

Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

Fund details

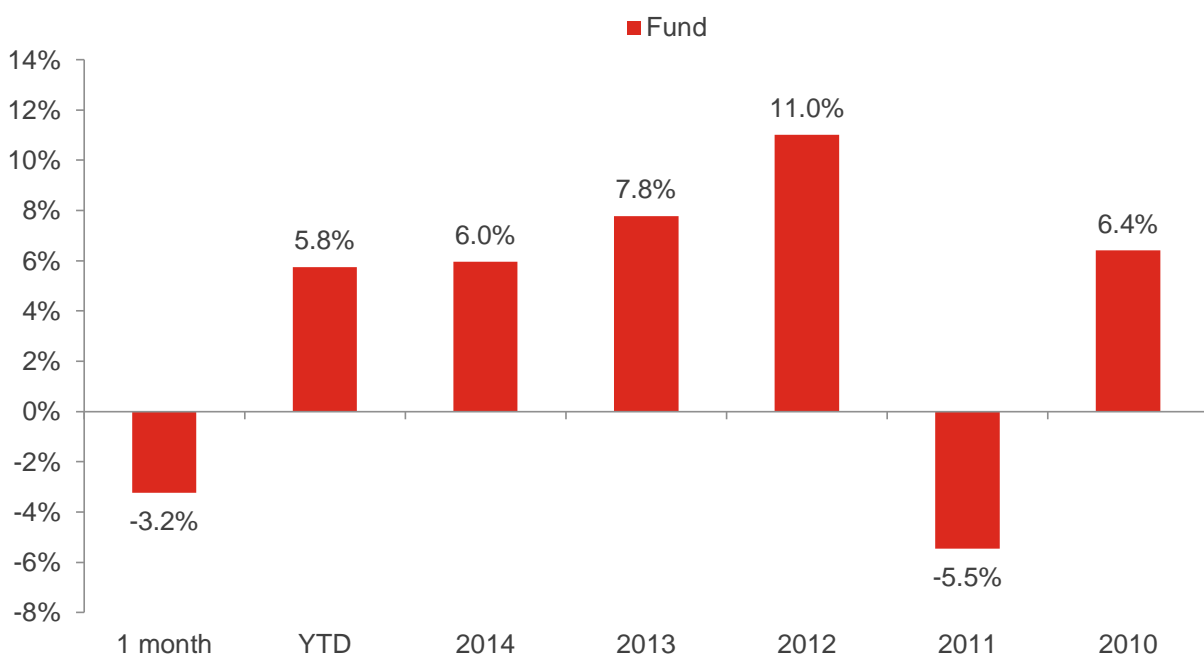
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984873	Price per share A Class: EUR 1.1870
Currency: EUR	ISIN B Class: LU0651984956	Price per share B Class: EUR 1.1186
Inception date (fund): 12 August 2011	ISIN C Class: LU0651985094	Price per share C Class: EUR 1.2604
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651985177	Price per share D Class: EUR 1.2870
Minimum investment: Share classes A, B, C & D: USD 7,500 (EUR equivalent)	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

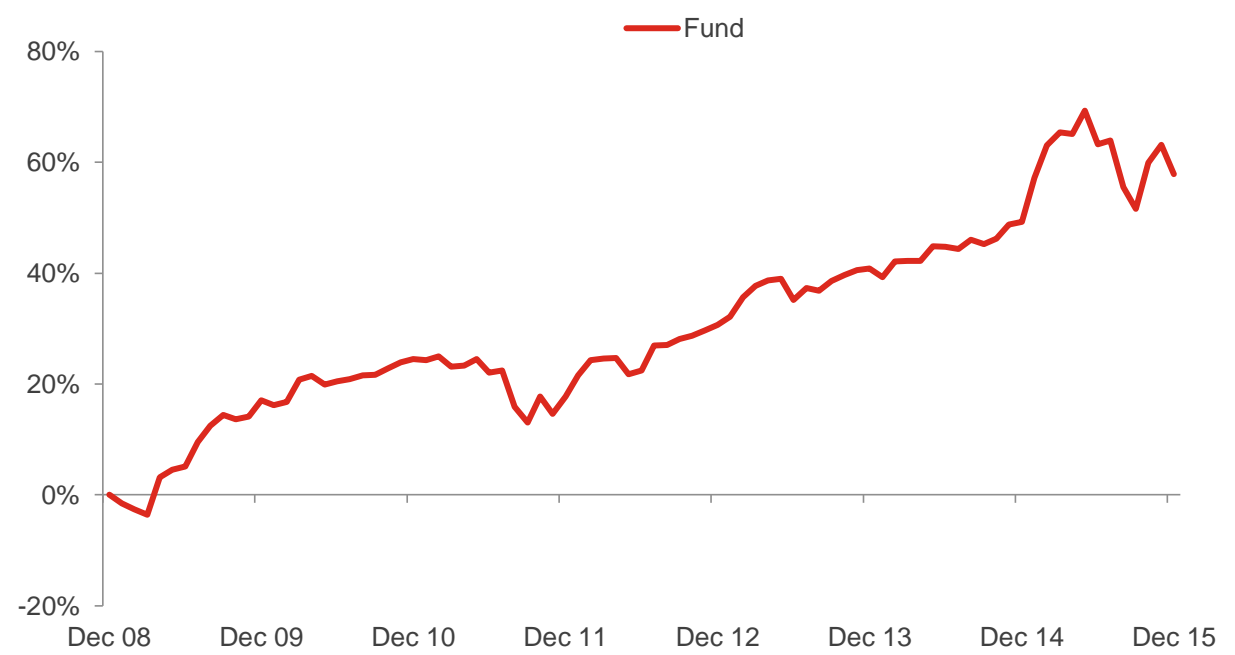
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance



