

# Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

## Fund details

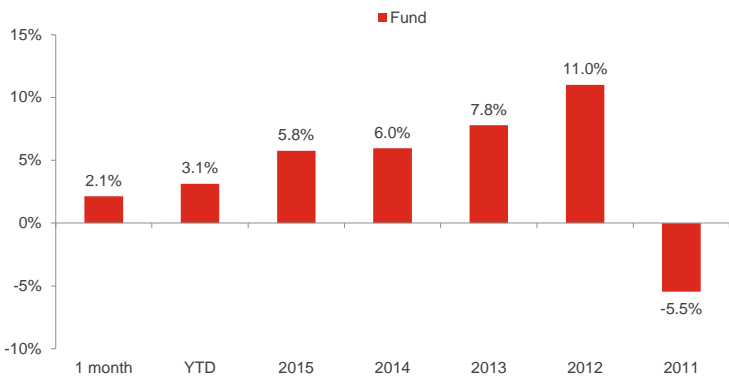
Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651984873</b>	Price per share A Class: <b>EUR 1.2241</b>
Currency: <b>EUR</b>	ISIN B Class: <b>LU0651984956</b>	Price per share B Class: <b>EUR 1.1535</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class: <b>LU0651985094</b>	Price per share C Class: <b>EUR 1.2932</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class: <b>LU0651985177</b>	Price per share D Class: <b>EUR 1.3143</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

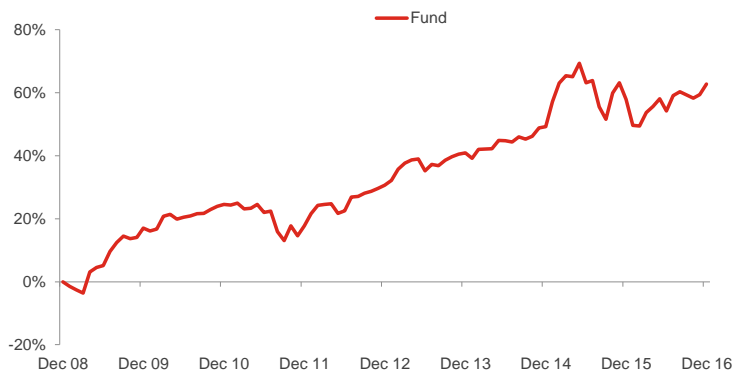
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

## Fund performance



## Cumulative returns



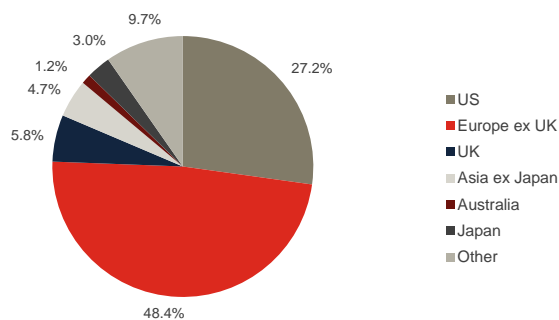
## Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	19.3%
FP Crux European Special Situations	Equity	15.0%
Third Avenue Real Estate Value	Property	6.1%
MI TwentyFour Dynamic Bond	Fixed Income	4.5%
Artisan Global Value	Equity	4.2%
Schroder UK Recovery	Equity	3.8%
ETFS Physical Gold	Commodities	3.7%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.5%
American Century Concentrated Global Growth	Equity	3.3%
RWC Global Convertibles (EUR hedged)	Fixed Income	3.1%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	3.0%
BlackRock US Corporate Bond Index	Fixed Income	3.0%
Muzinich EnhancedYield Short-Term (EUR hedged)	Fixed Income	2.9%
Dimensional Emerging Markets Value	Equity	2.8%
First State Global Listed Infrastructure	Equity	2.5%
Cash	Cash	2.4%
RWC Asia Convertibles (EUR hedged)	Fixed Income	2.2%
Heptagon Kopernik Global All-Cap Equity	Equity	2.2%
F&C Global Equity Market Neutral	Alternatives	2.1%
GSAM Global Strategic Macro Bond (EUR hedged)	Alternatives	2.0%
Goldman Sachs EFI Long Short Risk Premia (EUR hedged)	Alternatives	1.6%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	1.6%
Morgan Stanley Global Brands	Equity	1.5%
BlackRock Developed Real Estate	Property	1.1%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	1.0%
Amundi ETF JPX-Nikkei 400 JPY	Equity	1.0%
iShares Gold Producers	Commodities	0.6%

