

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

29 September 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

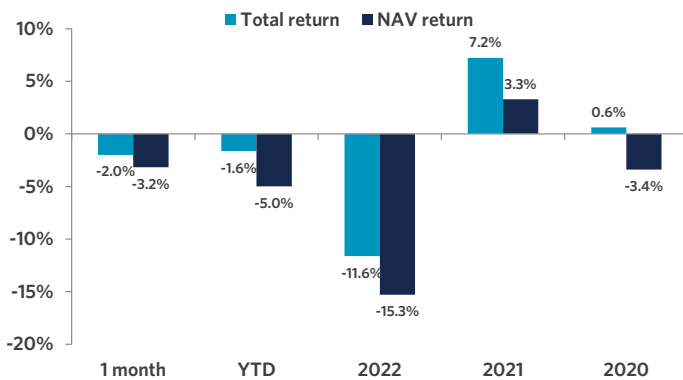


Alex Harvey
Senior Portfolio Manager & Investment Strategist

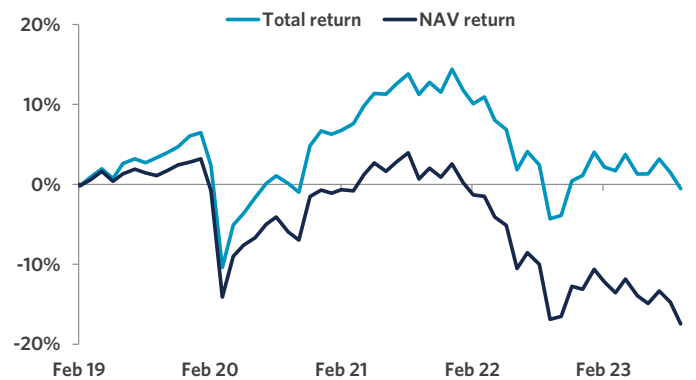


Lorenzo La Posta
Portfolio Manager

Fund performance (Class A USD Dist)



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



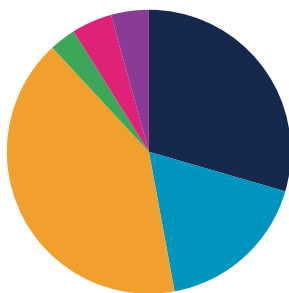
Cumulative performance (%) (Class A USD Dist)

Performance	Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
Cumulative	(2.0)	(1.6)	3.9	(0.6)	-	(0.5)
Annualised volatility						10.3

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

Sep 22 - 23	Sep 21 - 22	Sep 20 - 21	Sep 19 - 20	Sep 18 - 19
3.9	(14.0)	11.1	(3.1)	-

Strategy allocation



Equities	29.5%	Fixed income	41.0%
North America equity	9.1%	Emerging market debt	12.2%
United Kingdom equity	7.3%	Government bonds	8.9%
Asia ex-Japan equity	5.9%	Inflation-linked bonds	6.1%
Japan equity	4.3%	High yield credit	4.8%
Europe ex-UK equity	1.7%	Loans	4.2%
Australasia equity	1.0%	Asset backed securities	3.8%
Other equity	0.2%	Crossover credit	1.0%
Specialist assets	17.6%	Commodities	3.0%
Infrastructure	9.1%	Alternatives	4.6%
Property	7.4%	Cash & equivalents	4.3%
Specialist financials	1.1%		