Cumulative returns



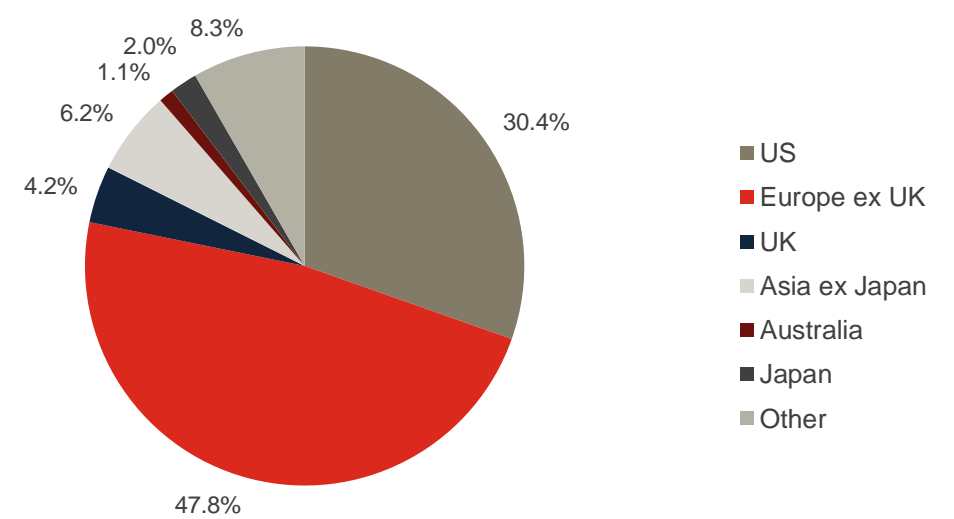
Holdings

Holdings	Asset type	Weight
FP Crux European Special Situations	Equity	19.3%
Jupiter European Special Situations	Equity	18.9%
Third Avenue Real Estate Value	Property	5.6%
Artisan Global Value	Equity	5.1%
Cash	Cash	5.0%
PFS Twentyfour Dynamic Bond	Fixed Income	4.9%
AXA US High Yield (EUR hedged)	Fixed Income	4.8%
RWC Global Convertibles	Fixed Income	4.1%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	3.7%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	3.5%
Dimensional Emerging Markets Value	Equity	3.4%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.2%
American Century Concentrated Global Growth	Equity	3.1%
Muzinich Enhanced Yield Short-Term (EUR hedged)	Fixed Income	3.1%
RWC Asia Convertibles	Fixed Income	2.9%
Schroder UK Recovery	Equity	2.6%
First State Global Listed Infrastructure	Equity	2.2%
Heptagon Kopernik Global All-Cap Equity	Equity	2.1%
Morgan Stanley UK Global Brands	Equity	0.8%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	0.8%
Morgan Stanley Global Brands	Equity	0.7%
iShares Gold Producers	Commodities	0.2%

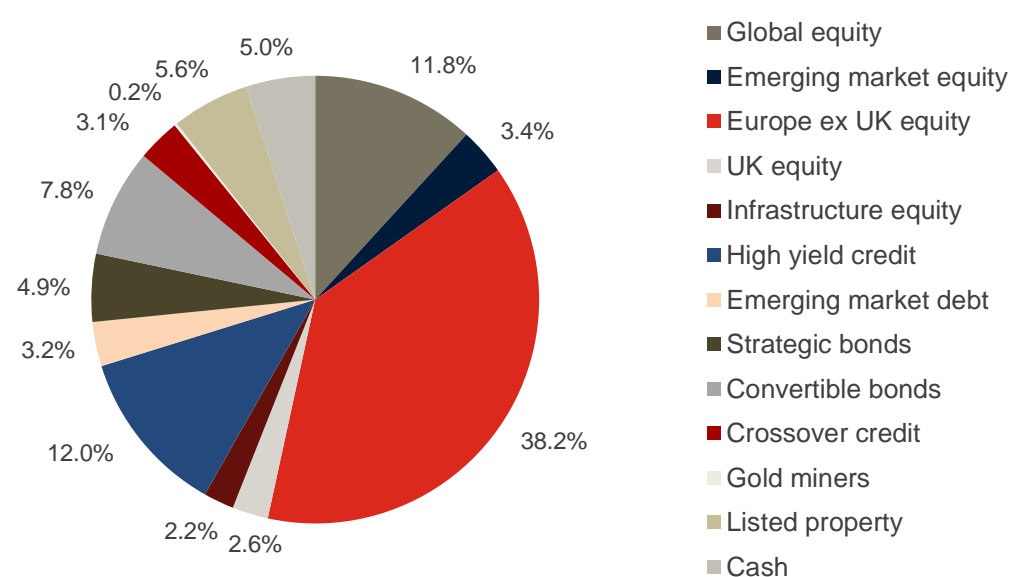
Investment statistics (since 1 January 2009)