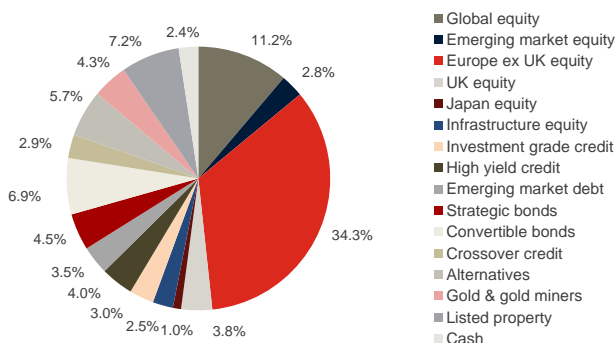
## Investment statistics (since 1 January 2009)

Current month return:	2.1%
Cumulative return:	62.8%
Annualised return:	6.3%
Annualised volatility:	7.4%

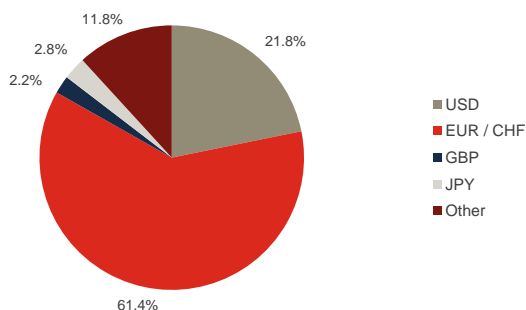
## Regional allocation



## Strategy allocation



## Currency allocation



## ■ Manager commentary

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Equity markets enjoyed a strong end to 2016 with the MSCI World index gaining 2.4% in local currency terms. Global bond prices continued their downward trend, falling by 0.3% amid higher inflation expectations for the coming year. The headline economic event over the period was the Federal Open Market Committee's decision to increase the US Federal Reserve rate, from a bound of 0.25-0.50% to 0.50-0.75%, for only the second time since the Financial Crisis. The move ensured that momentum in currency markets remained firmly with the US dollar, which gained 0.7% in value relative to a weighted basket of all other major currencies, while yields on US 10-year Treasuries rose 6.3 basis points to 2.44%, their highest monthly close since September 2014.

The Harmony Europe Diversified fund gained 2.1% in December in euro terms net of fees, increasing the total fourth quarter return to 2.2%. Performance was supported by the 6.3% return of the Continental European equity market, which benefitted from broadly positive sentiment and some encouraging data on economic growth and inflation heading into the New Year. Over the fourth quarter European equities outperformed the fund, gaining 6.3%; although over the year the fund outperformed the broad equity market, returning 3.1%, compared to 2.4% for Continental European equities.

The Fed's aforementioned rate rise is somewhat representative of the positive expectations for economic growth and the resulting investment outlook for the coming year. Our key message heading into 2017 is this: we are at a major inflection point in an uncertain world. We are likely to see further weakness in bond markets, but in many ways this marks a healthy return to some degree of normality. It does not signal the end of the bull market in equities, which have a good valuation cushion against bonds and which will benefit from rising growth and earnings. The prospect of a pick-up in growth and inflation is supportive, while a return to boom-bust seems a very distant prospect given the structural headwinds to growth. This cycle therefore has much further to run.

There will be plenty of bumps along the way but by prudent diversification and taking advantage of valuation opportunities as they arise, good real returns are available. To capture these it will be vital to stay invested, ride out the bumps and focus on the longer term. Anything less invariably leads to disappointment.

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.