

# Harmony US Dollar Balanced Fund

month ended 31 July 2019

## Fund details

Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651986068</b>	Price per share A Class: <b>USD 1.2806</b>
Currency: <b>USD</b>	ISIN B Class*: <b>LU0651986142</b>	Price per share B Class*: <b>USD 1.2921</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class*: <b>LU0651986225</b>	Price per share C Class*: <b>USD 1.3928</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class*: <b>LU0651986498</b>	Price per share D Class*: <b>USD 1.2824</b>
Minimum investment: <b>Share classes A, B, C &amp; D: USD 7,500</b>	Subscriptions / redemptions: <b>daily</b>	Momentum Global Funds AUM: <b>USD 674.2 million</b>
Investment timeframe: <b>3 years +</b>	Website: <b>harmonyportfolios.com</b>	US Dollar Balanced Fund AUM: <b>USD 69.7 million</b>

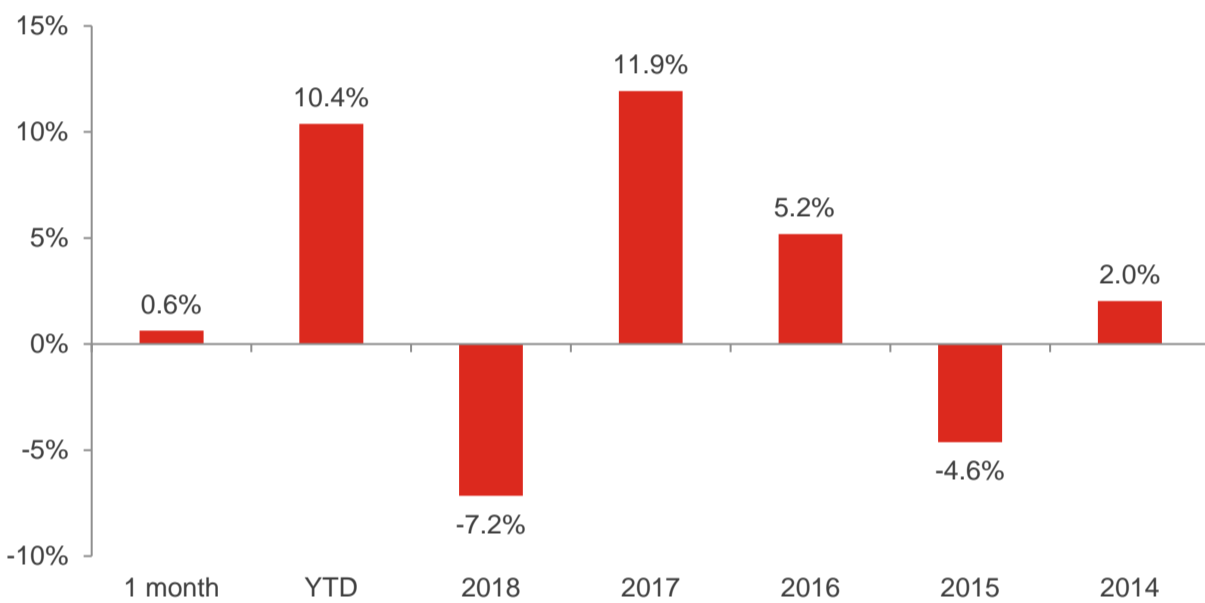
\* share class not available for sale in Hong Kong

## Investment objective

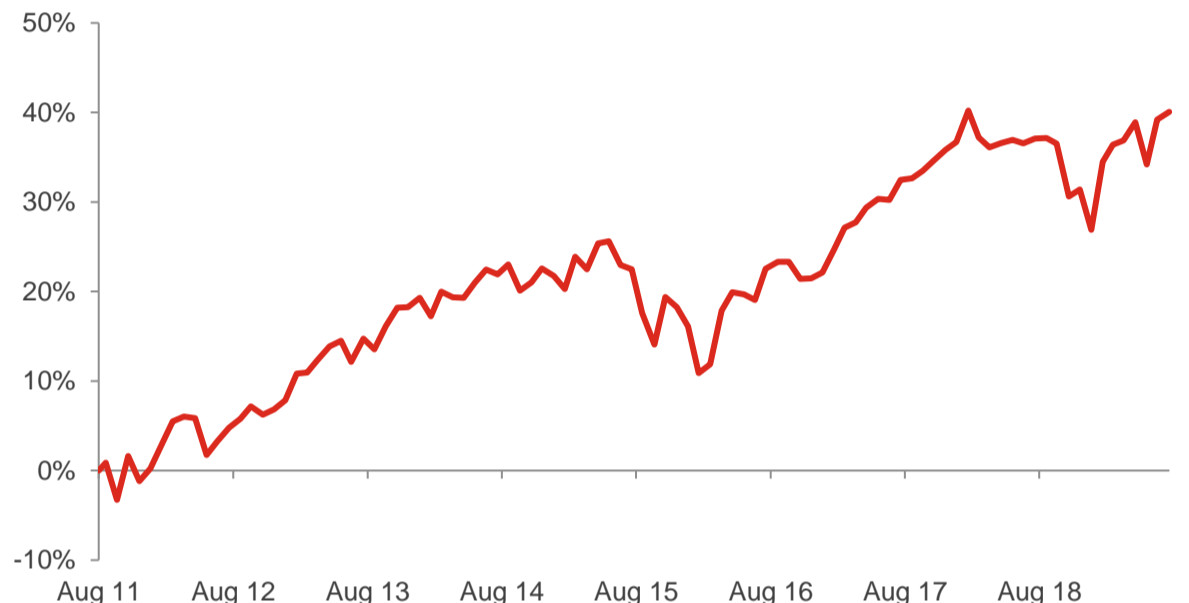
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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

