

# Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

## Fund details

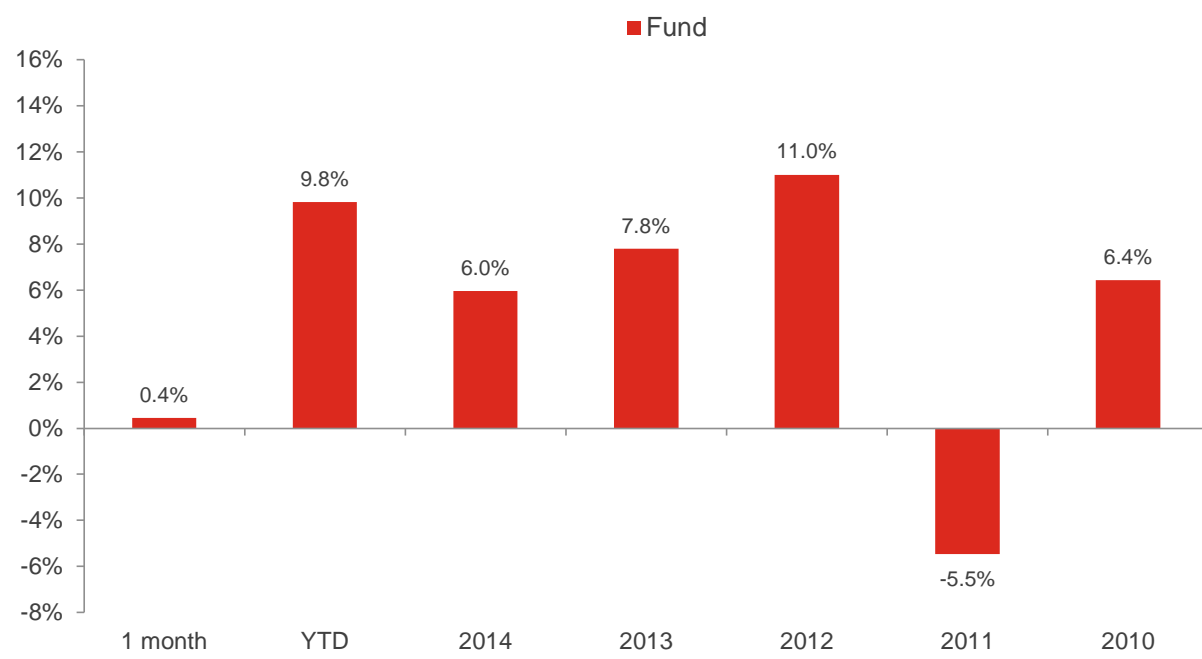
Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651984873</b>	Price per share A Class: <b>EUR 1.2326</b>
Currency: <b>EUR</b>	ISIN B Class: <b>LU0651984956</b>	Price per share B Class: <b>EUR 1.1617</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class: <b>LU0651985094</b>	Price per share C Class: <b>EUR 1.3117</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class: <b>LU0651985177</b>	Price per share D Class: <b>EUR 1.3420</b>
Minimum investment: <b>Share classes A, B, C &amp; D: USD 7,500 (EUR equivalent)</b>	Subscriptions / redemptions: <b>daily</b>	Investment timeframe: <b>3 years +</b>

## Investment objective

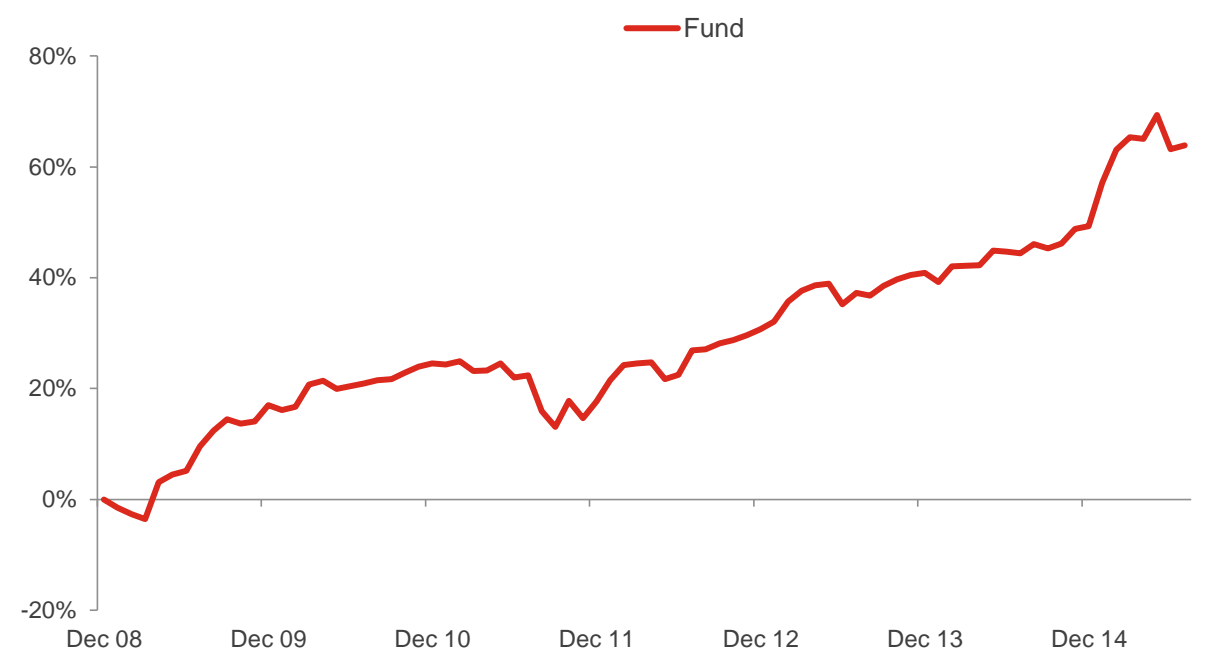
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

