

Harmony Asian Balanced Fund

Fund details

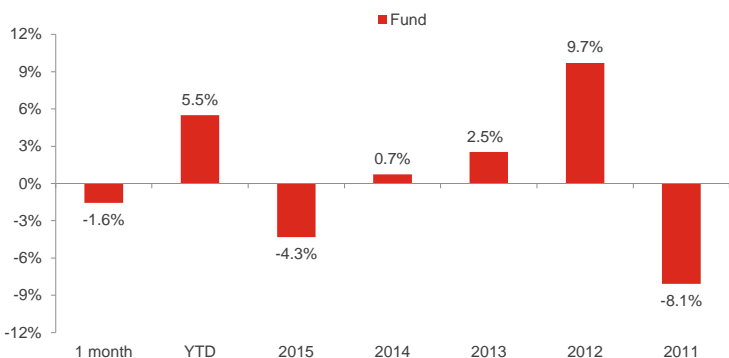
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651983552	Price per share A Class: USD 1.0030
Currency: USD	ISIN B Class: LU0651983636	Price per share B Class: USD 1.0613
Inception date (fund): 12 August 2011	ISIN C Class: LU0651983719	Price per share C Class: USD 1.0947
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651983800	Price per share D Class: USD 1.0602
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

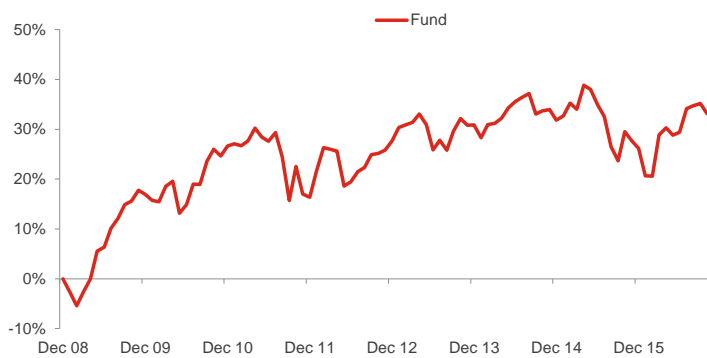
The portfolio will be biased to investments in markets of developed Asian and emerging Asian countries, but could also hold investments outside these countries. The portfolio aims to provide a balance between capital preservation and capital growth with a reduced level of volatility, via strategic exposures 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



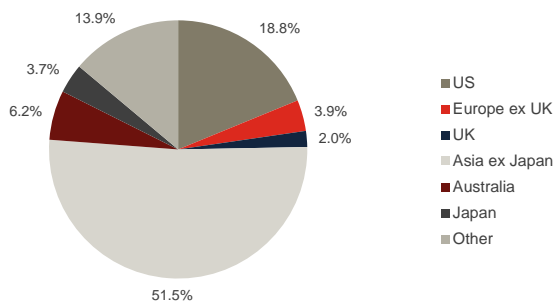
Holdings

Holdings	Asset type	Weight
Fullerton Asian Currency Bonds	Fixed Income	18.5%
Cash	Cash	12.4%
Prusik Asian Equity Income	Equity	7.3%
RWC Asia Convertibles (USD hedged)	Fixed Income	7.2%
Third Avenue Real Estate Value	Property	5.6%
Hereford Firth Asian Value	Equity	4.6%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.1%
Maple-Brown Abbott Asia ex-Japan	Equity	4.1%
Cadence Strategic Asia	Equity	4.1%
Sands Capital Emerging Markets Growth	Equity	4.0%
AXA US Short Duration High Yield	Fixed Income	3.8%
Pacific Assets Trust	Equity	3.3%
Aberdeen Australasian Equity	Equity	2.8%
Heptagon Kopernik Global All-Cap Equity	Equity	2.3%
Polar Capital Japan (USD hedged)	Equity	2.2%
AXA US High Yield	Fixed Income	2.0%
BlackRock Developed Real Estate	Property	1.9%
Goldman Sachs EFl Long Short Risk Premia Portfolio	Alternatives	1.6%
Artisan Global Value	Equity	1.5%
American Century Concentrated Global Growth	Equity	1.4%
Morgan Stanley Global Brands	Equity	1.4%
FP Crux European Special Situations	Equity	1.4%
Westwood Strategic Global Convertibles (USD hedged)	Fixed Income	1.1%
Schroder UK Recovery	Equity	1.0%
iShares Gold Producers	Commodities	0.4%