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

## Fund performance



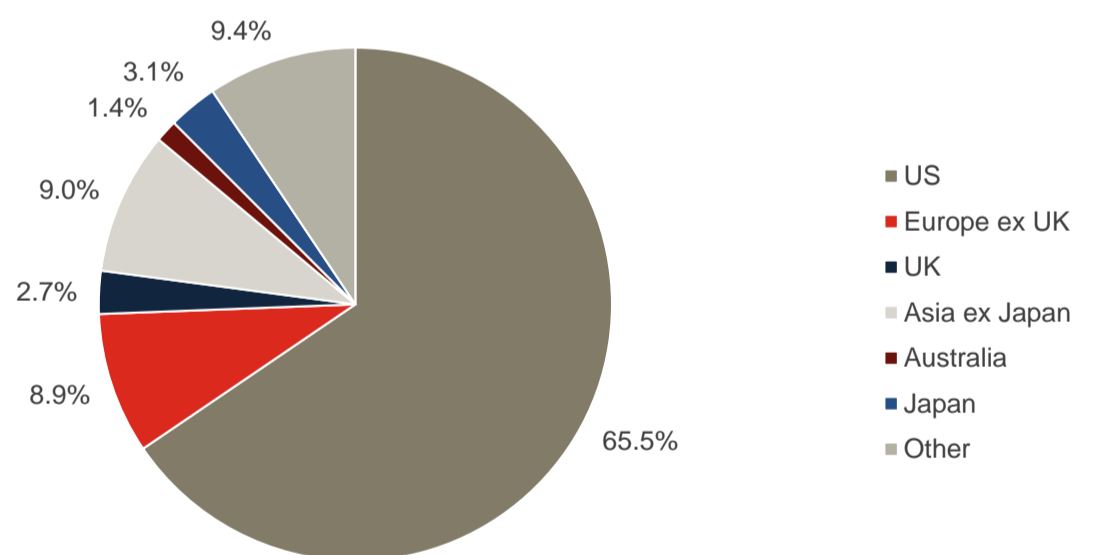
## Cumulative returns (since inception, 12 August 2011)



## Investment statistics (since inception, 12 August 2011)

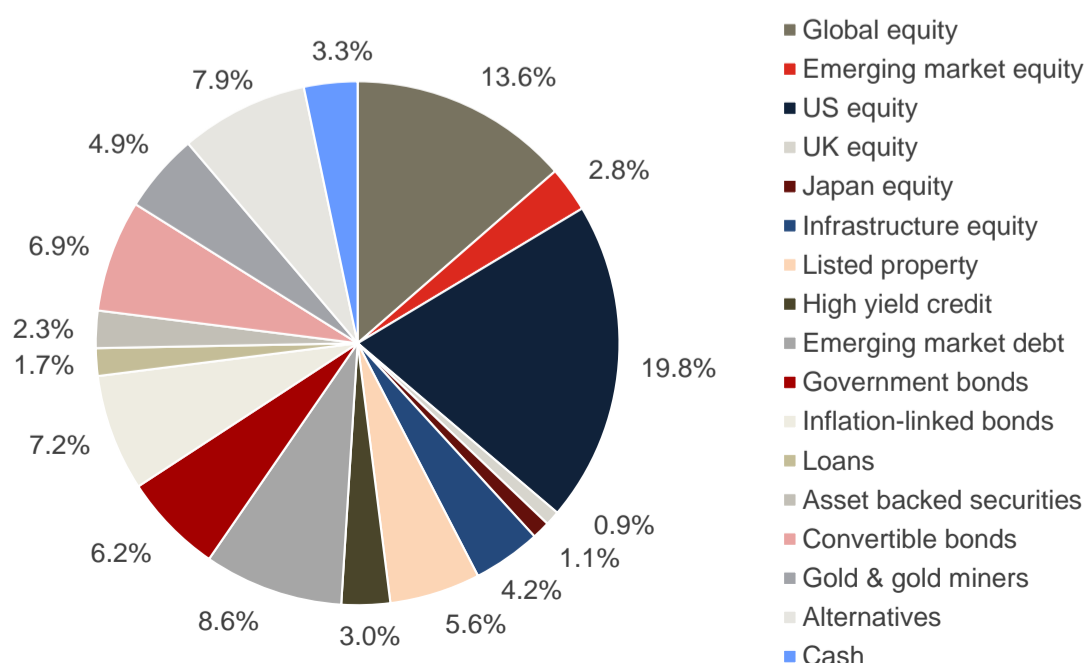
	Cumulative	Annualised
Current month return	0.6%	-
Year-to-date return	10.4%	-
1 year return	2.2%	-
3 year return	14.3%	4.6%
5 year return	14.9%	2.8%
Since inception return	40.1%	4.3%
Annualised volatility:	7.0%	