## Fund performance



## Cumulative returns



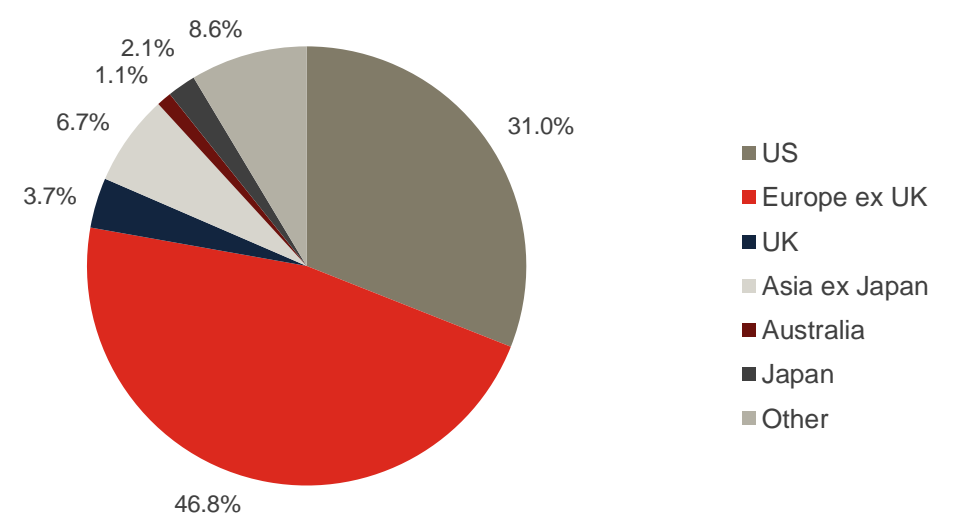
## Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	18.6%
FP Crux European Special Situations	Equity	18.6%
Third Avenue Real Estate Value	Property	6.0%
Artisan Global Value	Equity	5.1%
Muzinich EnhancedYield Short-Term (EUR hedged)	Fixed Income	5.1%
PFS Twentyfour Dynamic Bond	Fixed Income	4.9%
Cash	Cash	4.8%
RWC Global Convertibles	Fixed Income	4.5%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	4.1%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	3.9%
Dimensional Emerging Markets Value	Equity	3.5%
RWC Asia Convertibles	Fixed Income	3.3%
iShares JP Morgan Emerging Markets Bond	Fixed Income	2.8%
American Century Concentrated Global Growth	Equity	2.8%
AXA US High Yield (EUR hedged)	Fixed Income	2.7%
First State Global Listed Infrastructure	Equity	2.5%
Heptagon Kopernik Global All-Cap Equity	Equity	2.4%
Schroder UK Recovery	Equity	2.0%
Morgan Stanley UK Global Brands	Equity	1.0%
Morgan Stanley Global Brands	Equity	0.8%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	0.4%
iShares Gold Producers	Commodities	0.2%

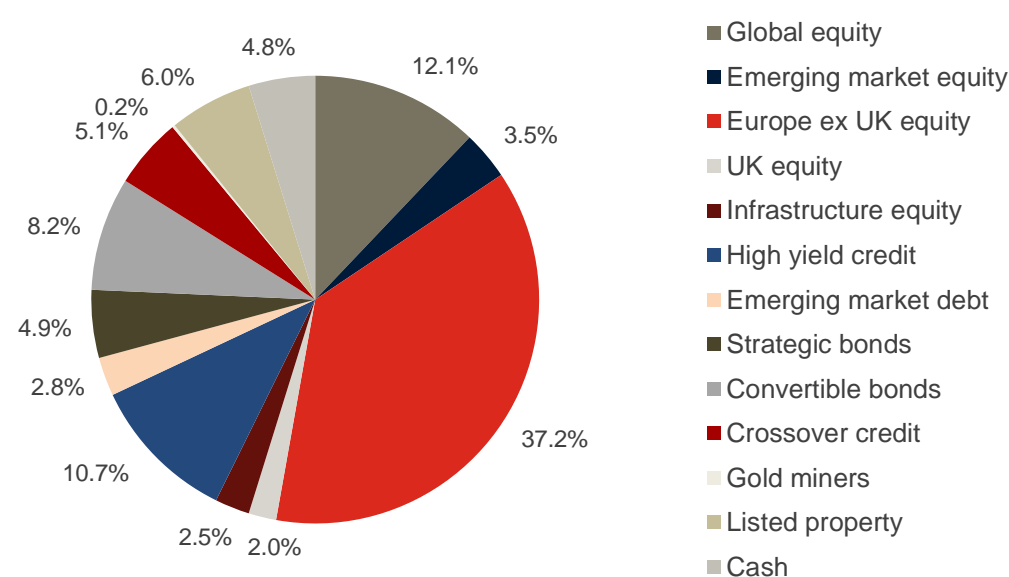
## Investment statistics (since 1 January 2009)