Manager commentary

- » Eighteen months into one of the steepest monetary tightening cycles in history, financial markets in September finally began to adjust the Fed narrative of ‘tighter for longer’ with the focus shifting to how long central banks will need rates to stay at peak levels to bring inflation sustainably back to the target of 2%. Bond yields, that had so far moved higher mainly in short duration tenors, rose substantially for long maturity bonds, which mean another poor quarter of returns in bonds markets. Few assets could hold up in this environment, with most equity markets down. The Japanese and UK markets were up in local currency terms in Q3, but weakness of their currencies resulted in negative returns in dollar terms. Credit markets generally followed the path of government bonds and weakened, although the additional yield on junk bonds helped them to produce a small positive return. The only notable strength was in the oil market, supported by OPEC+ production cuts and resilience in economies.
- » We are arguably entering the most dangerous part of this long monetary cycle. The battle to control inflation is well underway; progress has been made, but resilience of economies and of labour markets is making core inflation more persistent than anticipated and tougher to control. This challenging and uncertain environment calls for caution in equity markets in the short term, a caution amplified by the big valuation shift in the past few weeks in favour of bonds, especially those with longer maturity, which would be the biggest beneficiaries of a recession or generally a slowdown. Against this backdrop, we left asset allocation and manager selection broadly unchanged in September, after having been increasing exposure to safe-haven government bonds in short maturities in recent months. We are now looking for opportunities to extend duration as we enter the latter stages of the cycle, taking advantage of high risk-free yields and the prospect of capital gains as economies slow and rate cuts come into view.

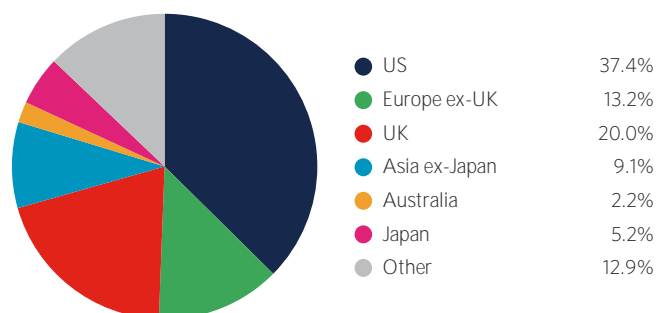
Sales/distribution information: KNG International Advisors [Mex Office: +52 (998) 500-1627 | UK Office: +44 (207) 183-3787] [info@kngadvisors.co.uk | www.kngadvisors.co.uk]

Important Information - All data sourced from Momentum Global Investment Management, JP Morgan Bank (Luxembourg) S.A., Bloomberg Finance L.P. Allocations subject to change. *There can be no assurance that the Fund will achieve its investment objective. Please refer to the Prospectus for full details of the Fund, its charges, the investment objective and investment policy. All performance data relates to Share Class A USD Dist and is calculated on a total return basis, unless otherwise stated. Past performance is not a guide to future performance.

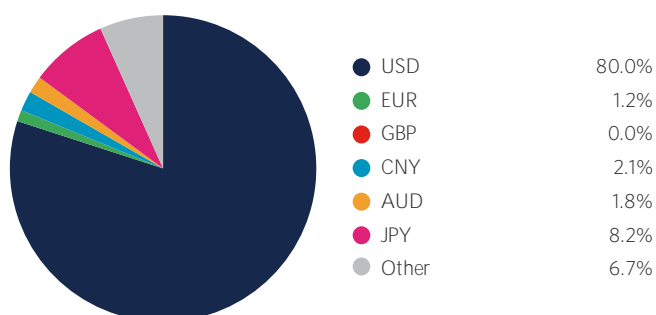
Portfolio holdings - top 20

Holding	
iShares Emerging Markets Government Bond Index	7.8%
US TIPS	6.1%
Robeco QI Global Conservative Equities	6.0%
Prusik Asian Equity Income	6.0%
Artemis Short-Dated Global High Yield Bond (GBP hedged)	4.8%
Neuberger Berman Uncorrelated Strategies	4.6%
Morgan Stanley Global Brands Equity Income	4.3%
Cash	4.3%
iShares EUR Govt Bond Climate	4.3%
First Sentier Responsible Listed Infrastructure	4.3%
WS Evenlode Global Income	4.3%
Sequoia Economic Infrastructure Income	4.2%
Morant Wright Fuji Yield	4.0%
TwentyFour Income	3.8%
Jupiter Global Emerging Markets Short Duration Bond	3.7%
UK Direct Equities ⁴	3.3%
Ediston Property Investment Company	2.4%
UK Gilts	2.3%
US Treasury Bonds	2.3%
iShares Physical Gold ETC	2.2%

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 2,615.6 million
Cautious Income Fund AUM	USD 25.3 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 0.8255
Price per share (NAV) B USD Acc	USD 0.8715

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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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