

# Harmony Portfolios Update

August 2021

**momentum**  
global investment management

Signatory of:

**PRI** Principles for  
Responsible  
Investment



# Harmony Portfolios performance



to 31 July 2021

	Annualised returns					
	1 month	6 months	YTD	1 year	5 years	Since inception
Harmony Asian Growth A USD	-1.6%	4.8%	3.9%	20.1%	5.8%	4.6%
Harmony Asian Balanced A USD	-0.7%	3.1%	2.6%	14.3%	4.4%	2.9%
Harmony US Dollar Growth A USD	1.1%	10.4%	10.8%	24.4%	8.3%	7.3%
Harmony US Dollar Balanced A USD	1.0%	7.1%	7.6%	17.2%	6.3%	5.3%
Harmony Sterling Growth A GBP	0.4%	8.2%	8.7%	20.6%	4.5%	6.6%
Harmony Sterling Balanced A GBP	0.7%	6.2%	6.7%	15.9%	3.6%	4.9%
Harmony Australian Dollar Growth A AUD	1.6%	10.1%	10.3%	17.7%	6.2%	7.2%
Harmony Europe Diversified A EUR	1.2%	11.1%	10.9%	20.0%	4.0%	5.1%
Harmony Cautious Income E USD*	1.2%	5.6%	6.0%	12.6%	-	6.2%
Harmony Global Equity A USD**	0.9%	14.5%	13.8%	36.1%	12.3%	12.9%
Harmony Global Equity Enhanced Index A USD***	1.6%	15.5%	15.6%	31.1%	-	37.4%

Source: Bloomberg Finance L.P., Momentum. Returns to 30 June 2021, net of fees in base currency terms. Past performance is not indicative of future returns. \*Historical performance, figures prior to 12 June 2020, when Momentum IF Global Equity Fund (MIF GEF) merged into the UCITS structure to combine with Momentum GF Global Equity Fund (MGF GEF), comprises three components: i) between 28 February 2009 and 16 December 2019 performance figures reflect MIF GEF A; ii) between 16 December 2019 and 9 January 2020 the performance figures are a composite of MIF GEF A and MGF GEF I on an asset-weighted basis; iii) between 9 January 2019 and 11 June 2020 the performance figures are a composite of MIF GEF I and Harmony Global Equity Fund A (Harmony GEF) on an asset-weighted basis. Historical performance figures for MIF GEF A and MGF GEF I have been adjusted to incorporate the prevailing fees for Harmony GEF. \*\*Harmony Global Enhanced Index Equity Class H has an inception date of June 2020. The value of investments and any income from them may fluctuate and investors may not get back the full amount invested.

# Harmony Performance Summary



to 31 July 2021 – (A Class)

	YTD	2020	2019	2018	2017	2016	Since Inception (ann)
Harmony Asian Balanced USD	4.3%	7.1%	11.0%	-8.8%	14.7%	2.9%	2.9%
Harmony Asian Growth USD	7.0%	8.5%	12.6%	-10.6%	19.2%	3.8%	4.6%
Harmony Australian Dollar Growth AUD	8.9%	-0.9%	16.2%	-3.9%	8.7%	6.9%	7.2%
Harmony Europe Diversified EUR	10.3%	-1.3%	15.7%	-10.8%	5.0%	3.1%	5.1%
Harmony Sterling Balanced GBP	6.0%	-0.3%	8.2%	-4.2%	5.7%	14.1%	4.9%
Harmony Sterling Growth GBP	8.2%	-1.6%	10.8%	-4.9%	7.1%	16.9%	6.6%
Harmony US Dollar Balanced USD	6.6%	6.7%	14.9%	-7.2%	11.9%	5.2%	5.3%
Harmony US Dollar Growth USD	9.7%	7.5%	19.0%	-9.2%	16.1%	5.5%	7.3%
Harmony Cautious Income USD	5.5%	0.6%	-	-	-	-	5.0%
Global Equity USD*	14.5%	11.4%	21.5%	-10.8%	26.5%	5.8%	12.7%
Global Equity Enhanced Index USD**	15.5%	9.4%	24.7%	-9.9%	22.8%	7.9%	8.2%

Past performance is not indicative of future returns. The value of investments involving exposure to foreign currencies can be affected by currency exchange fluctuations. Source: Momentum Global Investment Management and JP Morgan Bank (Luxembourg) S.A., Morningstar. Data represents net performance of share class. Data represents performance of share class. Harmony Global Equity A historical performance, figures prior to 12 June 2020, when Momentum IF Global Equity Fund (MIF GEF) merged into the UCITS structure to combine with Momentum GF Global Equity Fund (MGF GEF), comprises two components: i) between 28 February 2009 and 16 December 2019 performance figures are of MIF GEF A; ii) between 16 December 2019 and 11 June 2020 the performance figures are a composite of MIF GEF A and Harmony GEF A on an asset-weighted basis. \*Harmony Global Equity Class A has an inception date of 9th January 2020, performance for prior periods is based on Class I. \*\*Harmony Global Equity Enhanced Index Class A has an inception date of 4th September 2020, performance for prior periods is based on Class I which has an inception date of 19th May 2020. Data to 31 July 2021.

# Top performance contributors



Year To Date, as of 31 July 2021

## Equity

	• Contrarius Global Equity	+37%
	• Robeco Global Value Equity	+19%
Global Value	• Hotchkis & Wiley Global Equity	+20%
	• Artisan Global Value Equity	+16%
US Value	• Lyrical US Value Equity	+21%
Europe Value	• Magallanes Europe Equity	+21%
	• RWC UK Equity Income	+16%
UK Value	• Schroder UK Recovery	+14%
Private Equity	• Chrysalis Investments Ltd	+33%
	• Dimensional Emerging Markets	+11%
Asia & EM Value	• Prusik Asian Income	+5%

## Fixed Income

- TwentyFour Income Fund +9%

## Real Estate

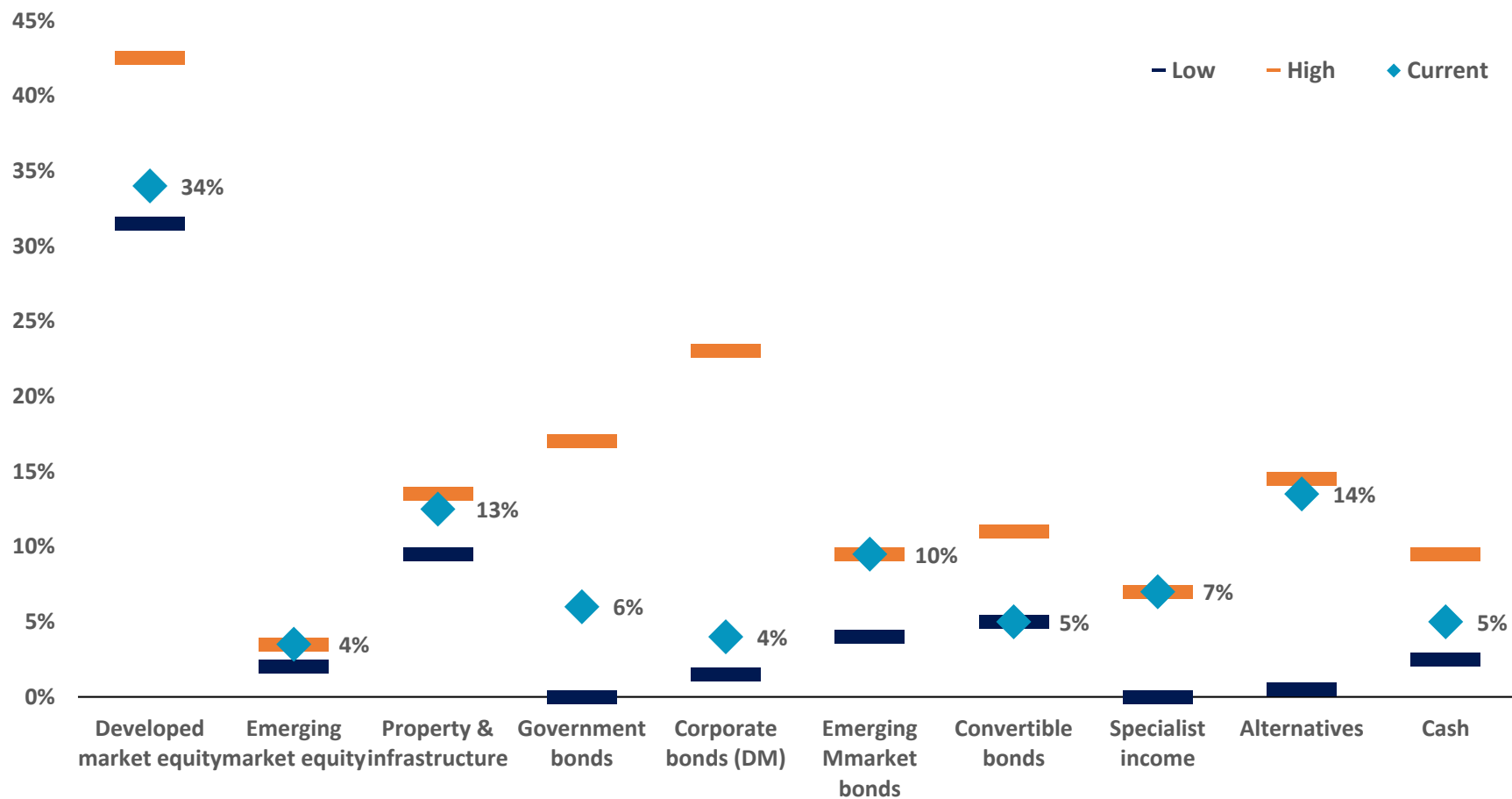
- Third Avenue Global Real Estate +21%

Source: Bloomberg, Momentum. Returns to 31 July 2021, net of fees in base currency terms.

# Portfolio Positioning



## Harmony USD Balanced 5yr Range



# Recent activity



Asset allocation    Manager selection

Date	Holding initiated ● / Increased ▲	Holding sold ◆ / Decreased ▼	Harmony Funds
April	Gore Street Energy Storage Fund	<i>Maple Brown Abbott Global Infrastructure Fund</i> <i>First Sentier Sustainable Global Infrastructure Fund</i>	Sterling portfolios Cautious Income
June	Digital 9 Infrastructure Ltd Cordiant Infrastructure C-Shares Ltd	<i>Maple Brown Abbott Global Infrastructure Fund</i> <i>First Sentier Sustainable Global Infrastructure Fund</i> Cash	All portfolios except Cautious Income Cautious Income All Portfolios
July	LXI REIT	<i>Schroder REIT</i> <i>Ediston Property Investment Company</i>	Sterling portfolios & Cautious Income

Source: Momentum. Correct as at August 2021, based on target asset allocation.

## UK Real Estate: diversified, inflation-linked

- FTSE 250 UK REIT with market cap approximately £900m
- Delivered an average total shareholder return of 14% pa and total NAV return of 11% pa since IPO in 2017
- EPRA NTA (NAV), dividend target and EPRA EPS all higher than pre-Covid-19
- UK commercial property let or pre-let on long term, triple net, inflation linked leases to a wide range of strong tenants
- Focus on structurally supported sub-sectors and underlying property fundamentals, including low starting rents
- Inflation protected income to support progressive dividend growth through upward only, index linked rent reviews
- Key strategies of forward fundings, sale and leasebacks and accretive recycling of capital to deliver growth

**14% pa**

*Avg. total shareholder return*

**11% pa**

*Avg. total NAV return*

**22 year**

*WAULT to first break*

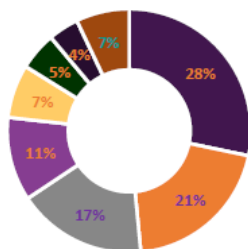
**96%**

*Indexed or fixed uplifts*

**50+ 0%**

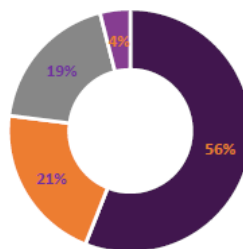
*Tenants Vacancy*

**Sector exposures**



- Foodstores and essentials
- Industrial
- Hotels
- Healthcare
- Car parks
- Drive-thru coffee
- Pubs
- Other

**Rent reviews**



- RPI
- Fixed
- CPI
- Open market

**FY 21/22 dividend target<sup>4</sup>**

**6.0p**

**4.5% yield on issue price**

**Total expense ratio (FY21)**

**0.9%**

**Low and transparent cost base**

# Contact Details & