

Harmony Australian Dollar Growth Fund

month ended 31 July 2019

Fund details

Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984360	Price per share A Class: AUD 1.7618
Currency: AUD	ISIN B Class*: LU0651984444	Price per share B Class*: AUD 1.0116
Inception date (fund): 12 August 2011	ISIN C Class*: LU0651984527	Price per share C Class*: AUD 1.6454
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class*: LU0651984790	Price per share D Class*: AUD 1.6312
Minimum investment: Share classes A, B, C & D: USD 7,500 (AUD equivalent)	Subscriptions / redemptions: daily	Momentum Global Funds AUM: AUD 978.1 million
Investment timeframe: 4 years +	Website: harmonyportfolios.com	Australian Dollar Growth Fund AUM: AUD 34.4 million

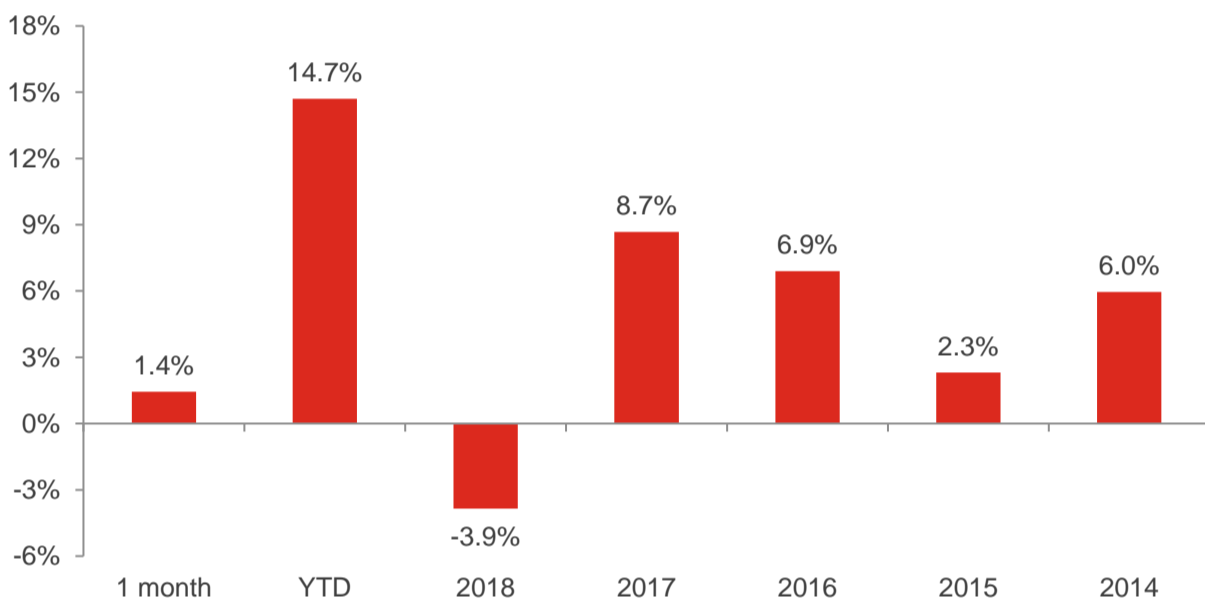
* share class not available for sale in Hong Kong

Investment objective

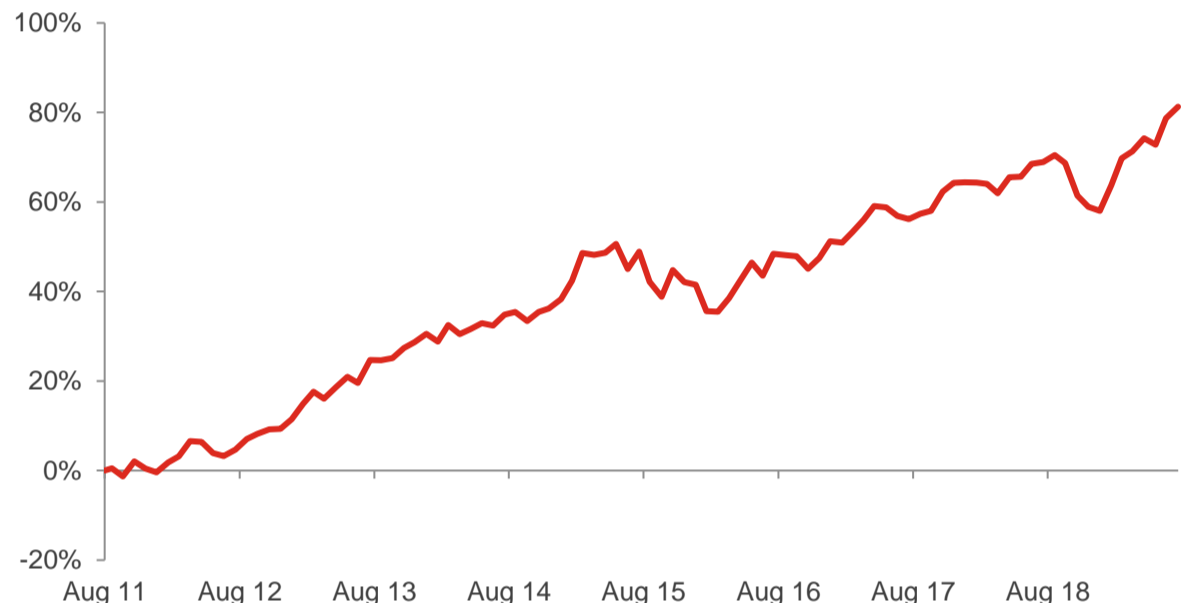
The portfolio will be biased to investments in Australia, but could also hold investments outside this country. The portfolio aims to provide capital growth in Australian dollars but with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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)