## Regional allocation

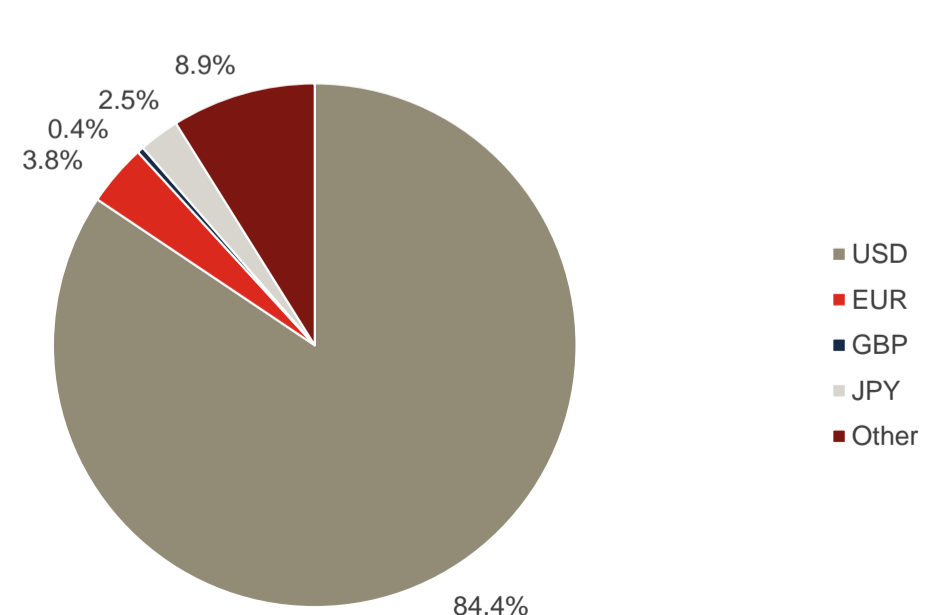


The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past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

## Strategy allocation



## Currency allocation



## ■ Holdings

Holdings	Asset type	Weight
US TIPS	Fixed Income	7.2%
Conventum Lyrical	Equity	6.2%
US Treasury Bonds	Fixed Income	6.2%
Vulcan Value Equity	Equity	5.5%
Jennison Global Equity Opportunities	Equity	5.2%
Third Avenue Real Estate Value	Property	4.7%
iShares Physical Gold ETC	Commodities	4.2%
Maple-Brown Abbott Global Infrastructure	Infrastructure	4.2%
Neuberger Berman Uncorrelated Strategies	Alternatives	3.8%
Wells Fargo US All Cap Growth	Equity	3.7%
Artisan Global Value	Equity	3.6%
Chinook Global Convertible Bond	Fixed Income	3.5%
Cash	Cash	3.3%
Yacktman US Equity	Equity	3.1%
AXA US Short Duration High Yield	Fixed Income	3.0%
Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	2.9%
Contrarius Global Equity	Equity	2.7%
TwentyFour Income	Fixed Income	2.3%
Muzinich EM Short Duration (USD hedged)	Fixed Income	2.2%
Allianz Structured Return	Alternatives	2.2%
Wells Fargo Global Equity Absolute Return	Alternatives	1.9%
iShares Emerging Markets Government Bond Index	Fixed Income	1.9%
RWC Asia Convertibles (USD hedged)	Fixed Income	1.9%
Sequoia Economic Infrastructure Income	Fixed Income	1.7%
iShares JPMorgan \$ Emerging Markets Bond ETF	Fixed Income	1.6%
Sands Capital Emerging Markets Growth	Equity	1.6%
Aviva Global Convertibles	Fixed Income	1.5%
Granahan US Focused Growth	Equity	1.3%
Morgan Stanley Global Brands	Equity	1.3%
Dimensional Emerging Markets Value	Equity	1.2%
Amundi ETF JPX-Nikkei 400	Equity	1.1%
iShares Developed Real Estate Index	Property	0.9%
Schroder UK Recovery	Equity	0.9%
Heptagon Kopernik Global All-Cap Equity	Equity	0.8%
iShares Gold Producers ETF	Equity	0.7%

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% in the Harmony US Dollar Balanced 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.

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