

Harmony Europe Diversified Fund

month ended 31 July 2019

Fund details

Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984873	Price per share A Class: EUR 1.2698
Currency: EUR	ISIN B Class*: LU0651984956	Price per share B Class*: EUR 1.1854
Inception date (fund): 12 August 2011	ISIN C Class*: LU0651985094	Price per share C Class*: EUR 1.3241
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class*: LU0651985177	Price per share D Class*: EUR 1.3228
Minimum investment: Share classes A, B, C & D: USD 7,500 (EUR equivalent)	Subscriptions / redemptions: daily	Momentum Global Funds AUM: EUR 605.5 million
Investment timeframe: 3 years +	Website: harmonyportfolios.com	Europe Diversified Fund AUM: EUR 29.4 million

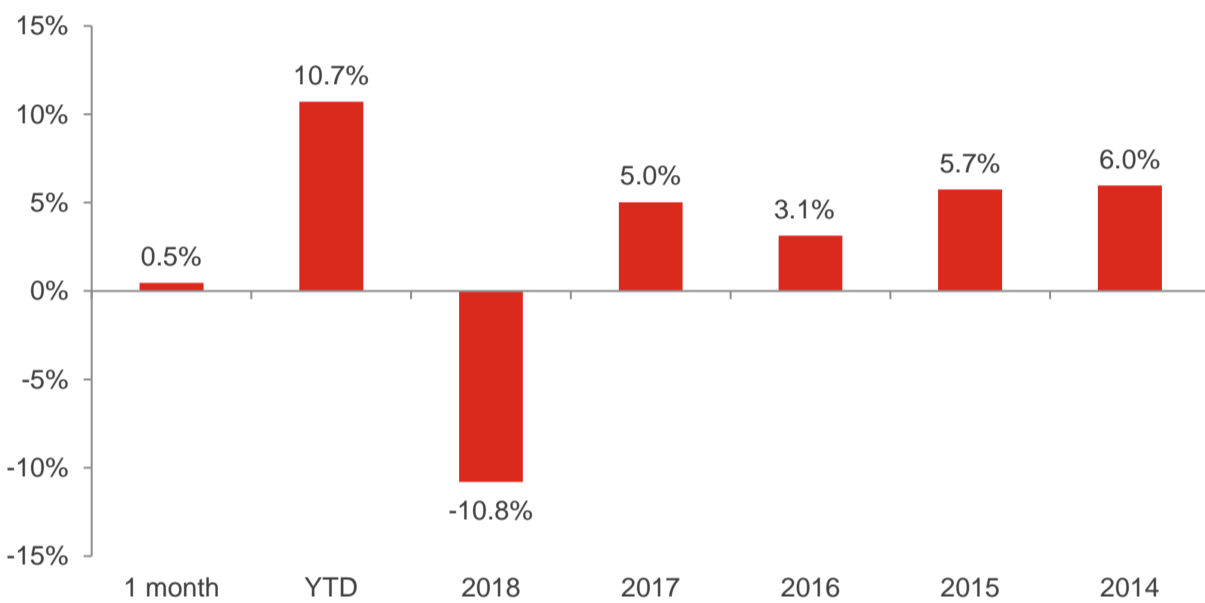
* share class not available for sale in Hong Kong

