

Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

Fund details

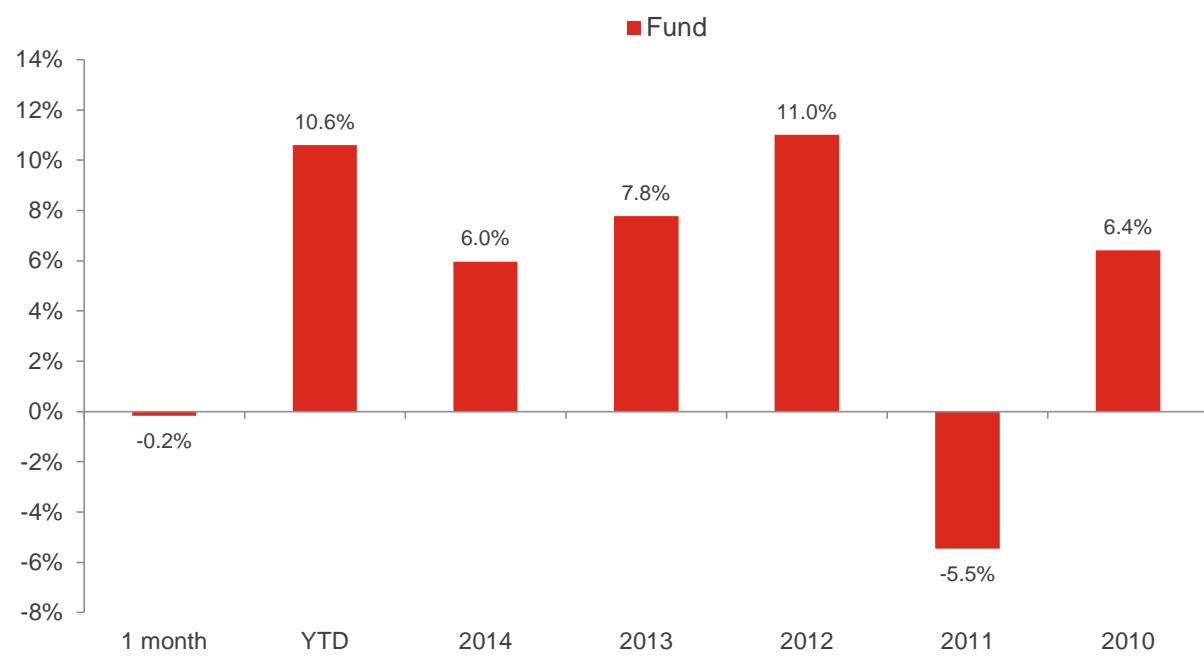
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984873	Price per share A Class: EUR 1.2415
Currency: EUR	ISIN B Class: LU0651984956	Price per share B Class: EUR 1.1701
Inception date (fund): 12 August 2011	ISIN C Class: LU0651985094	Price per share C Class: EUR 1.3228
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651985177	Price per share D Class: EUR 1.3548
Minimum investment: Share classes A, B, C & D: USD 7,500 (EUR equivalent)	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

