

# Harmony Europe Diversified Fund

month ended 31 October 2018

## Fund details

Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651984873</b>	Price per share A Class: <b>EUR 1.2058</b>
Currency: <b>EUR</b>	ISIN B Class*: <b>LU0651984956</b>	Price per share B Class*: <b>EUR 1.1273</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class*: <b>LU0651985094</b>	Price per share C Class*: <b>EUR 1.2620</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class*: <b>LU0651985177</b>	Price per share D Class*: <b>EUR 1.2679</b>
Minimum investment: <b>Share classes A, B, C &amp; D: USD 7,500 (EUR equivalent)</b>	Subscriptions / redemptions: <b>daily</b>	Momentum Global Funds AUM: <b>EUR 568.1 million</b>
Investment timeframe: <b>3 years +</b>	Website: <b>harmonyportfolios.com</b>	Europe Diversified Fund AUM: <b>EUR 28.2 million</b>

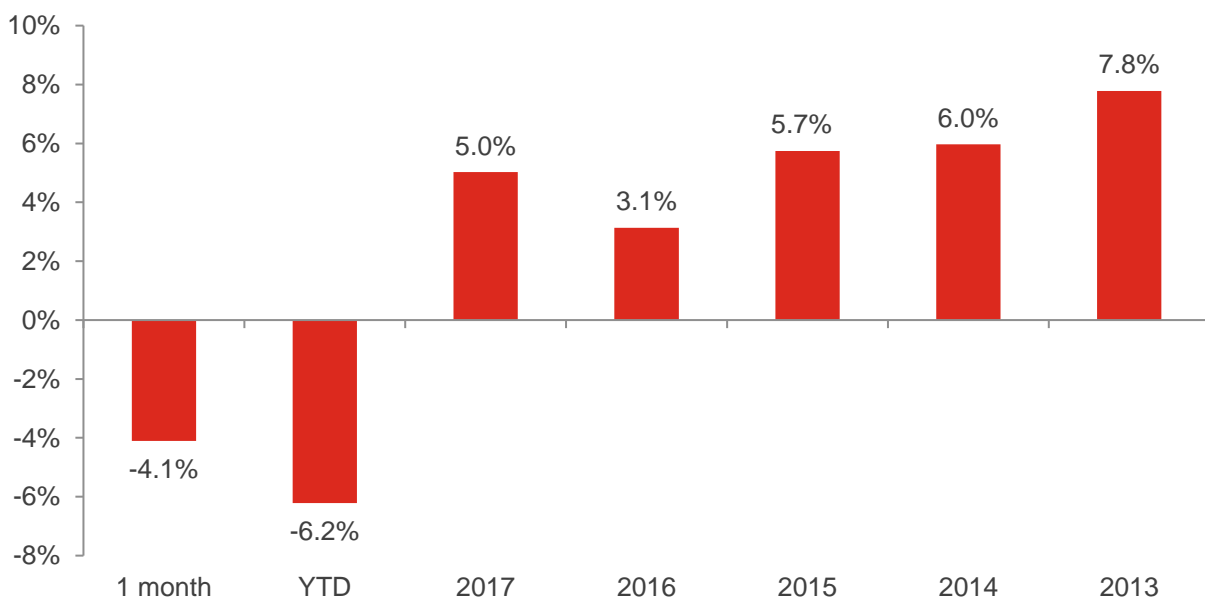
\* share class not available for sale in Hong Kong

