdings.

5.3 Downside Resilience

The Fund’s 2022 drawdown of -17.5% compared favourably with its peer group median of -19.3%. JGGI, with its bias toward high-quality growth stocks, experienced significant relative underperformance during the 2025 market volatility. In contrast, the Fidelity Responsible Global Equity Income strategy demonstrated strong downside protection during the April 2025 correction, falling approximately 9% versus 16% for the MSCI ACWI. The Momentum Fund’s multi-manager structure provides a similar defensive quality while offering a materially higher distribution.

5.4 Capital Growth After Distributions

Perhaps the most compelling advantage is the Fund’s simulated ability to grow capital at approximately 3.2% per annum after paying a 7% distribution. Many equity income strategies that target high yields experience capital erosion over time, effectively returning investors’ own money. The Momentum Fund’s strong underlying total return of 11.2% annualised since inception provides a substantial cushion, enabling a high distribution rate while preserving and modestly growing the capital base.

6. Portfolio Construction and Allocation

6.1 Regional Allocation

Region	Allocation
North America	59.5%
Europe ex-UK	19.9%
United Kingdom	6.6%
Japan	6.9%
Asia ex-Japan	1.9%
Australia	0.7%
Other	4.5%

6.2 Section Allocation

Sector	Allocation
Information Technology	20.1%
Financials	19.0%
Industrials	16.5%
Health Care	11.0%
Consumer Discretionary	10.6%
Communication Services	8.5%
Consumer Staples	6.7%
Other (Energy, Materials, RE, Utilities)	7.6%

The portfolio is well diversified across sectors, with meaningful exposure to growth-oriented sectors such as technology and industrials alongside defensive positions in health care and consumer staples. This balance supports both capital appreciation and income sustainability.

6.3 Top Holdings

The Fund’s top holdings reflect a high-conviction, quality-oriented approach:

Holding	Sector	Weight
Alphabet Inc	Communication Services	3.3%
Microsoft Corp	Information Technology	2.2%
NVIDIA Corp	Information Technology	2.2%
Apple Inc	Information Technology	1.7%
Amazon.com Inc	Consumer Discretionary	1.6%
Johnson & Johnson	Health Care	1.1%
Mastercard Inc	Financials	1.0%
L’Oréal SA	Consumer Staples	1.0%
Samsung Electronics	Information Technology	0.9%
Nintendo Co Ltd	Information Technology	0.8%

Notably, the top 10 holdings represent only approximately 16% of the portfolio, indicating excellent diversification and avoiding the concentration risk that plagues many global equity funds heavily weighted toward the “Magnificent Seven” technology stocks.

7. Suitability and Client Fit

The Momentum GF Global Equity Fund Distributing Share Class is particularly well suited for the following client profiles:

- Retirees and pre-retirees seeking a regular income stream to supplement pension or other income, with the reassurance that their capital is invested in a portfolio designed to grow in real terms over time.
- Conservative to moderate risk investors who recognise the need for equity exposure to protect against inflation but prefer a fund with demonstrated downside resilience and a diversified multi-manager structure.
- Investors transitioning from fixed income who are concerned that bond yields may not keep pace with inflation over the coming decade and wish to access a higher income stream with growth potential.
- Long-term wealth preservation clients with a 7-year+ investment horizon who value a structured approach to income generation from a globally diversified equity portfolio.

8. Key Risks

As with any equity investment, the Fund is subject to market risk and the capital value may fall as well as rise. Specific risks that clients should be aware of include:

- Market risk: Global equity markets can experience significant short-term declines. The Fund’s recommended investment horizon is 7 years or more.
- Distribution risk: The 7% target distribution is not guaranteed. In periods of sustained market decline, distributions may be partially funded from capital, which could erode the NAV.
- Currency risk: The Fund invests globally and is exposed to movements in currencies including GBP, EUR, JPY and others relative to the USD base currency.
- Past performance risk: Historical performance, including the simulated distribution analysis, is not a guide to future returns. The value of investments and any income from them may fluctuate.

9. Newport Distribution Limited – Recommendation

RECOMMENDATION: BUY

Based on our comprehensive analysis, Newport Distribution Limited assigns a BUY recommendation to the Momentum GF Global Equity Fund – Distributing Share Class. The Fund’s combination of a 7% target distribution, a proven multi-manager architecture, strong long-term performance, superior downside protection, and the demonstrated capacity to grow capital after distributions positions it as a best-in-class solution for income-seeking investors with equity exposure.

We believe the Fund compares favourably to alternative global equity income strategies on multiple dimensions, including yield, risk-adjusted returns, diversification, and capital preservation. It is particularly well placed in the current environment where clients require income that can keep pace with or exceed inflation over the medium to long term.

10. Important Information

This document has been prepared by Newport Distribution Limited for the exclusive use of professional financial advisers and is not intended for distribution to retail investors. It does not constitute investment advice or an offer to buy or sell any securities. Past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up, and investors may not get back the original amount invested.

Distribution targets are not guaranteed and capital is at risk. The simulated distribution data is based on historical performance of the accumulating share class adjusted for notional quarterly distributions and does not represent actual distributions paid. Investors should read the Key Information Document (KID) and Prospectus, available at momentum.co.uk, before investing.

Sources: Momentum Global Investment Management, J.P. Morgan SE – Luxembourg Branch, Bloomberg Finance LP, Morningstar, MSCI. Data as at 27 February 2026 unless otherwise stated.

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