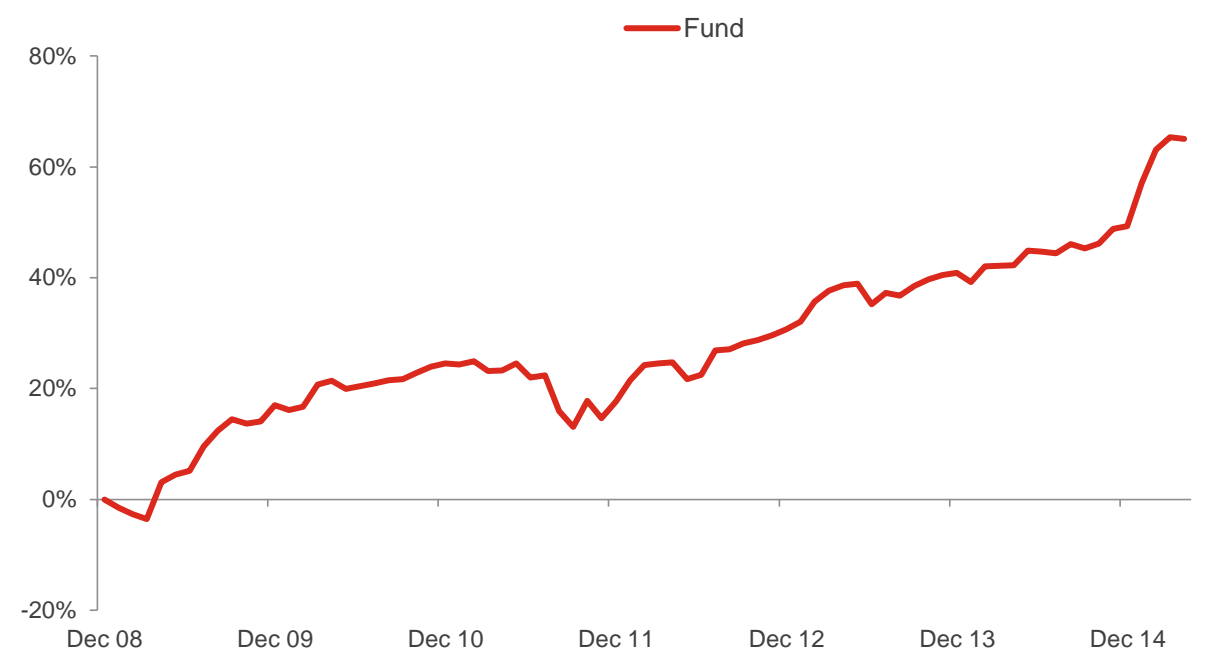
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance



Cumulative returns



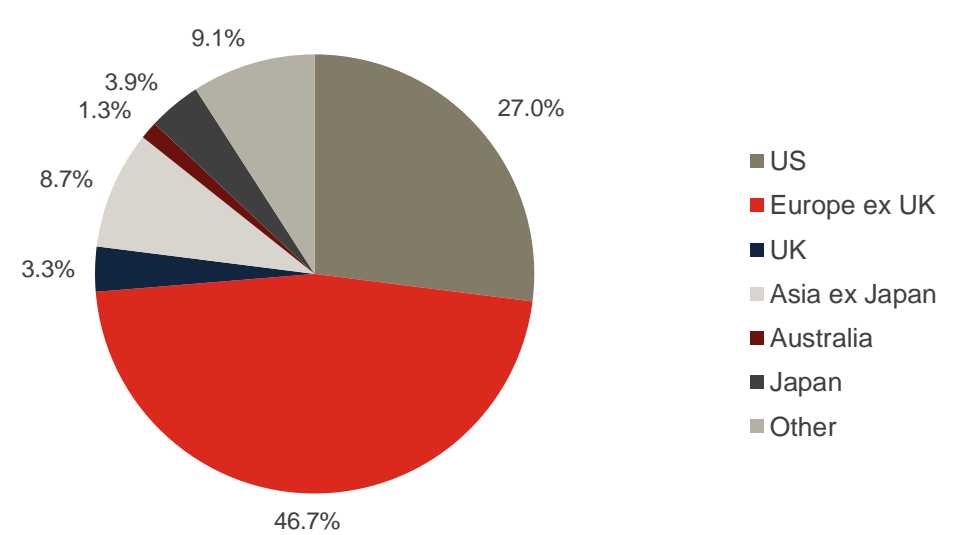
Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	18.2%
Henderson European Special Situations	Equity	17.0%
RWC Global Convertibles	Fixed Income	5.7%
Third Avenue Real Estate Value	Property	5.6%
Muzinich EnhancedYield Short-Term (EUR hedged)	Fixed Income	5.1%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	5.0%
PFS Twentyfour Dynamic Bond	Fixed Income	5.0%
Dimensional Emerging Markets Value	Equity	4.7%
Artisan Global Value	Equity	4.4%
RWC Asia Convertibles	Fixed Income	4.3%
AXA US High Yield (EUR hedged)	Fixed Income	3.6%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	3.5%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.4%
Heptagon Kopernik Global All-Cap Equity	Equity	2.8%
American Century Concentrated Global Growth	Equity	2.7%
Cash	Cash	1.9%
First State Global Listed Infrastructure	Equity	1.7%
Schroder UK Recovery	Equity	1.6%
Polar Capital Japan (USD hedged)	Equity	1.5%
Morgan Stanley UK Global Brands	Equity	1.1%
Morgan Stanley Global Brands	Equity	0.9%
iShares Gold Producers	Commodities	0.3%