## Investment objective

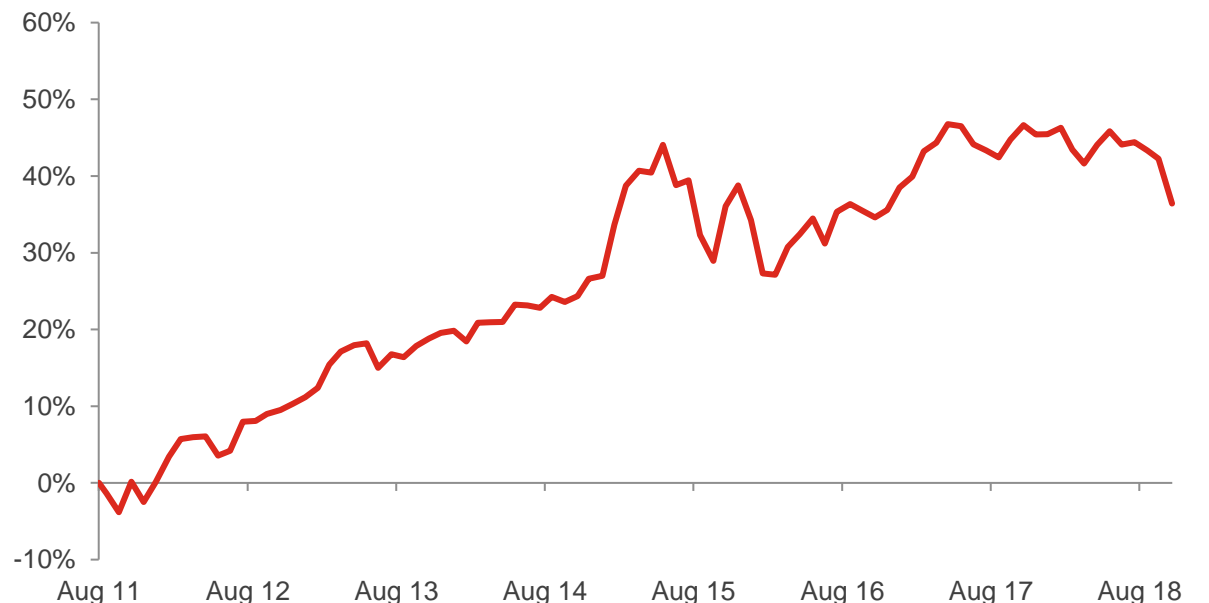
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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)



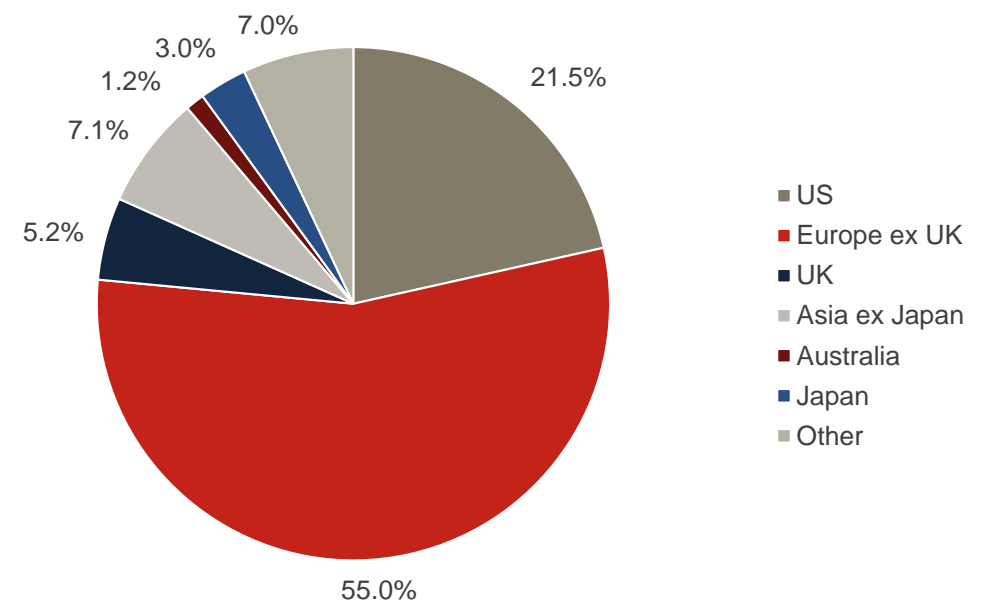
## Investment statistics (since inception, 12 August 2011)

	Cumulative	Annualised
Current month return	-4.1%	-
Year-to-date return	-6.2%	-
1 year return	-7.0%	-
3 year return	0.2%	0.1%
5 year return	14.8%	2.8%
Since inception return	36.4%	4.4%

