

# Harmony Europe Diversified Fund

month ended 31 July 2017

## Fund details

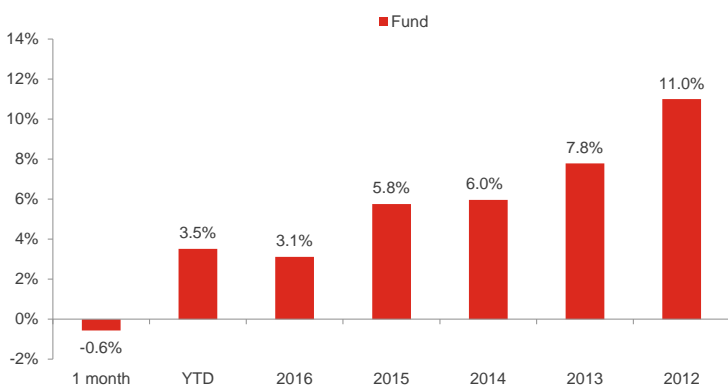
Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651984873</b>	Price per share A Class: <b>EUR 1.2670</b>
Currency: <b>EUR</b>	ISIN B Class: <b>LU0651984956</b>	Price per share B Class: <b>EUR 1.1939</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class: <b>LU0651985094</b>	Price per share C Class: <b>EUR 1.3346</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class: <b>LU0651985177</b>	Price per share D Class: <b>EUR 1.3519</b>
Minimum investment: <b>Share classes A, B, C &amp; D: USD 7,500 (EUR equivalent)</b>	Subscriptions / redemptions: <b>daily</b>	Momentum Global Funds AUM: <b>EUR 516.5 million</b>
Investment timeframe: <b>3 years +</b>	Website: <b>harmonypportfolios.com</b>	Europe Diversified Fund AUM: <b>EUR 24.6 million</b>

## Investment objective

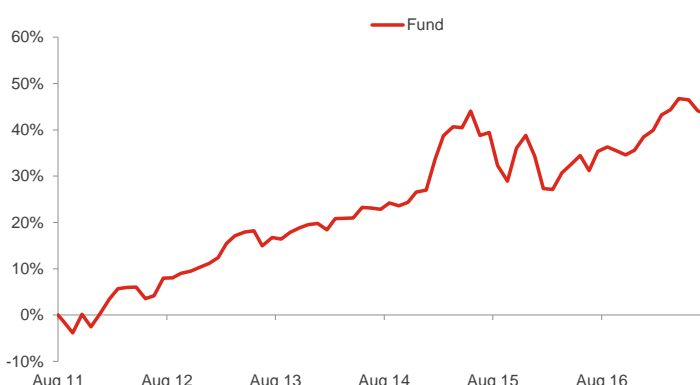
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

## Fund performance



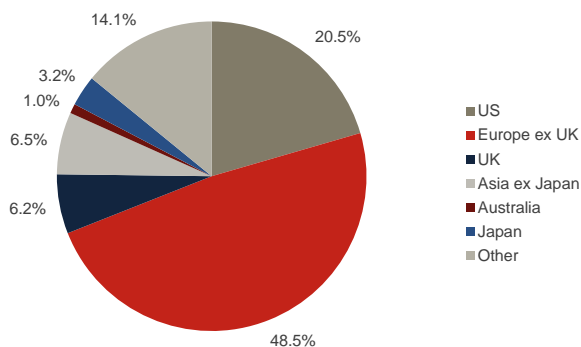
## Cumulative returns (since inception, 12 August 2011)



## Investment statistics (since inception, 12 August 2011)

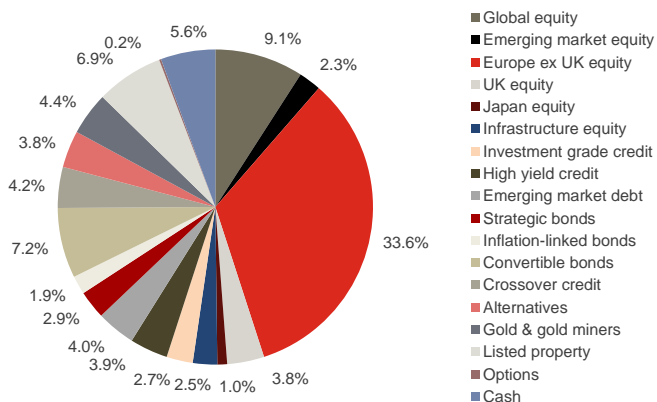
	Cumulative	Annualised
Current month return	-0.6%	-
Year-to-date return	3.5%	-
1 year return	5.9%	-
3 year return	16.7%	5.3%
5 year return	32.8%	5.8%
Since inception return	43.3%	6.2%
<hr/>		
Annualised volatility:	7.3%	

## Regional allocation

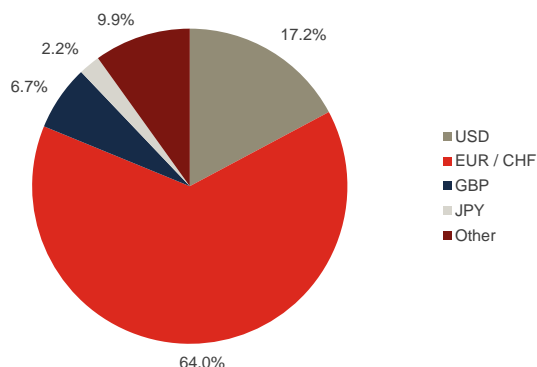


The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance.

## Strategy allocation



## Currency allocation



## ■ Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	19.1%
FP Crux European Special Situations	Equity	14.5%
Third Avenue Real Estate Value	Property	5.9%
Cash	Cash	5.6%
Muzinich Enhanced Yield Short-Term (EUR hedged)	Fixed Income	4.2%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.0%
Artisan Global Value	Equity	4.0%
Schroder UK Recovery	Equity	3.8%
iShares Physical Gold ETC USD	Commodities	3.8%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	2.9%
MI TwentyFour Dynamic Bond	Fixed Income	2.9%
BlackRock US Corporate Bond Index	Fixed Income	2.7%
Maple-Brown Abbott Global Infrastructure	Property	2.5%
RWC Asia Convertibles (EUR hedged)	Fixed Income	2.3%
Jennison Global Equity Opportunities	Equity	2.0%
RWC Global Convertibles (EUR hedged)	Fixed Income	2.0%
GSAM Global Strategic Macro Bond (EUR hedged)	Alternatives	1.9%
F&C Global Equity Market Neutral	Alternatives	1.9%
US TIPS	Fixed Income	1.9%
Heptagon Kopernik Global All-Cap Equity	Equity	1.6%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	1.6%
Dimensional Emerging Markets Value	Equity	1.4%
Chinook Global Convertible Bond (GBP hedged)	Fixed Income	1.3%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	1.0%
BlackRock Developed Real Estate	Property	1.0%
Amundi ETF JPX-Nikkei 400 JPY	Equity	1.0%
Sands Capital Emerging Markets Growth	Equity	0.9%
Morgan Stanley Global Brands	Equity	0.8%
Morgan Stanley UK Global Brands	Equity	0.7%
iShares Gold Producers	Equity	0.6%
S&P 500 Option 15/Dec/2017	Options	0.1%
S&P 500 Option 30/Nov/2017	Options	0.1%

Source: Bloomberg, Momentum Global Investment Management.

## ■ Manager commentary

We further increased our small position in put options on the S&P 500 during July, after purchasing similar amounts in the previous two months. The new options will expire two weeks later in mid-December and have a higher strike level; on each occasion we purchased at-the-money options with approximately six months to expiry. The pay-outs at maturity will be based on the level of the S&P 500 index relative to when we purchased the options. If the index is lower at the expiry date then the pay-out will be positive, otherwise the options will expire worthless. We have taken these positions on the basis that put options offer cheap protection at a time when markets generally appear somewhat complacent, partly evidenced by very low implied volatility (which itself results in option prices being much lower than usual). We believe the current bull market in equities has further to run and so do not intend to reduce our equity holdings, but we would not be surprised to see markets experience a correction before too long. Furthermore, US equity market valuations are relatively high and the S&P 500 options market is one of the most liquid in the world; additional factors that make this an appealing, low-cost protection strategy.

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.

The fund is not managed with reference to a benchmark, but its performance may be measured against one.

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 Euro Balanced Incorporated Cell (IC) within the Momentum Mutual Fund.

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.