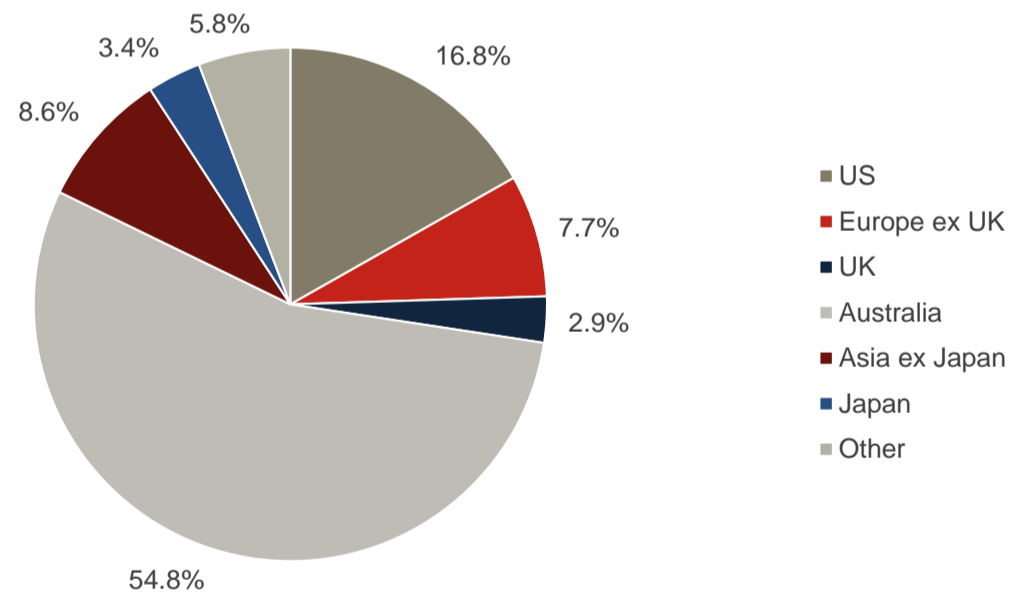
Investment statistics (since inception, 12 August 2011)

	Cumulative	Annualised
Current month return	1.4%	-
Year-to-date return	14.7%	-
1 year return	7.3%	-
3 year return	22.1%	6.9%
5 year return	34.4%	6.1%
Since inception return	81.3%	7.7%