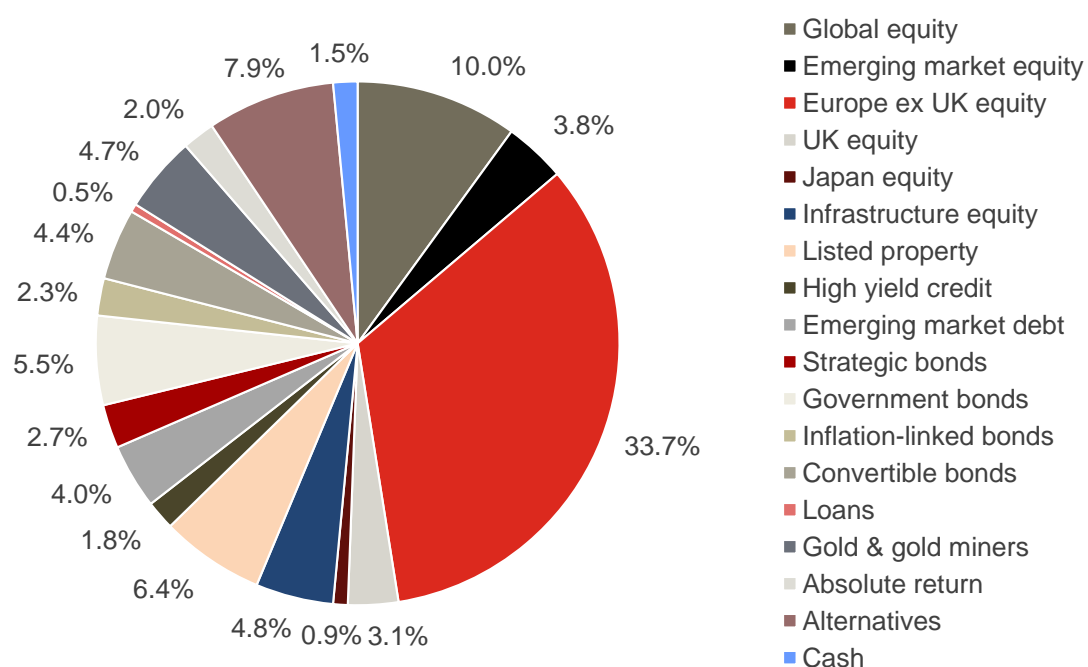
Annualised volatility: 7.0%

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.