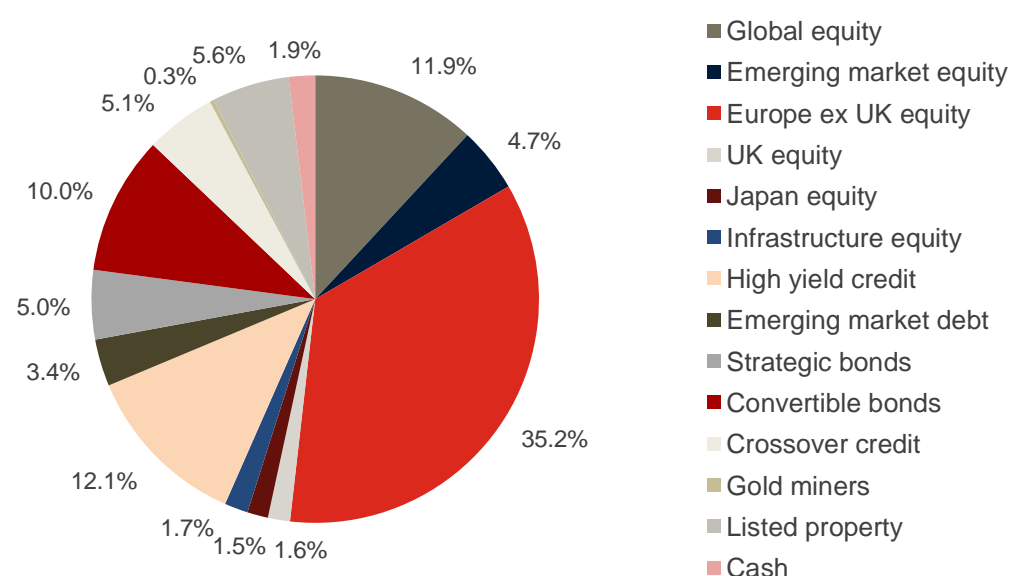
Investment statistics (since 1 January 2009)

Current month return:	-0.2%
Cumulative return:	65.1%
Annualised return:	8.2%
Annualised volatility:	6.5%

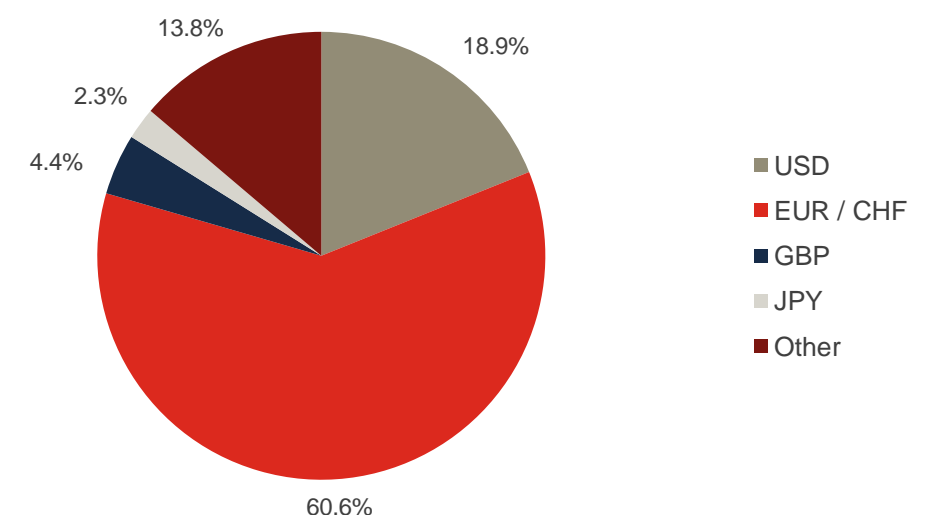
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

April saw a reversal of several of the big trends in markets of the past twelve months. The US dollar fell, the euro recovered sharply, commodity prices bounced (led by a rising oil price) and emerging markets outperformed developed markets significantly (led by China). Perhaps most significantly there was a steep reversal in the trend of falling government bond yields, especially in Europe, where yields had fallen to all-time lows. From mid-April, when German 10-year Bund yields reached a low of 0.07%, yields increased almost ten-fold by early May, to reach 0.55%, and in peripheral Europe yields moved up by around 0.7-0.8% in two to three weeks. In general data releases from Europe over the month showed an improving trend, albeit from a low base, and economic forecasts have been pushing higher. Conversely recent data out of the US has been disappointing versus expectations, providing greater evidence that the economy is in a growth pause, with recent strength in the US dollar certainly being a contributing factor.