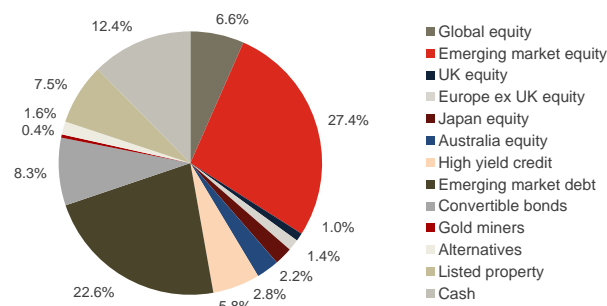
Investment statistics (since 1 January 2009)

Current month return:	-1.6%
Cumulative return:	33.1%
Annualised return:	3.7%
Annualised volatility:	8.7%

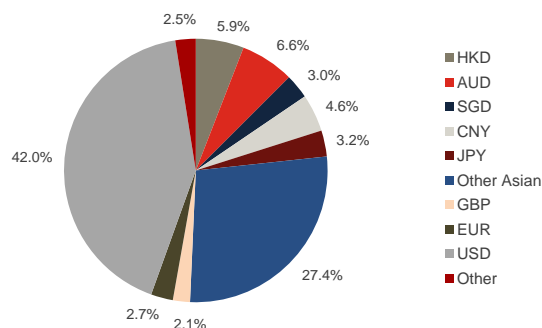
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

Throughout October, the world's attention was firmly focused on the build-up to the US election. Markets broadly followed the ebbs and flows of each candidate's campaign momentum. As such the announcement that the FBI was to re-open its investigation into then candidate Hillary Clinton's email account led to a wave of risk aversion and portfolio hedging throughout global markets. The S&P 500 index fell 1.9% over the month, whilst European stocks lost 1.0%. The UK was an outlier, gaining 0.9% in sterling terms, although this was largely due to the pound depreciating by 5.6% versus the US dollar over the month. This happened after the UK Prime Minister Theresa May's announcement that Article 50 would be triggered before March next year, along with general mutterings of an inevitable 'hard' Brexit. Since then however, the UK High Court's ruling that parliament must vote in favour of triggering Article 50, as well as the surprising result of the aforementioned US election, has helped sterling recover from early month lows of USD 1.21 to finish the week of the election at circa USD 1.26.

The Harmony Asian Balanced fund fell 1.6% in October in US dollar terms net of fees, reducing the year to date return to 5.5%. This outcome largely reflected the 1.7% decline in Asia Pacific ex Japan equity markets as well as significant US dollar strength, which translated into lower dollar values for overseas holdings. Manager selection within the equity portion of the fund contributed to performance but not by enough to offset these factors. Across equity markets cyclical sectors generally outperformed, in particular financials, energy and materials. The fund's holdings in value orientated strategies managed by Maple Brown Abbott, Polar, Artisan and Schroders, which together represent almost 10% of the fund, outperformed their respective market indices as a result of having meaningful exposure to these areas. Polar contributed the largest absolute gain, up 7.6%, ahead of the strong return of 5.2% for the Japanese equity market. The bond portion of the portfolio proved slightly more resilient as a result of gains from US high yield and convertible bond holdings. Although aggregate performance of the fund's fixed income holdings was still negative, this outcome was considerably better than the 2.0% and 3.3% falls in Asian and global government bonds respectively over the month.

The bounce in sterling has gone relatively unnoticed, however, as all eyes are now on Donald Trump and his remarkable victory in the US election. The strength of his mandate and his campaign rhetoric suggests that fiscal spending will be materially higher and policy more expansionary, underpinning growth in the US. With inflation likely to move higher, government bonds appear over-valued, despite the rises in yields in the past month. Safe haven assets such as gold have increasing appeal. However, the more extreme concerns about a Trump Presidency are almost certainly misplaced and we see no reason for taking a materially more defensive stance in portfolio construction than before the election. A Trump victory is undoubtedly a shock for markets. Uncertainty surrounding the future direction of US policy is likely to result in heightened market volatility for some time to come. We would not recommend selling into this volatility. We are outcome based investment managers, constructing well diversified portfolios in order to minimise the potential detrimental impact that specific global events could have on returns in order to help clients to stay invested. While some asset classes will no doubt be adversely impacted by the global trend of political disaffection and anti-globalisation, other assets are likely to offer offsetting benefits. As always, we continuously aim to utilise opportunities to increase exposure to asset classes that are unfairly punished by risk events in striving to increase the long-term financial wellness of our clients, whilst making their journey to that outcome as palatable as possible.

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 Asian Balanced Incorporated Cell (IC) within the Momentum Mutual Fund. The historical performance of the Harmony Asian Balanced 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.