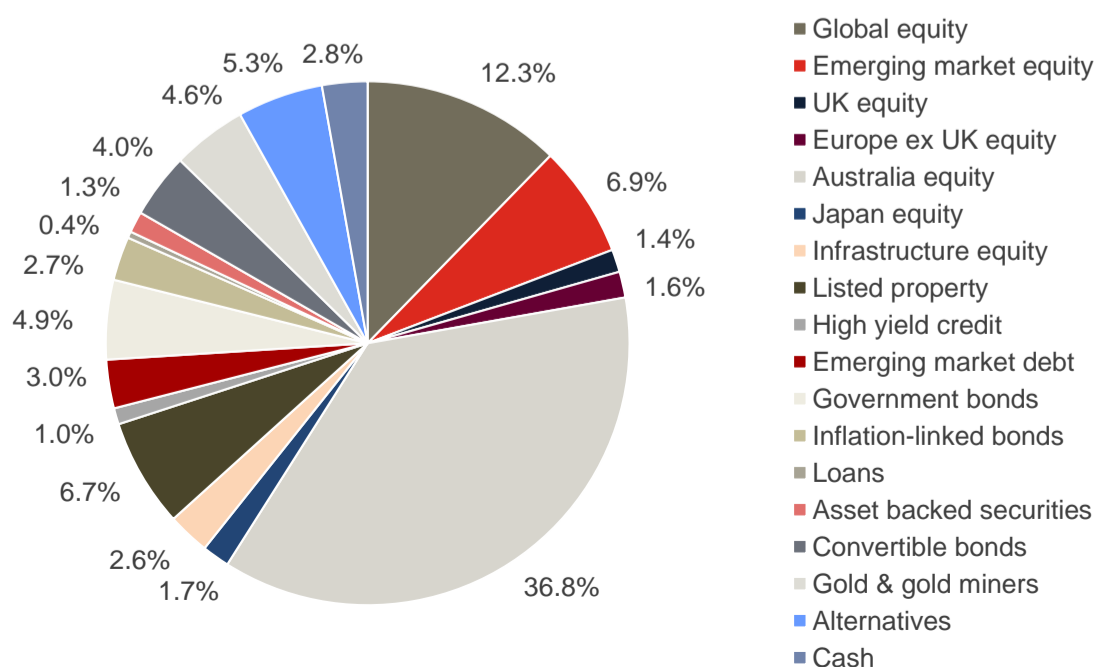
Annualised volatility: 6.7%

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.

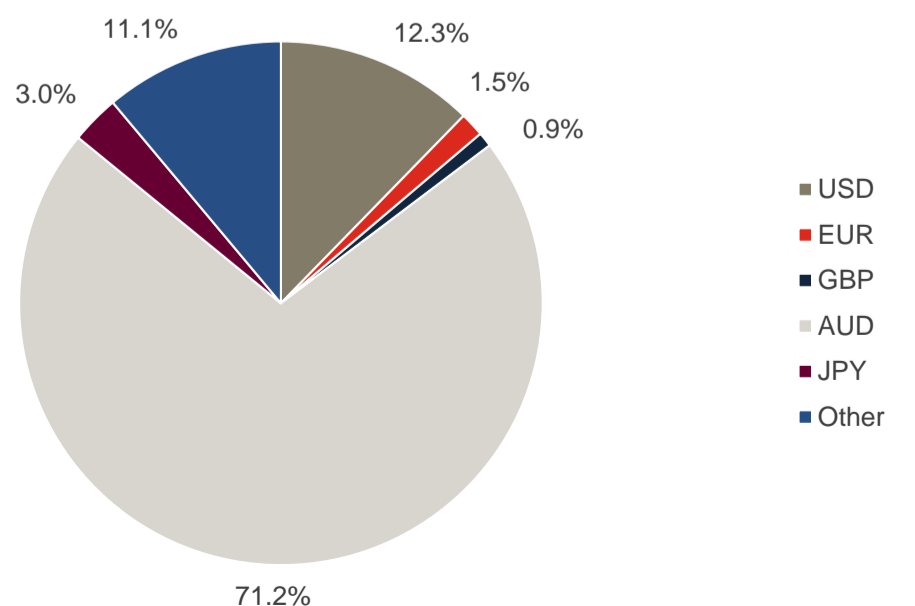
Regional allocation



Strategy allocation



Currency allocation



■ Holdings

Holdings	Asset type	Weight
Aberdeen Australasian Equity	Equity	19.0%
iShares MSCI Australia	Equity	17.8%
Third Avenue Real Estate Value	Property	5.0%
UBS Lux Bond AUD	Fixed Income	4.9%
Jennison Global Equity Opportunities	Equity	4.9%
iShares Physical Gold ETC	Commodities	4.1%
Contrarius Global Equity	Equity	3.1%
Cash	Cash	2.8%
Prusik Asian Equity Income	Equity	2.8%
Neuberger Berman Uncorrelated Strategies	Alternatives	2.8%
US TIPS	Fixed Income	2.7%
Maple-Brown Abbott Global Infrastructure	Infrastructure	2.6%
Aviva Global Convertibles	Fixed Income	2.0%
Morgan Stanley Global Brands	Equity	2.0%
iShares Developed Real Estate Index	Property	1.7%
Amundi ETF JPX-Nikkei 400	Equity	1.7%
iShares Emerging Markets Government Bond Index	Fixed Income	1.6%
FP Crux European Special Situations	Equity	1.6%
Sands Capital Emerging Markets Growth	Equity	1.6%
Schroder UK Recovery	Equity	1.4%
Dimensional Emerging Markets Value	Equity	1.3%
Heptagon Kopernik Global All-Cap Equity	Equity	1.3%
TwentyFour Income	Fixed Income	1.3%
Allianz Structured Return	Alternatives	1.3%
Maple-Brown Abbott Asia ex-Japan	Equity	1.2%
Chinook Global Convertible Bond	Fixed Income	1.2%
Wells Fargo Global Equity Absolute Return	Alternatives	1.2%
Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	1.0%
AXA US Short Duration High Yield	Fixed Income	1.0%
Artisan Global Value	Equity	1.0%
RWC Asia Convertibles (USD hedged)	Fixed Income	0.8%
iShares Gold Producers ETF	Equity	0.5%
Muzinich EM Short Duration (USD hedged)	Fixed Income	0.4%
Sequoia Economic Infrastructure Income	Fixed Income	0.4%

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 3% in the Harmony Australian Dollar Growth 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.