

Harmony Sterling Growth Fund

Fund details

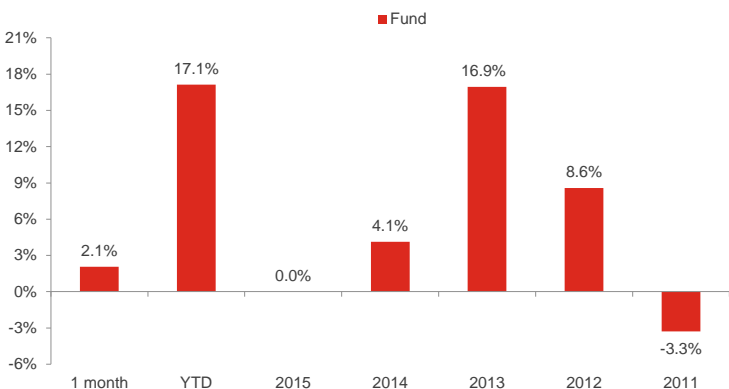
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|--|---|--|
| Investment manager: Momentum Global Investment Management | ISIN A Class: LU0651985680 | Price per share A Class: GBP 1.6073 |
| Currency: GBP | ISIN B Class: LU0651985763 | Price per share B Class: GBP 1.6434 |
| Inception date (fund): 12 August 2011 | ISIN C Class: LU0651985847 | Price per share C Class: GBP 1.6022 |
| Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS) | ISIN D Class: LU0651985920 | Price per share D Class: GBP 1.5535 |
| Minimum investment: Share classes A, B, C & D: USD 7,500 (GBP equivalent) | Subscriptions / redemptions: daily | Investment timeframe: 5 years + |

Investment objective

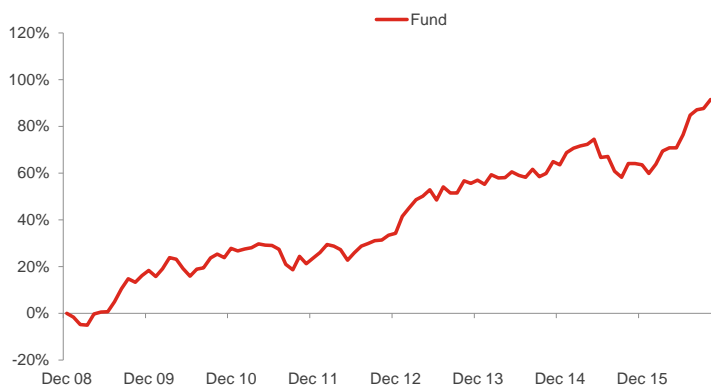
The portfolio will be biased to investments in the United Kingdom, but could also hold investments outside this country. The portfolio aims to provide capital growth in sterling terms but with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance



Cumulative returns



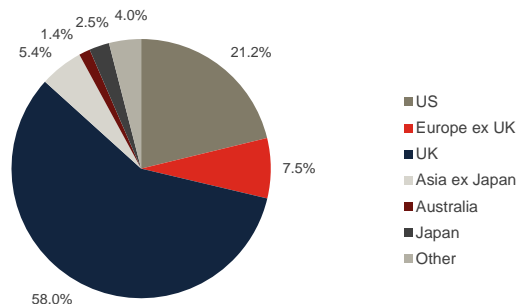
Holdings

| Holdings | Asset type | Weight |
|---|--------------|--------|
| Evenlode Income | Equity | 12.1% |
| Schroder UK Recovery | Equity | 11.4% |
| CF Lindsell Train UK Equity | Equity | 10.8% |
| RWC Income Opportunities (GBP hedged) | Equity | 10.2% |
| Cash | Cash | 10.2% |
| Artisan Global Value | Equity | 4.2% |
| Ediston Property Investment Co | Property | 3.3% |
| Dimensional Emerging Markets Value | Equity | 3.3% |
| BlackRock UK Corporate Bond Index | Fixed Income | 3.2% |
| Heptagon Kopernik Global All-Cap Equity | Equity | 3.1% |
| Third Avenue Real Estate Value | Property | 3.1% |
| FP Crux European Special Situations | Equity | 3.0% |
| AXA US Short Duration High Yield (GBP hedged) | Fixed Income | 2.7% |
| First State Global Listed Infrastructure | Equity | 2.4% |
| Morgan Stanley Global Brands | Equity | 2.4% |
| iShares JP Morgan Emerging Markets Bond | Fixed Income | 2.3% |
| American Century Concentrated Global Growth | Equity | 2.2% |
| RWC Asia Convertibles (GBP hedged) | Fixed Income | 1.9% |
| RWC Global Convertibles (GBP hedged) | Fixed Income | 1.9% |
| AXA US High Yield (GBP hedged) | Fixed Income | 1.9% |
| Goldman Sachs EFl Long Short Risk Premia (GBP hedged) | Alternatives | 1.5% |
| BlackRock Developed Real Estate | Property | 1.0% |
| Westwood Strategic Global Convertibles (GBP hedged) | Fixed Income | 0.8% |
| Schroder Real Estate Investment Trust | Property | 0.6% |
| iShares Gold Producers | Commodities | 0.5% |

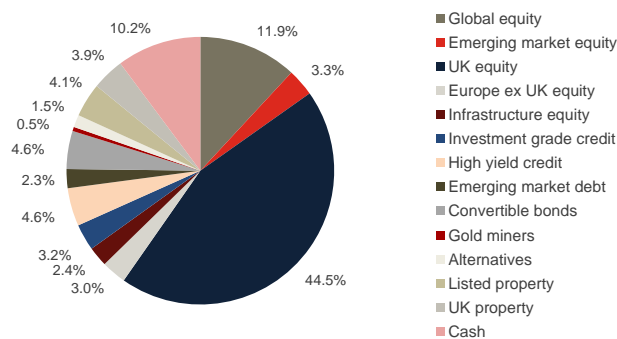
Investment statistics (since 1 January 2009)

| | |
|------------------------|-------|
| Current month return: | 2.1% |
| Cumulative return: | 91.5% |
| Annualised return: | 8.6% |
| Annualised volatility: | 8.0% |

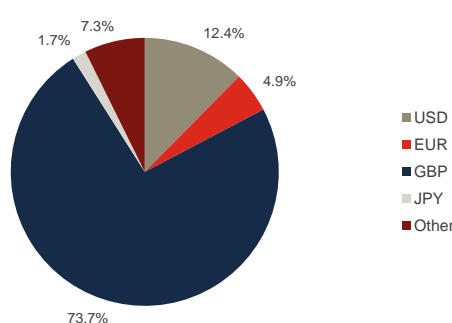
Regional allocation



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 Sterling Growth fund returned 2.1% in October in sterling terms net of fees, increasing the year to date return to 17.1%. Performance was driven by the equity portion of the portfolio, as the UK market furthered its recent gains and weakness in Sterling more than offset small declines in some international markets. Cyclical sectors generally outperformed, in particular financials, energy and materials, which made strong gains in the UK while all other sectors declined. The fund's holdings in Artisan and Schroders, which together represent approximately 15% of the fund, benefited from their meaningful exposure to these areas, returning 5.9% and 4.6% respectively. The small emerging market equity holding managed by Dimensional benefited from the same theme and gained 8.4% over the month. The property portion of the portfolio also delivered strong returns, driven by the Ediston investment trust holding which gained 6.6% following an update to their portfolio valuation which exceeded market expectations. We have recently been increasing exposure to another UK commercial property investment trust where the market is presenting us with an opportunity to build a position at a meaningful discount to the latest stated portfolio value. Meanwhile, the fixed income portion of the portfolio contributed a small gain driven by US corporate bond and hard currency emerging market debt holdings which more than offset weakness from UK corporate bond holdings. The fund continues to have no exposure to UK government bonds on valuation grounds, which proved beneficial in October as yields raced higher leading to a 4.1% decline for gilts.

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 Sterling Growth Incorporated Cell (IC) within the Momentum Mutual Fund. The historical performance of the Harmony Sterling Growth IC is shown from the 1st 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.