

Harmony Sterling Balanced Fund

month ended 31 August 2017

Fund details

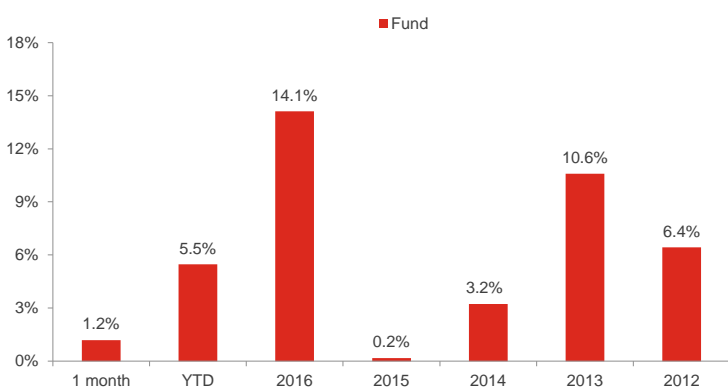
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651985250	Price per share A Class: GBP 1.5150
Currency: GBP	ISIN B Class: LU0651985334	Price per share B Class: GBP 1.4366
Inception date (fund): 12 August 2011	ISIN C Class: LU0651985417	Price per share C Class: GBP 1.4823
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651985508	Price per share D Class: GBP 1.4040
Minimum investment: Share classes A, B, C & D: USD 7,500 (GBP equivalent)	Subscriptions / redemptions: daily	Momentum Global Funds AUM: GBP 473.8 million
Investment timeframe: 3 years +	Website: harmonyportfolios.com	Sterling Balanced Fund AUM: GBP 103.2 million

Investment objective

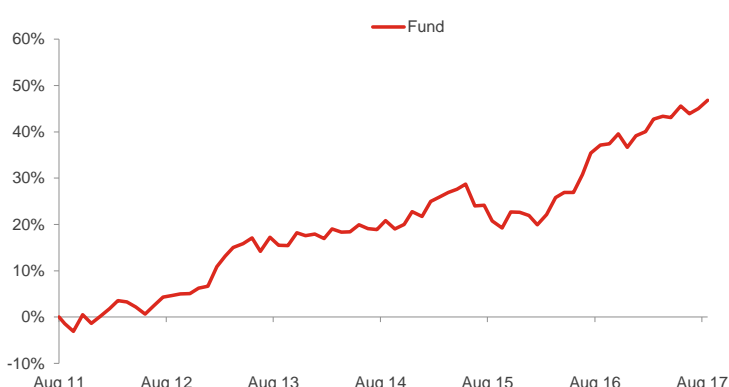
The portfolio will be biased to investments in the United Kingdom, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in sterling with a reduced level of volatility, via strategic exposures to a wide range of asset 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)



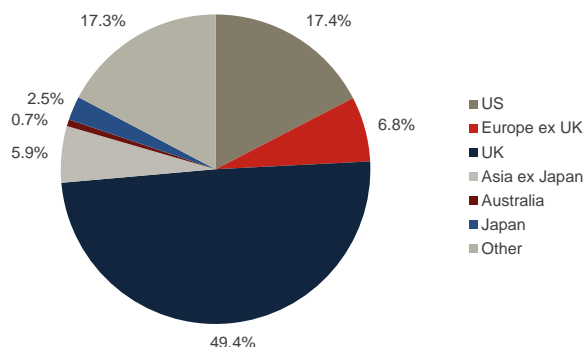
Investment statistics (since inception, 12 August 2011)

	Cumulative	Annualised
Current month return	1.2%	-
Year-to-date return	5.5%	-
1 year return	7.0%	-
3 year return	21.5%	6.7%
5 year return	40.3%	7.0%
Since inception return	46.8%	6.5%

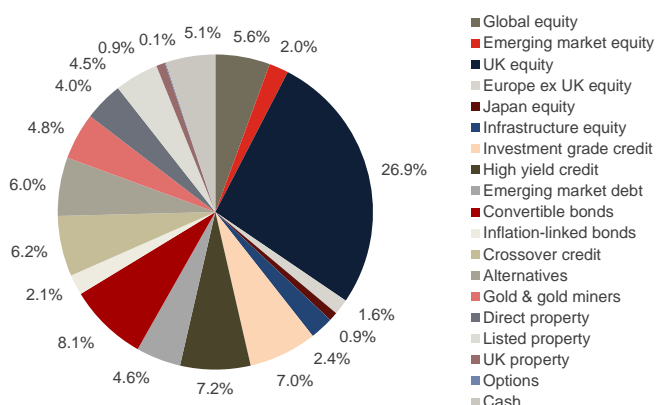
Annualised volatility: 5.5%

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.

