

Harmony Sterling Balanced Fund

month ended 31 October 2018

Fund details

Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651985250	Price per share A Class: GBP 1.4816
Currency: GBP	ISIN B Class*: LU0651985334	Price per share B Class*: GBP 1.4021
Inception date (fund): 12 August 2011	ISIN C Class*: LU0651985417	Price per share C Class*: GBP 1.4412
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class*: LU0651985508	Price per share D Class*: GBP 1.3571
Minimum investment: Share classes A, B, C & D: USD 7,500 (GBP equivalent)	Subscriptions / redemptions: daily	Momentum Global Funds AUM: GBP 503.8 million
Investment timeframe: 3 years +	Website: harmonyportfolios.com	Sterling Balanced Fund AUM: GBP 101.0 million

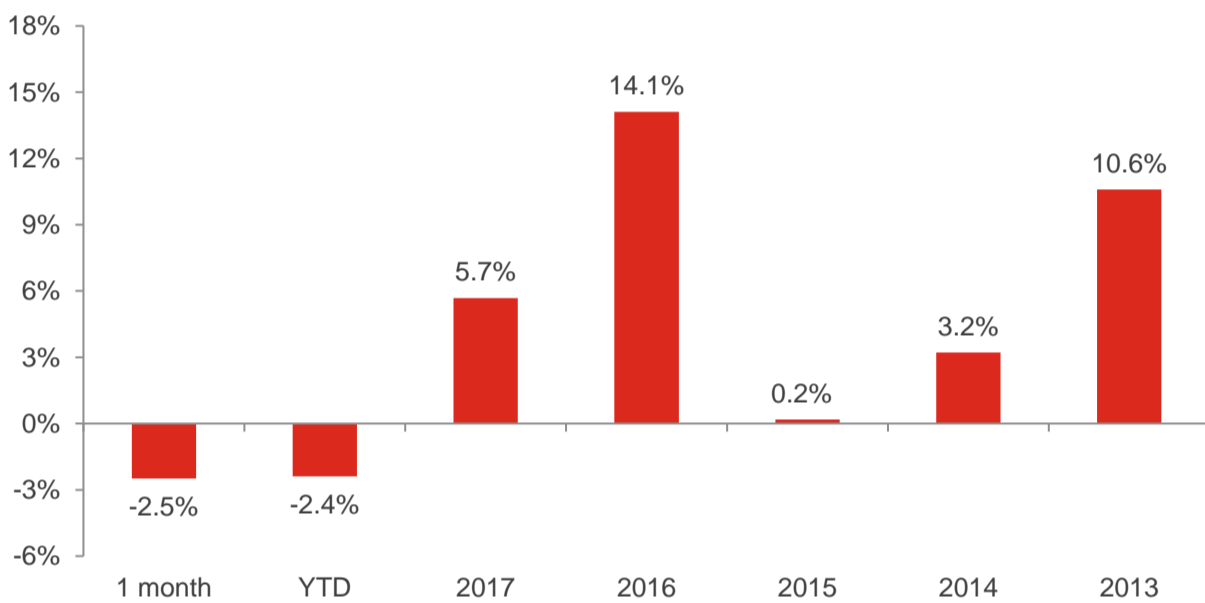
* share class not available for sale in Hong Kong

Investment objective

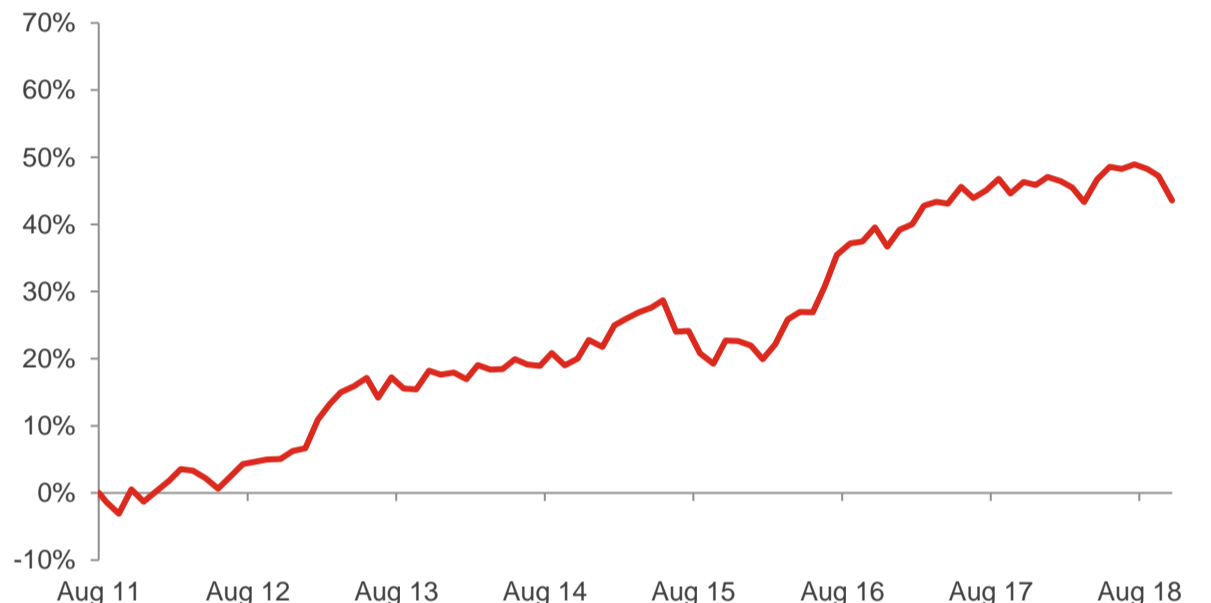
The portfolio will be biased to investments in the United Kingdom, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in sterling with a reduced level of volatility, via strategic exposures to a wide range of asset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