Investment objective

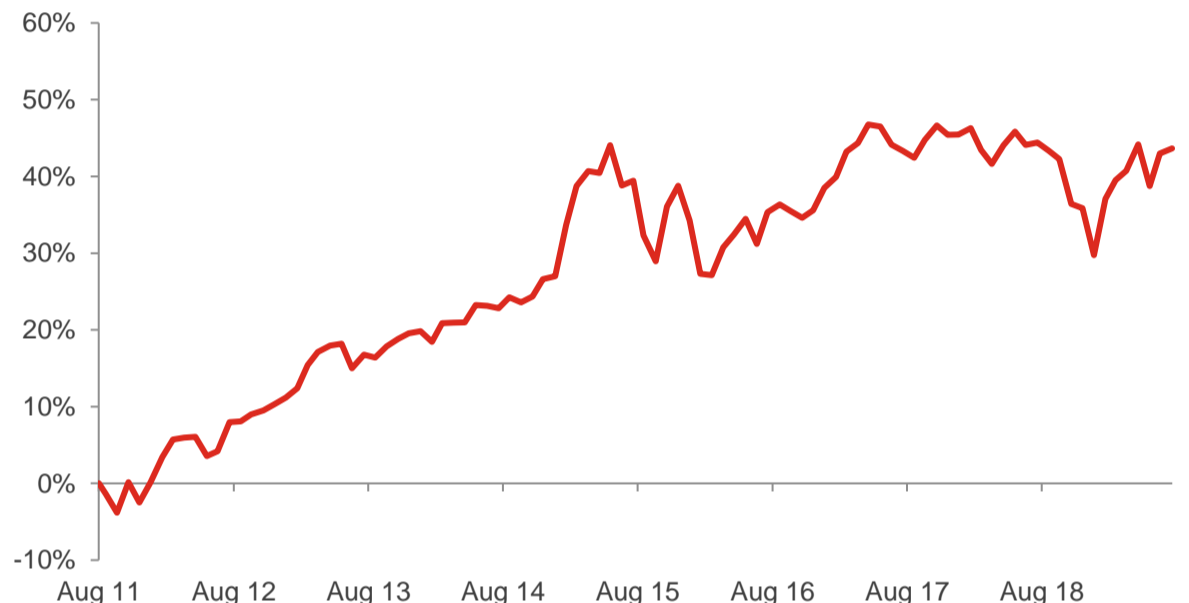
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

Please refer to the Prospectus for full details of the fund, its charges, the investment objective and investment policy.

Fund performance



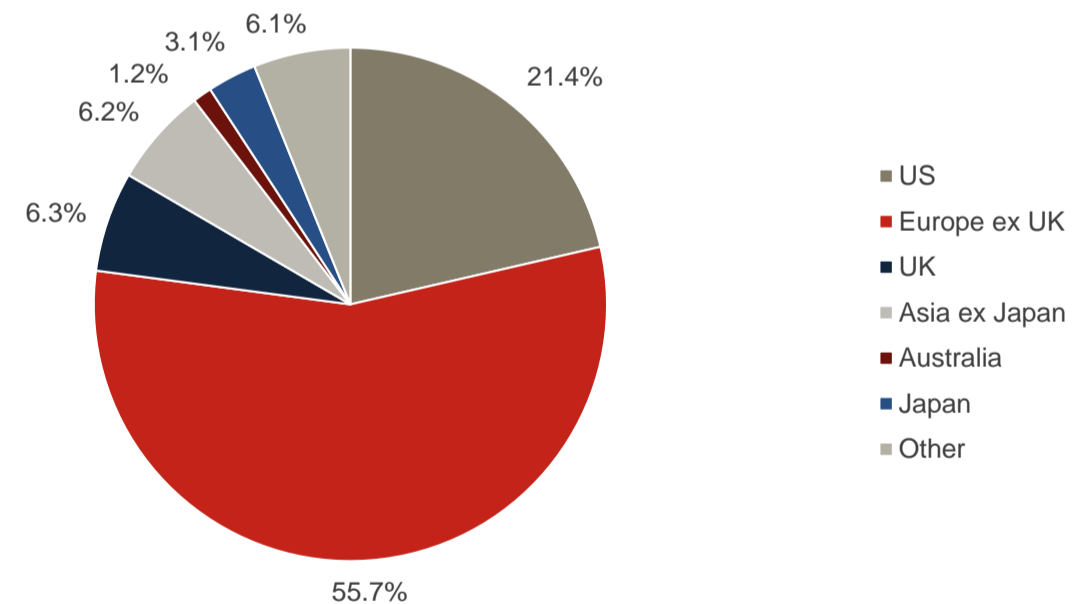
Cumulative returns (since inception, 12 August 2011)



Investment statistics (since inception, 12 August 2011)

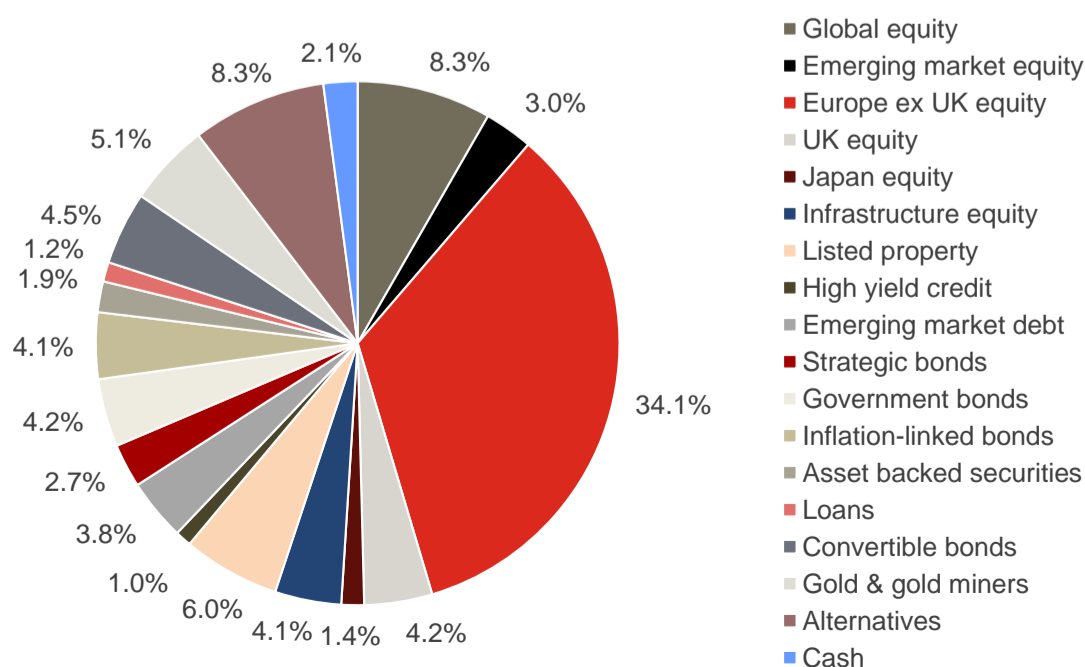
	Cumulative	Annualised
Current month return	0.5%	-
Year-to-date return	10.7%	-
1 year return	-0.5%	-
3 year return	6.1%	2.0%
5 year return	17.0%	3.2%
Since inception return	43.6%	4.6%
Annualised volatility:	7.4%	

Regional allocation

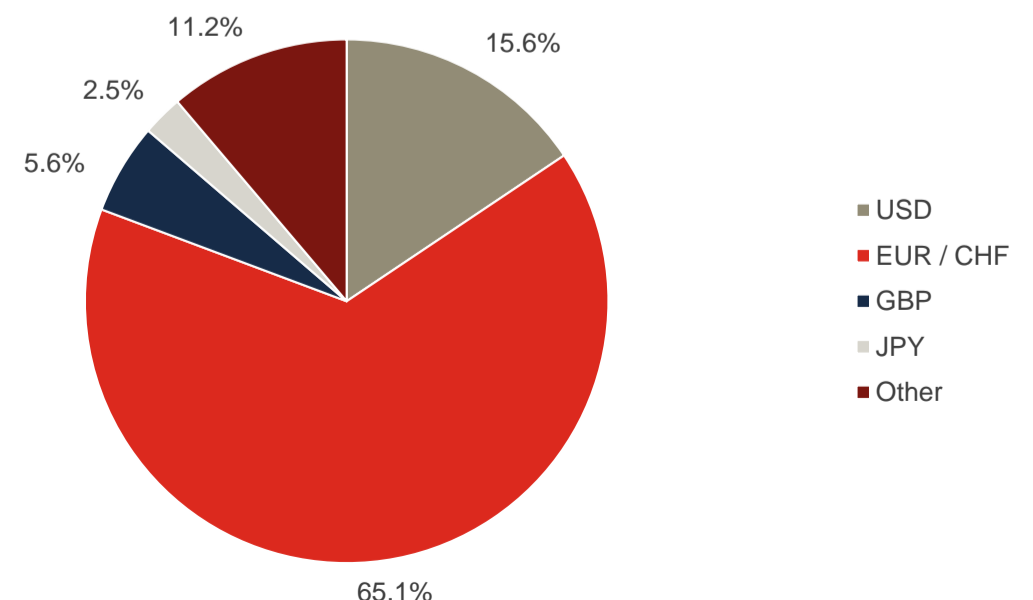


The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance.

