

# Harmony Sterling Balanced Fund (Class E)

31 December 2024

This is a marketing communication for professional advisors only

## Investment objective\*

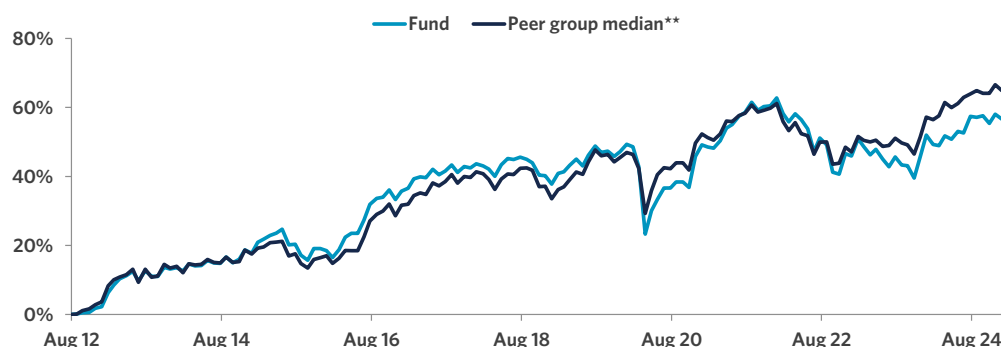
The portfolio will be biased to investments in the United Kingdom, but could also hold investments outside this country.

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.

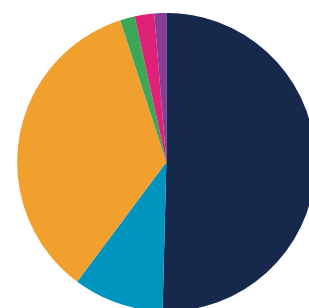
## Manager commentary

- » In December, portfolio activity was elevated as interesting opportunities as well as new risks presented themselves.
- » Firstly, we were of the view that markets were underestimating the stickiness of inflation and both inflation expectations and bond yields were going to move higher in the coming weeks. So, within government bonds, we shifted some exposure from long duration bonds to the central part of the yield curve, lowering the average maturity of our bond allocation and being less exposed to the risk of rising bond yields.
- » Still within fixed income, we took from investment grade bonds and reallocated to convertible bonds, a view that both us and our AI-driven allocation tool agreed on. Convertibles are an asset class we have been tactical about for a few years (last held during and after the COVID pandemic), and now they offer good diversification benefits thanks to their convexity (downside protection of a corporate bonds, upside potential of a stock), which comes useful in periods of volatile markets like today.
- » Within equities, we added a new manager, the Schroder Emerging Markets Value fund. Run by an experienced, focused and diverse duo of managers, this strategy aims to outperform markets by selecting stocks that trade at discount to intrinsic value and that can withstand period of volatility through decent cash generation. This new investment was financed by reducing existing managers, to form what we now think being a much better and stable blend of active strategies.
- » The net result, was a reduction in cash, which we had been holding onto in the previous months whilst waiting for the right opportunity to spend it.

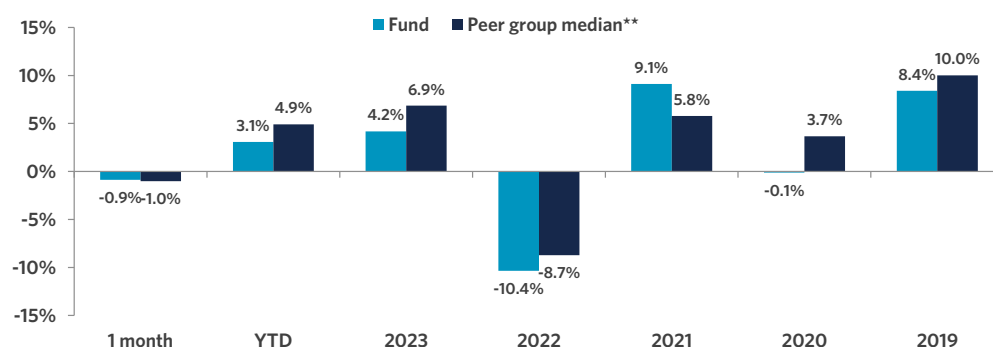
## Cumulative returns (since inception, 06.08.2012)



## Strategy allocation



## Fund performance



## Cumulative performance (%)

Mtd	Ytd	1 yr	3 yrs	5 yrs	Since inception
(0.9)	3.1	3.1	(3.8)	4.9	56.6

## Discrete annual performance (%)

Dec 23 - 24	Dec 22 - 23	Dec 21 - 22	Dec 20 - 21	Dec 19 - 20	Annualised volatility
3.1	4.2	(10.4)	9.1	(0.1)	7.6