Against this background, equity markets performed better than bonds, and emerging markets better than developed markets. The euro strengthened by 4.6% versus the US dollar which led to subdued returns for global indices when expressed in euro terms. This partly reflected broad based weakness in the US dollar; indeed the near 4% decline in the US dollar index represented its first month-on-month decline in over a year, and the largest monthly fall since 2011. These moves contributed to a decline of 2.1% for the MSCI World index in euro terms. Equity markets in Asia, Japan and the UK performed well in local currency terms, whereas Europe and Australia both fell by over 1% after having enjoyed strong runs during the first quarter of 2015. The MSCI Emerging Markets Index was up 3.0% in euro terms, led by a sharp rise in the China / Hong Kong markets that appeared to be driven more by speculation and the new 'Shanghai-Hong Kong Stock Connect' plan rather than by fundamentals. In contrast government bond markets were generally down in local currency terms, with the Citigroup global aggregate index falling 3.2% in euro terms. High yield, emerging market and convertible bond indices provided decent positive returns in local currency terms. Meanwhile the oil price rose 21.2% in US dollar terms, taking prices back to levels of early December last year and prompting a reappraisal of the extent of deflationary pressures in the developed world.

In April the Harmony Europe Diversified Fund returned -0.2% net of all fees in euro terms. Our asset allocation positioning benefited performance as holdings in equity, emerging market assets and credit all performed well over the month, while the Fund had limited exposure to developed market sovereign bonds which performed poorly. However, this was offset by euro strength reducing the returns of the Fund's international holdings. The best performing holdings in the portfolio included the Kopernik Global Equity fund (+8.8%), the Dimensional Emerging Markets fund (+4.5%) and the RWC Asia Convertibles fund (+9.2%). Given such strong performance in a short period, we elected to take some profits from our emerging market equity and Asia convertible bond holdings towards the end of the month. As a result, we marginally increased the Fund's cash holding. Emerging market equity and Asian convertibles remain well represented in the portfolio, but both have been moved to slightly lower allocations in recognition of higher valuation levels. We have also sold the remaining exposure to the Old Mutual Strategic Bond fund, after the manager announced his impending departure, and initiated a small holding in the Westwood Global Convertible bond fund, in part driven by a desire to increase manager diversification within our convertible bond allocations.

A more notable manager change was the addition of a 5.0% position in the TwentyFour Dynamic Bond fund at the end of the month. This was funded from the Old Mutual holding referenced above as well as through small reductions in our existing high yield bond holdings. TwentyFour is a specialist fixed income boutique based in London. The firm was initially founded in 2008 to invest in the European Asset Backed Securities (ABS) market, one of their core competencies, and has since expanded coverage more broadly across European fixed income markets. They launched the Dynamic Bond Fund as their flagship strategy in 2010 and currently manage about £4.4 billion at the firm level. TwentyFour has historically preferred to hire experienced investment professionals and as a result benefit from an experienced team of thirteen portfolios managers and no analysts. They are all generalists with no official specialisation, but they retain certain biases or areas of expertise from their background. The lead portfolio managers of the Dynamic Bond strategy, Gary Kirk and Eoin Walsh, are both founding partners with extensive buy-side experience in credit markets. The fund follows an unconstrained strategy with a focus on the team's areas of expertise including corporate bonds, financials and ABS. They run a concentrated portfolio of 60 to 80 high conviction names and look for credit ideas with low leverage, decent margins and good free cash flow. If they like the credit, they will not hesitate to go down the capital structure to find better relative value, although this may result in greater downside risk and a higher correlation to equity markets. The strategy targets a 7-10% annualised return over a full market cycle.

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.

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 Europe Diversified Incorporated Cell (IC) within the Momentum Mutual Fund. The historical performance of the Harmony Europe Diversified IC is shown from 1 January 2009 until the inception date of the SICAV.

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.