Strategy allocation



Currency allocation



■ Holdings

Holdings	Asset type	Weight
FP Crux European Special Situations	Equity	15.3%
Magallanes European Equity	Equity	9.6%
Jupiter European Special Situations	Equity	9.2%
Third Avenue Real Estate Value	Property	5.0%
iShares Physical Gold ETC	Commodities	4.5%
Neuberger Berman Uncorrelated Strategies	Alternatives	4.5%
Schroder UK Recovery	Equity	4.2%
US Treasury Bonds	Fixed Income	4.2%
US TIPS	Fixed Income	4.1%
Maple-Brown Abbott Global Infrastructure	Infrastructure	4.1%
Artisan Global Value	Equity	3.0%
MI TwentyFour Dynamic Bond	Fixed Income	2.7%
Chinook Global Convertible Bond (GBP hedged)	Fixed Income	2.5%
Cash	Cash	2.1%
Jennison Global Equity Opportunities	Equity	2.0%
TwentyFour Income	Fixed Income	1.9%
Allianz Structured Return	Alternatives	1.9%
Wells Fargo Global Equity Absolute Return	Alternatives	1.9%
Contrarius Global Equity	Equity	1.8%
RWC Asia Convertibles (EUR hedged)	Fixed Income	1.5%
Dimensional Emerging Markets Value	Equity	1.5%
Sands Capital Emerging Markets Growth	Equity	1.5%
Amundi ETF JPX-Nikkei 400	Equity	1.4%
iShares Emerging Markets Government Bond Index	Fixed Income	1.3%
Sequoia Economic Infrastructure Income	Fixed Income	1.2%
Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	1.1%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	1.0%
iShares Developed Real Estate Index	Property	1.0%
Morgan Stanley Global Brands	Equity	0.9%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	0.8%
iShares JPMorgan \$ Emerging Markets Bond ETF	Fixed Income	0.6%
iShares Gold Producers ETF	Equity	0.6%
Heptagon Kopernik Global All-Cap Equity	Equity	0.6%
Aviva Global Convertibles	Fixed Income	0.5%

Source: Bloomberg, Momentum Global Investment Management.

■ Manager commentary

During July we made several changes to the Portfolio, most notably lowering the exposure to equity markets and adding to fixed income holdings. The overall effect was a meaningful reduction in the Portfolio's level of risk and sensitivity to equity markets, which has so far helped in August following sharp falls in stock markets around the world and further strengthening in bond markets.

These changes followed on from our investment team's latest asset allocation review, where we debate the macroeconomic and investment environment and formulate our outlook. We ultimately took the view that equity markets were not fully reflecting the various downside risks to global growth. Our medium-term investment view remains constructive, but we felt that some consolidation in markets was overdue, particularly after a strong rally during the first half of the year. By reducing risk at this point we put ourselves in a better position to be able to add to risk assets following any falls in markets.

Specifically, equity holdings were reduced by approximately 2.5% in the Harmony Europe Diversified Portfolio, through trimming allocations to several underlying strategies across both developed and emerging markets. The proceeds were largely invested in fixed income assets. We added to US Treasury bonds, which are very defensive assets, as well as to some riskier assets including emerging market, high yield and convertible bonds.

One further change was made to our liquid alternative holdings, where we eliminated our position in the Aberdeen Alternative Risk Premia Fund and added the proceeds to our existing holding in the Neuberger Berman Uncorrelated Strategies Fund. This followed several review meetings with the managers of both strategies and further performance analysis, from which we concluded that we have greater confidence in the latter strategy. We also felt that the Neuberger Berman Fund deserves a higher weighting given it is a more diversified strategy which itself provides exposure to seven specialist managers, most of which we could not otherwise access. We believe that this updated blend of three alternatives funds is more robust and offers strong diversification benefits, both relative to each other but particularly relative to other assets across the Portfolio, while also providing good upside potential across a range of market environments.

Source: Momentum Global Investment Management.

■ Important Information

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. 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.

This document does not provide all the facts needed to make an informed investment decision. Prior to investing, investors should read the Key Investor Information Document (KIID) and seek professional investment advice where appropriate.

Harmony Portfolios are sub-funds of the Momentum Global Funds SICAV, which is domiciled in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier. The fund conforms to the requirements of the European UCITS Directive.

This financial promotion is issued by Momentum Global Investment Management Limited (MGIM). MGIM is the Investment Manager, Promoter and Distributer for the Momentum Global Funds SICAV. MGIM is registered in England and Wales No. 03733094. Registered Office: The Rex Building, 62 Queen Street, London EC4R 1EB. MGIM is authorised and regulated by the Financial Conduct Authority No. 232357.