

# Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

## Fund details

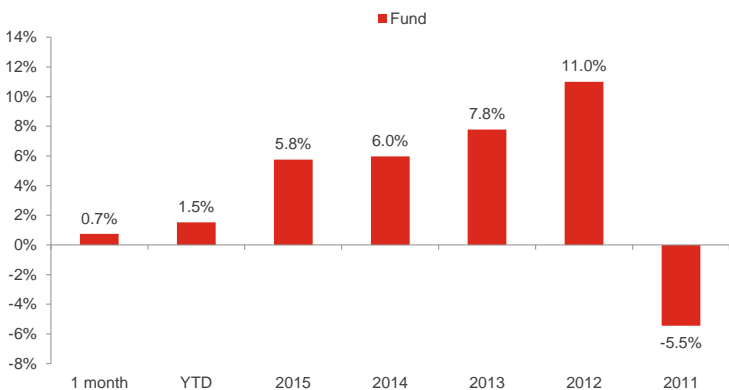
Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651984873</b>	Price per share A Class: <b>EUR 1.2052</b>
Currency: <b>EUR</b>	ISIN B Class: <b>LU0651984956</b>	Price per share B Class: <b>EUR 1.1358</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class: <b>LU0651985094</b>	Price per share C Class: <b>EUR 1.2755</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class: <b>LU0651985177</b>	Price per share D Class: <b>EUR 1.2985</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

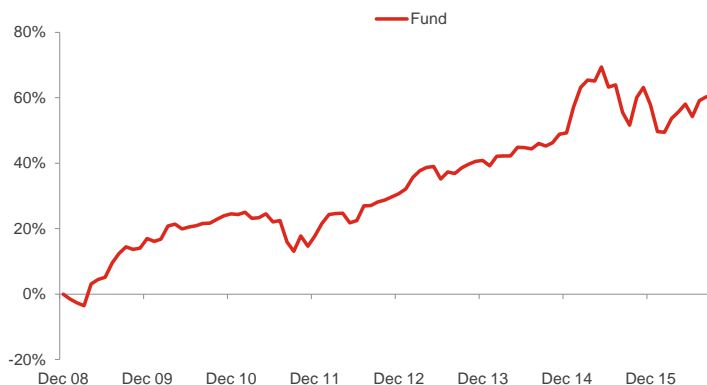
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

## Fund performance



## Cumulative returns



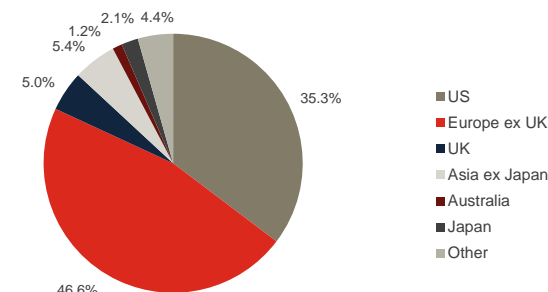
## Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	19.1%
FP Crux European Special Situations	Equity	15.2%
Muzinich EnhancedYield Short-Term (EUR hedged)	Fixed Income	6.8%
Third Avenue Real Estate Value	Property	5.9%
Artisan Global Value	Equity	4.6%
Cash	Cash	4.5%
MI Twentyfour Dynamic Bond	Fixed Income	4.4%
BlackRock US Corporate Bond Index	Fixed Income	4.2%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	4.0%
Schroder UK Recovery	Equity	3.4%
American Century Concentrated Global Growth	Equity	3.1%
RWC Global Convertibles (EUR hedged)	Fixed Income	3.1%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.0%
RWC Asia Convertibles	Fixed Income	3.0%
Dimensional Emerging Markets Value	Equity	2.6%
First State Global Listed Infrastructure	Equity	2.4%
Heptagon Kopernik Global All-Cap Equity	Equity	2.4%
AXA US High Yield (EUR hedged)	Fixed Income	2.1%
Goldman Sachs EFI Long Short Risk Premia (EUR hedged)	Hedge Funds	1.8%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	1.5%
Morgan Stanley Global Brands	Equity	1.5%
BlackRock Developed Real Estate	Property	1.1%
iShares Gold Producers	Commodities	0.3%

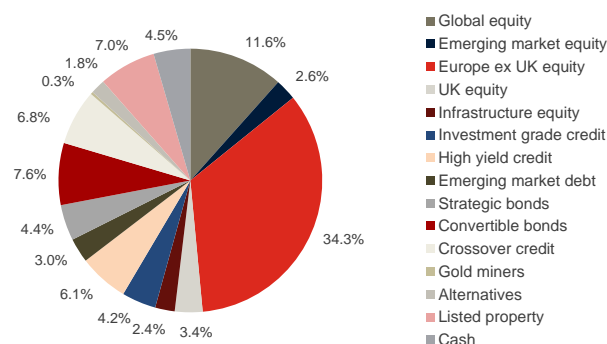
## Investment statistics (since 1 January 2009)

Current month return:	0.7%
Cumulative return:	60.3%
Annualised return:	6.3%
Annualised volatility:	7.5%

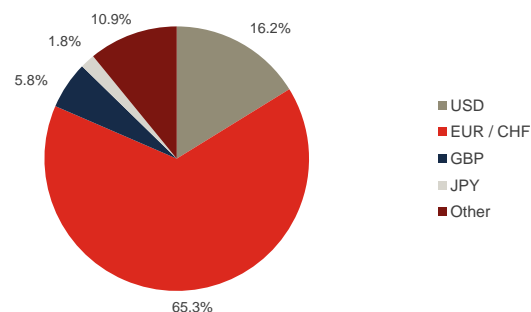
## Regional allocation



## Strategy allocation



## Currency allocation



## ■ Manager commentary

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August proved to be a quiet month for markets, with low levels of volatility and little significant news flow. The 'risk-on' environment of July broadly continued in August: most equity markets rose modestly higher, with emerging markets leading the way and adding 2.8% in local currency terms over the month. Within developed markets the US inched 0.1% higher with Japan, the UK and Europe faring better in local currency terms, returning 1.3%, 1.5% and 1.0% respectively. Most currencies weakened slightly versus the US dollar, as expectations for further interest rate rises in the US increased. Within fixed income, most government bonds produced negative returns whereas credit, especially high-yield bonds, and emerging market debt, performed well.

The Harmony Europe Diversified fund returned 0.7% in August in euro terms net of fees, increasing the six month and year to date returns to 7.2% and 1.5% respectively. Performance for the month was in line with the MSCI Europe ex UK index and ahead of European government bonds, driven by strong aggregate performance from both the fund's equity and fixed income holdings. From an asset allocation perspective, the fund's emerging market equity, emerging market debt and US high yield holdings were among the best performers. Manager selection also had a meaningful impact, driven by outperformance from the fund's value orientated holdings in strategies managed by Schroders, Artisan and Kopernik. Meanwhile the European equity manager, Crux, continued their run of strong performance with a return of 2.0% for the month; over six months this holding has gained 10.9%. Within the fund we continue to have no exposure to developed market government bonds, whose prices declined over the month. However, as is often the case, this rising bond yield environment led to underperformance for the fund's more interest rate sensitive equity investments such as listed property and listed infrastructure, which declined by between 0.4% and 1.4%.

The recent strength in markets has taken year-to-date returns for global equities to 3.8%, global emerging market equities to 10.8% and government bonds to 6.6% (all in local currency terms). At current yields, most bonds offer poor value, and developed sovereigns in particular provide little protection against rises in inflation or short term interest rates. Some parts of the credit sector offer better value, while equities are broadly fairly valued, having mostly tracked sideways for the past two years. Given the uncertainties and headwinds ahead, periods of volatility are inevitable. However, we continue to see these as an opportunity to accumulate positions and to take advantage of a cycle which is proving to be unusually long and sustainable.

Source: Bloomberg, Momentum Global Investment Management.

## ■ Important Information

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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.