

Harmony Cautious Income Fund (Class A-B USD Dist)

31 July 2023

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

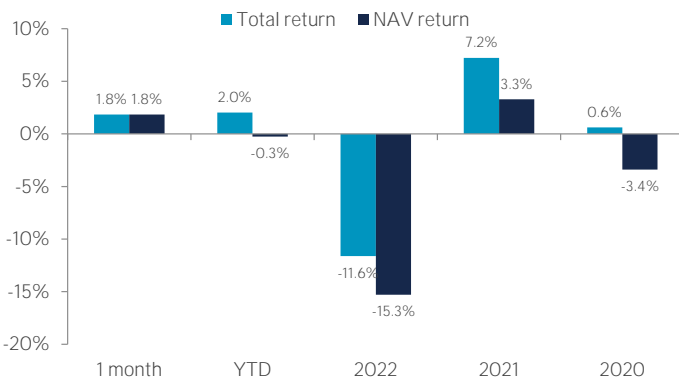


Alex Harvey
Senior Portfolio Manager & Investment Strategist

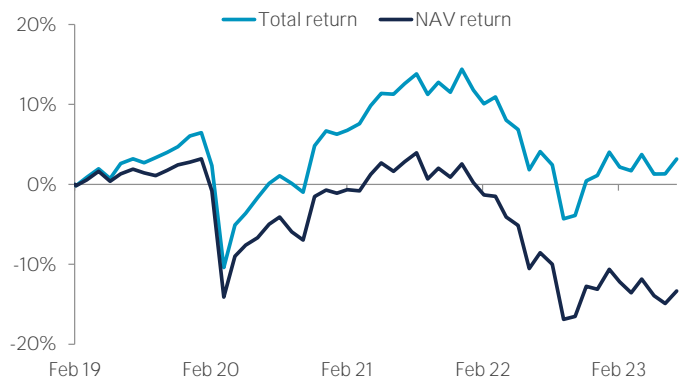


Lorenzo La Posta
Portfolio Manager

Fund performance (Class A USD Dist)



Cumulative returns (Class A USD Dist - since inception, 25.02.2019)



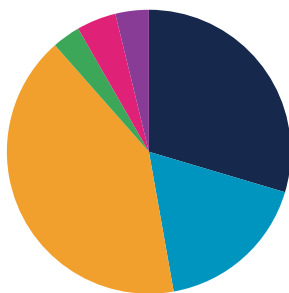
Cumulative performance (%) (Class A USD Dist)

Performance	Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
Cumulative	1.8	2.0	(0.9)	3.0	-	3.2
Annualised volatility						10.4

Discrete annual performance (%) (Class A USD Dist)

Jul 22 - 23	Jul 21 - 22	Jul 20 - 21	Jul 19 - 20	Jul 18 - 19
(0.9)	(7.5)	12.5	(3.0)	-

Strategy allocation



Equities	29.6%	Fixed income	41.3%
North America equity	9.1%	Emerging market debt	12.0%
United Kingdom equity	7.1%	Government bonds	9.0%
Asia ex-Japan equity	6.2%	Inflation-linked bonds	5.9%
Japan equity	3.6%	High yield credit	5.1%
Europe ex-UK equity	1.8%	Loans	4.3%
Australasia equity	1.1%	Asset backed securities	4.0%
Other equity	0.7%	Crossover credit	1.0%
Specialist assets	17.6%	Commodities	3.2%
Infrastructure	9.0%	Alternatives	4.5%
Property	7.6%	Cash & equivalents	3.8%
Specialist financials	1.0%		