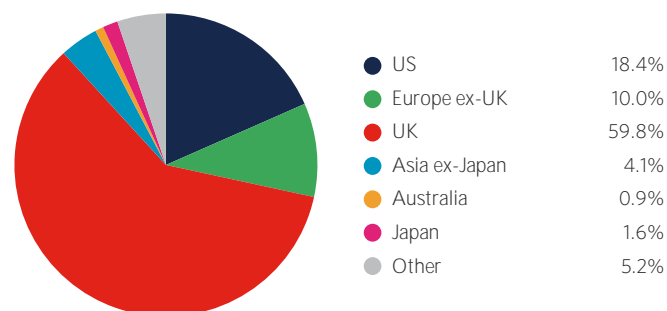
<b>Equities</b>	<b>50.4%</b>
United Kingdom equity	40.8%
Asia ex-Japan equity	4.3%
Europe ex-UK equity	1.6%
North America equity	1.3%
Japan equity	1.0%
Other equity	0.8%
Australasia equity	0.6%
<b>Specialist assets</b>	<b>9.8%</b>
Private equity	3.8%
Infrastructure	3.8%
Property	2.0%
Specialist financials	0.3%
<b>Fixed income</b>	<b>34.8%</b>
Government bonds	13.3%
Investment grade credit	6.9%
Emerging market debt	3.9%
Inflation-linked bonds	3.6%
High yield credit	2.2%
Convertible bonds	2.0%
Asset backed securities	1.9%
Loans	1.0%
<b>Commodities</b>	<b>1.6%</b>
<b>Alternatives</b>	<b>2.1%</b>
<b>Cash &amp; equivalents</b>	<b>1.3%</b>

Important Information - All data sourced from Momentum Global Investment Management, J.P. Morgan SE - Luxembourg Branch, Bloomberg Finance L.P. Allocations subject to change. \*There can be no assurance that the Fund will achieve its investment objective. Please refer to the Prospectus for full details of the Fund, its charges, the investment objective and investment policy. \*\*The Peer group median return is a composite of (i) global peers and (ii) local peers, in the ratio 1:2. This weighting methodology is consistent with the "normal" asset allocation of the Fund, with a two-thirds bias towards "home" country assets and currencies. Past performance is not a guide to future performance.

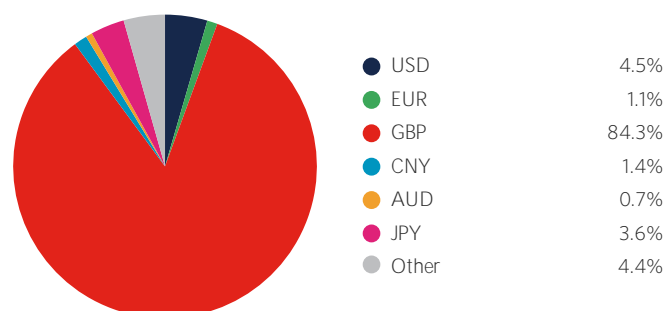
## Portfolio holdings

<b>Equities</b>	<b>50.4%</b>
IFSL Evenlode Income	13.4%
UK Direct Equities <sup>a</sup>	9.4%
iShares FTSE 100	7.4%
TM Redwheel UK Equity Income	7.4%
Robeco QI Emerging Markets Enhanced Index Equities	3.1%
Jennison Global Equity Opportunities	1.9%
iShares Core MSCI Europe GBP ETF	1.7%
Hereford Bin Yuan Greater China	1.6%
iShares Core S&P 500 ETF	1.0%
Robeco Multi-Factor Global Equity	0.9%
Morant Wright Fuji Yield	0.6%
iShares MSCI Australia	0.5%
Amundi MSCI Japan ETF	0.5%
Morgan Stanley Global Sustain	0.4%
Hotchkis & Wiley Global Value	0.1%
Rainier International SMID Cap Growth	0.1%
Granahan US Focused Growth	0.1%
Artisan Global Value	0.1%
Contrarius Global Equity	0.1%
Paradise Global SMID Cap	0.1%
<b>Specialist assets</b>	<b>9.8%</b>
Momentum Real Assets Growth & Income	1.1%
International Public Partnerships	1.0%
Life Science REIT	0.8%
Chrysalis Investments	0.8%
Oakley Capital Investments	0.6%
iShares Developed Real Estate Index	0.6%
Maple-Brown Abbott Global Infrastructure	0.6%
Schroder Capital Global Innovation Trust	0.6%
Molten Ventures	0.5%
Cordiant Digital Infrastructure	0.5%
Partners Group Private Equity	0.5%
Greencoat UK Wind	0.5%
Syncona	0.5%
Gore Street Energy Storage	0.4%
Foresight Environmental Infrastructure	0.3%
AEW UK REIT	0.3%
Digital 9 Infrastructure	0.2%
<b>Fixed Income</b>	<b>34.8%</b>
iShares Global Corp Bond	6.9%
UK Gilts	5.9%
US Treasury Bonds	4.7%
HSBC Global Emerging Market Government Bond Index	3.9%
US TIPS	3.6%
iShares EUR Govt Bond Climate	2.7%
Redwheel Global Convertibles	2.0%
TwentyFour Income	1.9%
Jupiter Financials Contingent Capital	1.1%
Candriam Global High Yield	1.1%
Sequoia Economic Infrastructure Income	1.0%
<b>Commodities</b>	<b>1.6%</b>
WisdomTree Core Physical Gold ETC	1.6%
<b>Alternatives</b>	<b>2.1%</b>
Neuberger Berman Uncorrelated Strategies	2.1%
<b>Cash &amp; equivalents</b>	<b>1.3%</b>
Cash	1.3%

## Geographic allocation



## Currency allocation



## Key information

Investment manager	Momentum Global Investment Management
Currency	GBP
Inception date	06 August 2012
Minimum investment	USD 250,000 (GBP equivalent)
Investment horizon	5 years +
Subscriptions/redemptions	Daily
ISIN	LU0795380863
Peer group source	Bloomberg Finance L.P.
Price per share (NAV)	GBP 1.5664

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This is a marketing communication. This document does not provide all the facts needed to make an informed investment decision. Prior to investing, investors should read the Key Information Document (KID) and seek professional investment advice where appropriate. KIDs and the Prospectus are available in English at [momentum.co.uk](http://momentum.co.uk).

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