

Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

Fund details

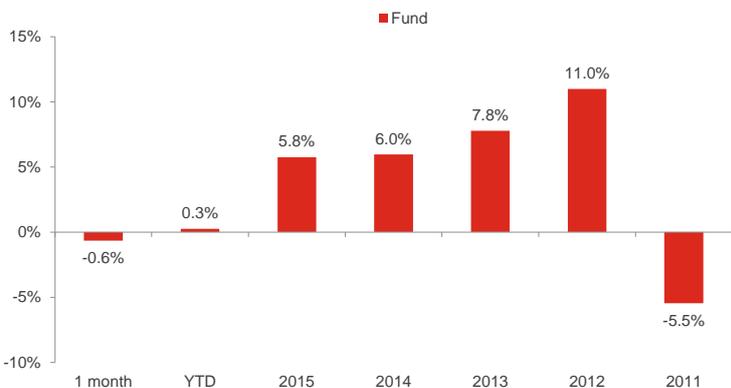
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984873	Price per share A Class: EUR 1.1900
Currency: EUR	ISIN B Class: LU0651984956	Price per share B Class: EUR 1.1214
Inception date (fund): 12 August 2011	ISIN C Class: LU0651985094	Price per share C Class: EUR 1.2583
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651985177	Price per share D Class: EUR 1.2798
Minimum investment: Share classes A, B, C & D: USD 7,500 (EUR equivalent)	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

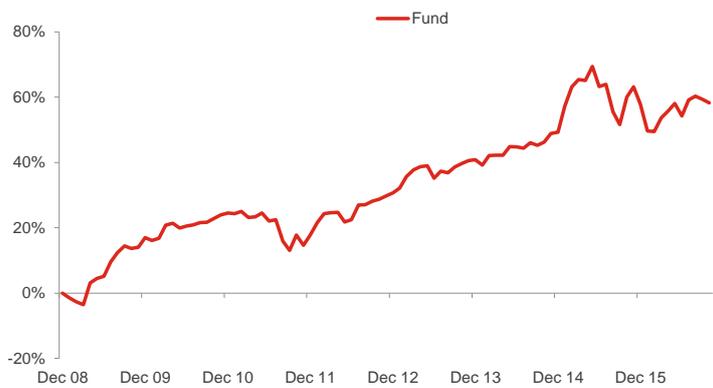
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance



Cumulative returns



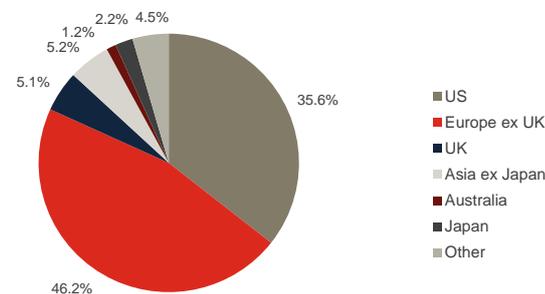
Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	19.1%
FP Crux European Special Situations	Equity	14.5%
Muzinich EnhancedYield Short-Term (EUR hedged)	Fixed Income	8.1%
Third Avenue Real Estate Value	Property	5.8%
Artisan Global Value	Equity	4.8%
Cash	Cash	4.7%
BlackRock US Corporate Bond Index	Fixed Income	4.3%
MI TwentyFour Dynamic Bond	Fixed Income	4.3%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	4.0%
Schroder UK Recovery	Equity	3.4%
American Century Concentrated Global Growth	Equity	3.1%
RWC Global Convertibles (EUR hedged)	Fixed Income	3.1%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.1%
Dimensional Emerging Markets Value	Equity	2.8%
First State Global Listed Infrastructure	Equity	2.5%
RWC Asia Convertibles (EUR hedged)	Fixed Income	2.3%
AXA US High Yield (EUR hedged)	Fixed Income	2.1%
Heptagon Kopernik Global All-Cap Equity	Equity	2.0%
Goldman Sachs EFI Long Short Risk Premia (EUR hedged)	Alternatives	1.7%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	1.5%
Morgan Stanley Global Brands	Equity	1.5%
BlackRock Developed Real Estate	Property	1.0%
iShares Gold Producers	Commodities	0.3%

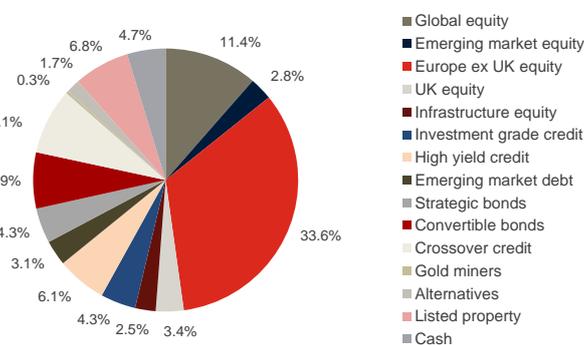
Investment statistics (since 1 January 2009)

Current month return:	-0.6%
Cumulative return:	58.3%
Annualised return:	6.0%
Annualised volatility:	7.4%

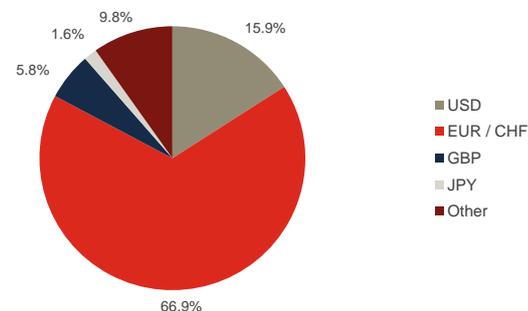
Regional allocation



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 Europe Diversified fund fell 0.6% in October in euro terms net of fees. This reduced the year to date gain to 0.3%, which compares to a 3.7% decline for European equity markets. European equity markets were flat in October despite many sectors being down as the financials sector experienced a significant bounce. The fund's continental European equity managers have limited financials exposure and so underperformed, but their positioning has benefited performance over the course of this year given the large declines posted by European financials, particularly banks. European sector returns were mirrored to varying degrees across most global markets as cyclical sectors generally outperformed, particularly financials, energy and materials. The fund's holdings in Artisan and Schroders, which together represent approximately 8% of the fund, outperformed their respective market indices as a result of having meaningful exposure to these areas. The small emerging market equity holding managed by Dimensional benefited from the same theme and gained 4.5% over the month. Meanwhile, the fixed income portion of the portfolio proved relatively resilient driven by gains from US corporate bond and hard currency emerging market debt holdings, although to a large extent these were driven by translation effects on the back of US dollar strength. The fund continues to have no exposure to developed market sovereign bonds on valuation grounds, which proved beneficial in October as yields raced higher leading to a 3.3% decline for European government bonds.

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 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.