Current month return:	-3.2%
Cumulative return:	57.9%
Annualised return:	6.7%
Annualised volatility:	7.3%

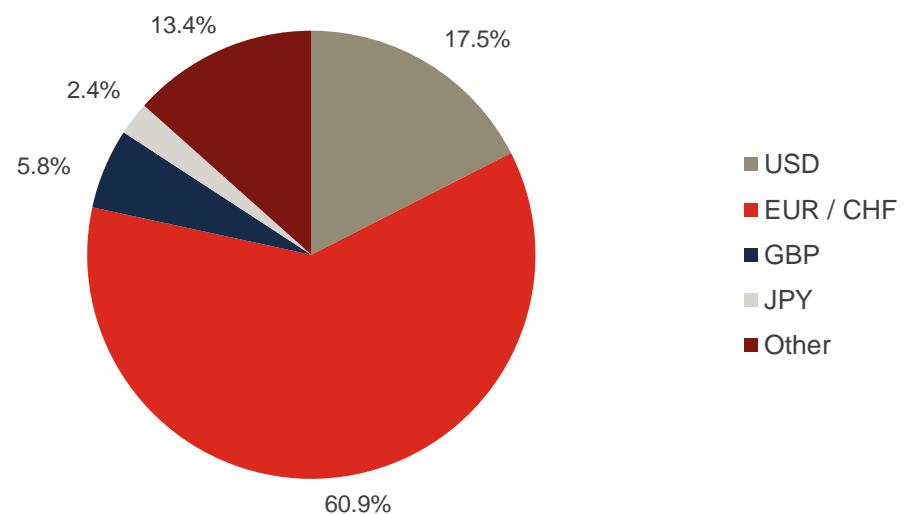
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

Following a relatively subdued November, 2015 ended on a sour note with most asset classes declining on the back of continued commodity weakness and increasing concerns of an economic slowdown in China. Global equities fell by 2.2% in local currency terms, while emerging markets declined by 1.1%. Brent crude tumbled 17.8%, and the Goldman Sachs Commodity Index fell by 8.6% in December. In Europe, markets were disappointed by the relatively modest adjustment to the European Central Bank's (ECB) Quantitative Easing programme, as European equities declined by 4.6% in local currency terms. The UK and US posted losses of 1.9% and 1.7%, respectively, with companies operating in the energy sector posting steep declines. High Yield (HY) bonds continued to suffer also, as sentiment was dented by the closure of a number of illiquid junk bond funds. In the US, the asset class returned -2.6% over the month, as it was impacted by falling oil prices (12% of the US high yield market is energy related companies). European HY debt fell by 2.0%, while investment grade bonds declined by 0.8%. Higher rated US debt declined by 0.8%, while in the UK it returned -0.7%. Sterling continued to weaken against the US dollar, but the euro and yen appreciated against the greenback by 2.9% and 2.5%, respectively.

The Harmony Europe Diversified Fund returned -3.2% in euro terms in December net of fees. This was a smaller decline than the local market, driven by strong outperformance from our European equity holdings. The core holding in the Crux European Special Situations fund fell just 1.5% over the month, capping a year of strong outperformance that has seen their strategy return almost 20%. Our exposure to global developed market equities, beyond just those in Europe, has contributed to performance over the course of the year, largely due to the US dollar exposure that this introduced in a year that saw the greenback rise against virtually every other currency. However, this strategic diversification detracted from performance in December, as the euro rallied by almost 3% due to the ECB not easing monetary policy to the extent that had been expected.

Many of the woes that developed during the year have spilled over into markets in the New Year, with one of the weakest starts to the year on record. However, some perspective needs to be retained at a time of a rising chorus of worry. The global economy has softened but is still growing and the US, UK, Europe and Japan should continue to grow modestly through 2016. Furthermore, volatility and nervousness across markets could well result in policy being kept looser for longer. We remain in an environment where returns are likely to be subdued, but against a background of low yet steady growth in the developed world valuations are now at increasingly attractive levels.

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.