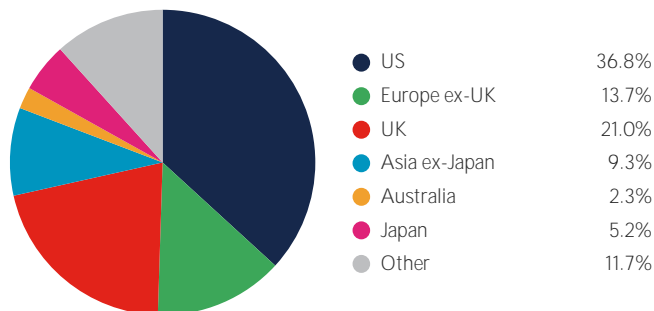
Manager commentary

- » Risk assets performed well in July, continuing the pattern of recent months, while safe-haven government bonds generally produced negative returns as yields ticked higher.
- » Prospects for a soft-landing in the US improved as data surprised on the upside, pointing to resilience in the economy along with cooling inflation, whilst the EU is underperforming with stagnant activity and falling but sticky inflation. China’s post-pandemic growth has faded, leading indicators point to further contraction in the manufacturing sector and slowing growth in services and the central bank has signalled incoming stimulus to help support the economy. The Fed is all but done on hiking, with perhaps one further 25bps rise. The ECB and Bank of England have more to do, but are also close to peak rates.
- » The immediate outlook calls for continuing caution in equities. Markets have risen sharply so far this year, and valuations in those mega-cap stocks which have largely driven the rally have become stretched. Monetary policy is now firmly in restrictive territory, and given its lagged effect, a significant slowdown in the economy remains a likely outcome.
- » We left asset allocation and manager selection unchanged in July. We remain patient before adding to risk assets, while cautiously seeking opportunities to add to duration in fixed income, with peak rates in sight and real rates on US Treasuries at increasingly attractive levels.

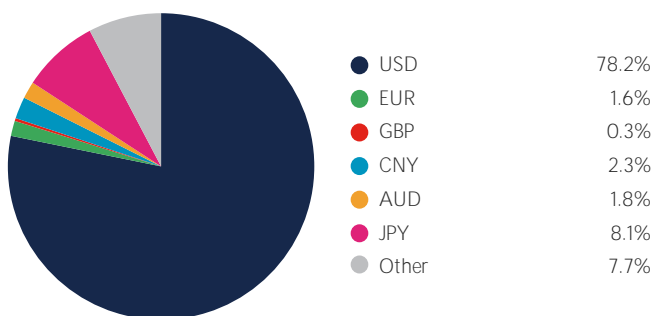
Portfolio holdings - top 20

Holding	
iShares Emerging Markets Government Bond Index	8.1%
Prusik Asian Equity Income	6.3%
US TIPS	5.9%
Robeco QI Global Conservative Equities	5.8%
Artemis Short-Dated Global High Yield Bond (GBP hedged)	5.1%
Morgan Stanley Global Brands Equity Income	4.6%
iShares EUR Govt Bond Climate	4.6%
Neuberger Berman Uncorrelated Strategies	4.5%
First Sentier Responsible Listed Infrastructure	4.4%
Sequoia Economic Infrastructure Income	4.3%
TB Evenlode Global Income	4.3%
Morant Wright Fuji Yield	4.0%
TwentyFour Income	4.0%
Cash	3.8%
Jupiter Global Emerging Markets Short Duration Bond	3.6%
UK Gilts	2.5%
Ediston Property Investment Company	2.3%
iShares Physical Gold ETC	2.3%
US Treasury Bonds	1.9%
UK Direct Equities ^A	1.8%

Geographic allocation



Currency allocation



Key information

Investment manager	Momentum Global Investment Management
Currency	USD
Inception date	25 February 2019
Structure	Part I Luxembourg 2010 Law (UCITS)
Minimum investment	USD 7,500
Investment horizon	4 years +
Momentum Global Funds AUM	USD 2,840.2 million
Cautious Income Fund AUM	USD 25.9 million

Subscriptions/redemptions	Daily
ISIN A USD Dist	LU1931605148
ISIN B USD Acc	LU2198027653
Distribution frequency	Quarterly
Price per share (NAV) A USD Dist	USD 0.8666
Price per share (NAV) B USD Acc	USD 0.9042