Current month return:	0.4%
Cumulative return:	63.9%
Annualised return:	7.8%
Annualised volatility:	6.6%

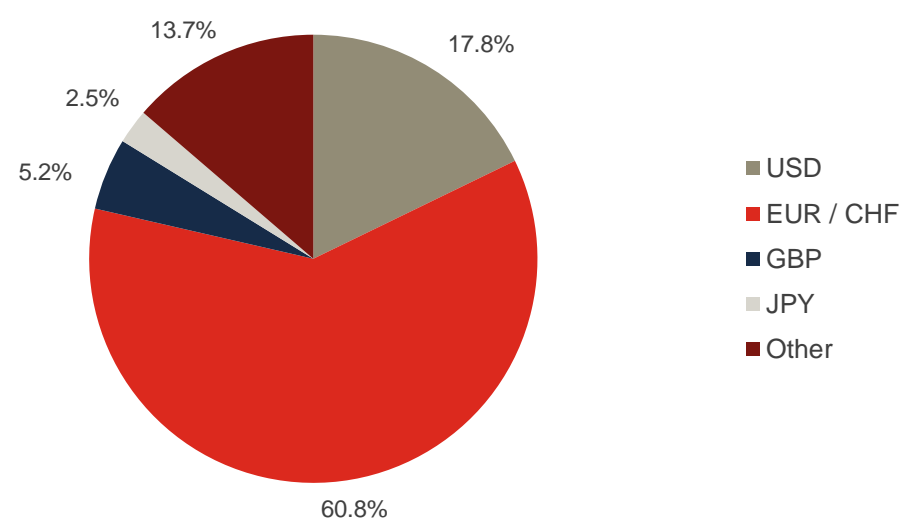
## Regional allocation



## Strategy allocation



## Currency allocation



## ■ Manager commentary

For the first time this year, the Greek crisis slipped out of the headlines in July, but not before the Syriza government had made major concessions to its EU and IMF creditors, and accepted extremely tough terms to allow negotiations on a third bailout to begin. With Greece out of the spotlight, investors focused on events in China, where the economy appears to be slowing more rapidly than the authorities would like. Exacerbating the situation has been the boom and bust in the Chinese stock market, which had doubled in 12 months, but has recently seen a sharp correction. After a brief rally in the first half of July, triggered by extraordinary intervention by the Chinese authorities, market forces took over again towards the end of the month, and Chinese stocks continued their decline. Moreover, as China is an important consumer of commodities, the weakness of its economic activity is starting to weigh on resource prices globally, with the recent fall in oil prices being the most notable and important. Brent crude has fallen below US\$50 per barrel once again, with concerns about China as well as increased supply from US shale driving the decline.

Against this backdrop equity and bond indices posted gains across most developed markets, whereas equities underperformed sharply in emerging markets. In local currency terms Europe ex UK and Australian equity markets led the way with returns of 4.6% and 4.3%, while indices in the UK and US posted more modest returns of 2.5% and 2.1% respectively. Overall the MSCI World index gained 2.4% in local currency terms, or 1.8% in US dollar terms. In contrast emerging market equities fell 4.7% in local terms or 6.9% in US dollar terms. Commodities delivered even larger declines, with oil and gold in particular falling 17.9% and 6.5% respectively. Meanwhile, the major government bond markets saw gains ranging from 1.0%, in the case of US Treasuries, to 2.3% for the European market. Credit markets had mixed outcomes relative to local sovereigns, with global convertible bonds (+0.2%) and US high yield (-0.6%) being some of the more notable laggards. The US dollar strengthened over the month, gaining 1.5% versus the euro and over 2% on a trade weighted basis.

In July, the Harmony Europe Diversified Fund returned 0.4% in euro terms. Many of our asset allocation and manager selection decisions have been rewarded recently – reflected by a strong year-to-date return of 9.8% – but that was not the case this past month, leading the Fund to miss the upside in European markets during July. Equity manager selection was among the leading detractors from performance, driven by the Fund's two Europe-focused equity managers underperforming the local markets. Both the Crux and Jupiter holdings have outperformed so far this year, however, with lower volatility an added benefit of these selections. The Schroders UK and Kopernik Global equity strategies also detracted from performance, driven primarily by poor performance from these managers' holdings within the materials sector. Additional detractors were the Fund's emerging market equity linked holdings and Asian convertible bonds. Although the fund did not have exposure to the strong returns delivered by European government bonds, exposure to hard currency emerging market fixed income contributed small positive returns.

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.