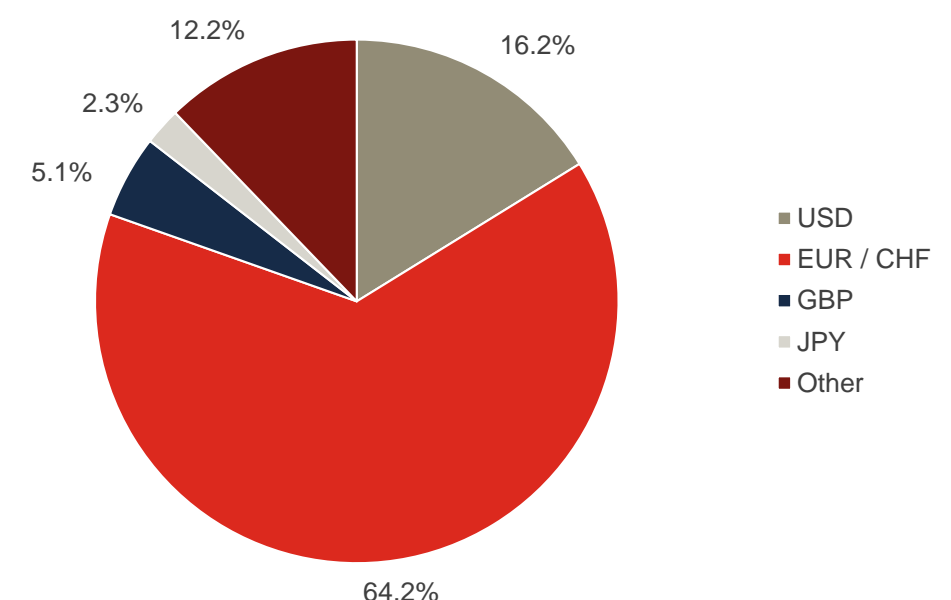
## Regional allocation



## Strategy allocation



## Currency allocation



## ■ Holdings

Holdings	Asset type	Weight
FP Crux European Special Situations	Equity	15.3%
Magallanes European Equity	Equity	10.0%
Jupiter European Special Situations	Equity	8.4%
US Treasury Bond	Fixed Income	5.5%
Third Avenue Real Estate Value	Property	5.5%
Maple-Brown Abbott Global Infrastructure	Infrastructure	4.8%
iShares Physical Gold ETC	Commodities	4.3%
Schroder UK Recovery	Equity	3.1%
iShares JPMorgan \$ Emerging Markets Bond ETF	Fixed Income	2.9%
MI TwentyFour Dynamic Bond	Fixed Income	2.7%
Chinook Global Convertible Bond (GBP hedged)	Fixed Income	2.5%
Jennison Global Equity Opportunities	Equity	2.3%
F&C Global Equity Market Neutral	Alternatives	2.3%
US TIPS	Fixed Income	2.3%
Dimensional Emerging Markets Value	Equity	2.2%
Contrarius Global Equity	Equity	2.2%
Artisan Global Value	Equity	2.0%
Wells Fargo Global Equity Absolute Return	Alternatives	2.0%
Aberdeen Alternative Risk Premia Enhanced	Alternatives	1.9%
Neuberger Berman Uncorrelated Strategies	Alternatives	1.9%
Heptagon Kopernik Global All-Cap Equity	Equity	1.9%
Allianz Structured Return	Alternatives	1.8%
Sands Capital Emerging Markets Growth	Equity	1.6%
Cash	Cash	1.5%
RWC Asia Convertibles (EUR hedged)	Fixed Income	1.4%
Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	1.1%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	1.0%
Amundi ETF JPX-Nikkei 400	Equity	0.9%
iShares Developed Real Estate Index	Property	0.9%
Morgan Stanley UK Global Brands	Equity	0.8%
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Muzinich EM Short Duration (EUR hedged)	Fixed Income	0.8%
Aviva Global Convertibles	Fixed Income	0.5%
Sequoia Economic Infrastructure Income	Fixed Income	0.5%
iShares Gold Producers ETF	Equity	0.4%

Source: Bloomberg, Momentum Global Investment Management.

## ■ Manager commentary

Following the sharp setback in equity markets during October, we increased the allocation to developed market equities in the Portfolio by approximately 2% shortly after month end. The market environment has clearly become more challenging this year, but valuations in equities have improved significantly due to the strong growth in corporate earnings and market falls. We came into this period with a relatively cautious stance and so were able to take advantage of the buying opportunity presented to us whilst still maintaining a resilient and well-diversified Portfolio composition.

Also, in early October we initiated a small position in the Sequoia Economic Infrastructure Income Fund Ltd. This is a closed-ended fund listed on the London Stock Exchange. By virtue of its size (market cap of over GBP 1 billion) and good liquidity, it is a constituent of the FTSE 250 index. The Fund is managed by a highly experienced, well-resourced and dedicated management team in London. The strategy focus on taking debt exposures to operational economic infrastructure projects across mature developed market jurisdictions around the world, with a strong bias towards North America. The Fund yields close to 6% p.a. with much of this generated from floating rate loans, which are less vulnerable to interest rate increases than fixed rate bonds, and it is diversified across 59 underlying investments as well as across a wide variety of infrastructure categories. Accordingly this holding brings a high diversification benefit to the fixed income portion of this Portfolio. We took this new position during an equity placing completed by the manager at a discount to the prevailing market price. For now it is a relatively small position of less than 1% of the Portfolio but we intend to increase the position size over time.

Source: Bloomberg, 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.

Prior to the fund's inception as a sub fund of the Momentum Global Funds SICAV on 12 August 2011, the fund was managed as the Harmony Euro Balanced Incorporated Cell (IC) within the Momentum Mutual Fund.

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.