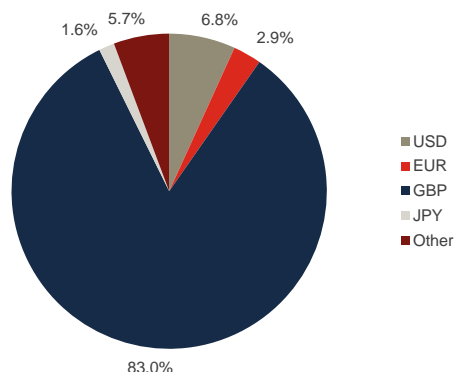
Regional allocation



Strategy allocation



Currency allocation



Holdings

Holdings	Asset type	Weight
Schroder UK Recovery	Equity	8.4%
CF Lindell Train UK Equity	Equity	6.3%
Muzinich EnhancedYield Short-Term (GBP hedged)	Fixed Income	6.2%
Evenlode Income	Equity	6.1%
RWC Income Opportunities (GBP hedged)	Equity	6.1%
BlackRock UK Corporate Bond Index	Fixed Income	5.3%
AXA US Short Duration High Yield (GBP hedged)	Fixed Income	5.2%
Cash	Cash	5.1%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.6%
iShares Physical Gold ETC USD	Commodities	4.2%
Ediston Property Investment Co	Property	4.0%
Third Avenue Real Estate Value	Property	3.3%
RWC Global Convertibles (GBP hedged)	Fixed Income	2.8%
Chinook Global Convertible Bond (GBP hedged)	Fixed Income	2.4%
Maple-Brown Abbott Global Infrastructure	Property	2.4%
Heptagon Kopernik Global All-Cap Equity	Equity	2.3%
US TIPS	Fixed Income	2.1%
F&C Global Equity Market Neutral	Alternatives	2.1%
Muzinich EM Short Duration (GBP hedged)	Fixed Income	2.0%
Neuberger Berman Uncorrelated Strategies	Alternatives	2.0%
RWC Asia Convertibles (GBP hedged)	Fixed Income	1.9%
GSAM Global Strategic Macro Bond (GBP hedged)	Alternatives	1.9%
BlackRock US Corporate Bond Index	Fixed Income	1.7%
FP Crux European Special Situations	Equity	1.6%
Jennison Global Equity Opportunities	Equity	1.6%
BlackRock Developed Real Estate	Property	1.2%
Sands Capital Emerging Markets Growth	Equity	1.0%
Dimensional Emerging Markets Value	Equity	1.0%
Westwood Strategic Global Convertibles (GBP hedged)	Fixed Income	1.0%
Schroder Real Estate Investment Trust	Property	0.9%
Artisan Global Value	Equity	0.9%
Amundi ETF JPX-Nikkei 400 JPY	Equity	0.9%
Morgan Stanley Global Brands	Equity	0.8%
iShares Gold Producers	Equity	0.6%
S&P 500 Option 15/Dec/2017	Options	0.1%

Source: Bloomberg, Momentum Global Investment Management.

Manager commentary

We began implementing several asset allocation and manager selection changes in the Portfolio during August, in order to incorporate three new liquid alternative strategies. These adjustments are being made to enhance the diversification of the portfolios into asset classes which are non-correlated with traditional assets and may provide some protection in more difficult market conditions. They will be completed during early September and will result in a higher allocation to liquid alternative strategies, of between 5%-10% of each Portfolio depending on the risk profile and currency/regional focus, which will be balanced by slightly lower convertible bond and corporate credit allocations. These strategies are all highly liquid, highly transparent and are accessible via UCITS funds with fees comparable to those of more traditional managers. Our team at Momentum have conducted extensive investment and operational due diligence ahead of the decision to allocate to these strategies. A short introduction to each new strategy follows.

The Allianz Structured Return strategy buys and sells liquid exchange traded options on the S&P 500 index with the aim of generating a net return of 4-6% per annum with low volatility. The strategy seeks to take advantage of fundamentally mispriced options; it does not take speculative positions, does not sell volatility outright and is not a directional strategy. Such mispricing arises due to irrational investor behaviour – investors typically pay-up for protection after the event – and from a persistent risk premium attached to put (downside) protection by certain investors that need to limit downside risk.

The Aberdeen Liquid Alternative Multi Asset Risk Premia strategy aims to harness well-established alternative risk premia via Goldman Sachs' proprietary indices. Such risk premia should have little to no correlation with traditional long only asset classes. The portfolio currently includes 18 risk premia strategies across equities, fixed income, currencies and commodities with a return objective of 7% above cash per annum and a volatility target of 10%. The strategy is managed by the alternatives team at Aberdeen Standard Investments which includes 26 investment professionals and is supported by a risk management team, an operational due diligence team and a portfolio construction team.

Neuberger Berman Uncorrelated Strategies is a multi-strategy alternatives fund that uses specialist, third party hedge fund managers to construct a diversified portfolio. The management team, based in New York and London, aims to generate uncorrelated returns of 5% above cash per annum over the course of a market cycle by investing in strategies that are expected to have no persistent correlation to traditional asset classes. There are currently five underlying managers that follow strategies including statistical arbitrage, trend following and macro.

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 Sterling 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.