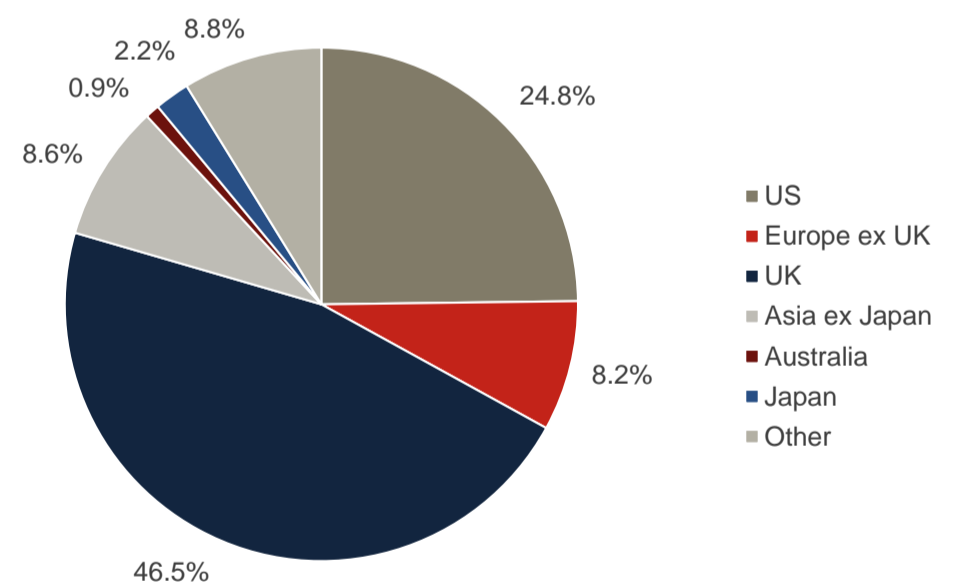
Investment statistics (since inception, 12 August 2011)

	Cumulative	Annualised
Current month return	-2.5%	-
Year-to-date return	-2.4%	-
1 year return	-1.9%	-
3 year return	17.0%	5.4%
5 year return	21.4%	4.0%
Since inception return	43.6%	5.1%

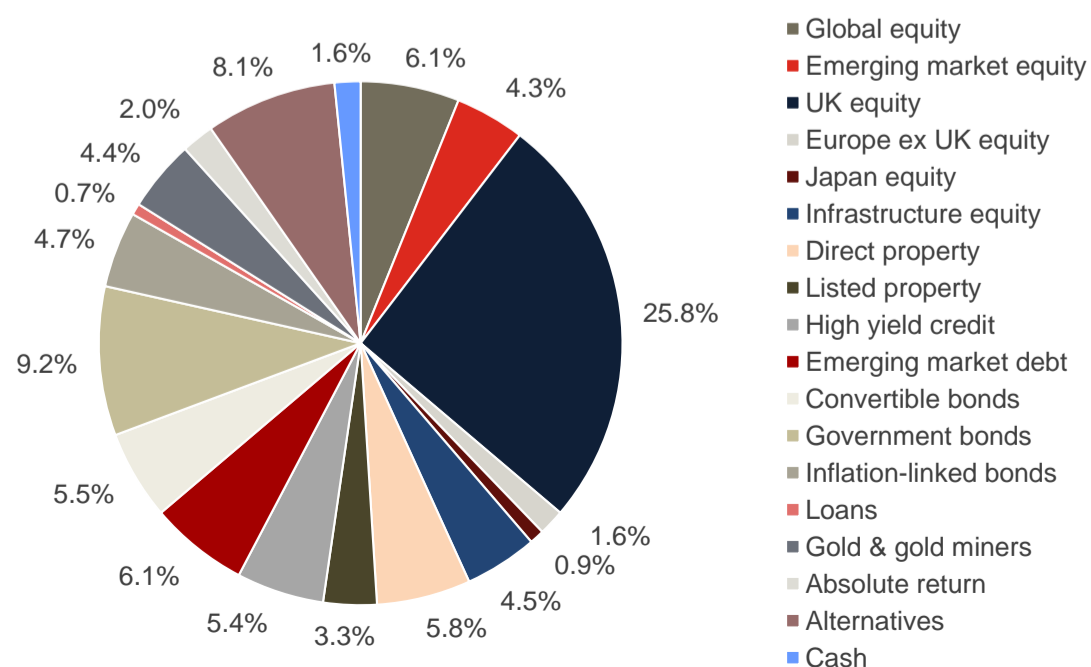
Annualised volatility: 5.4%

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.

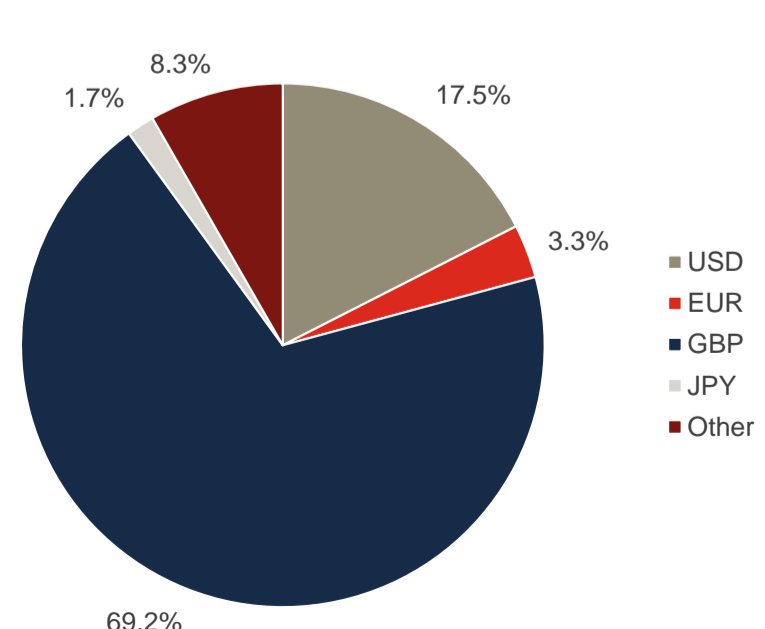
Regional allocation



Strategy allocation



Currency allocation



■ Holdings

Holdings	Asset type	Weight
Schroder UK Recovery	Equity	10.2%
US Treasury Bond	Fixed Income	9.2%
Evenlode Income	Equity	6.2%
RWC Income Opportunities (GBP hedged)	Equity	5.1%
US TIPS	Fixed Income	4.7%
Ediston Property Investment Company	Property	4.7%
Maple-Brown Abbott Global Infrastructure	Infrastructure	4.5%
iShares FTSE 100	Equity	4.3%
iShares Physical Gold ETC	Commodities	4.0%
iShares JPMorgan \$ Emerging Markets Bond ETF	Fixed Income	3.5%
Third Avenue Real Estate Value	Property	3.3%
AXA US Short Duration High Yield	Fixed Income	3.3%
Chinook Global Convertible Bond (GBP hedged)	Fixed Income	3.1%
Jupiter Global Emerging Markets Short Duration Bond	Fixed Income	2.6%
Dimensional Emerging Markets Value	Equity	2.4%
F&C Global Equity Market Neutral	Alternatives	2.2%
Muzinich EM Short Duration (GBP hedged)	Fixed Income	2.1%
Neuberger Berman Uncorrelated Strategies	Alternatives	2.1%
Allianz Structured Return	Alternatives	2.1%
Wells Fargo Global Equity Absolute Return	Alternatives	2.0%
RWC Asia Convertibles (GBP hedged)	Fixed Income	1.9%
Sands Capital Emerging Markets Growth	Equity	1.9%
Jennison Global Equity Opportunities	Equity	1.8%
Aberdeen Alternative Risk Premia Enhanced	Alternatives	1.7%
Contrarius Global Equity	Equity	1.6%
Cash	Cash	1.6%
FP Crux European Special Situations	Equity	1.6%
Schroder Real Estate Investment Trust	Property	1.1%
Heptagon Kopernik Global All-Cap Equity	Equity	1.0%
Artisan Global Value	Equity	0.9%
Amundi ETF JPX-Nikkei 400	Equity	0.9%
Morgan Stanley Global Brands	Equity	0.8%
Sequoia Economic Infrastructure Income	Fixed Income	0.7%
Aviva Global Convertibles	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 Sterling 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.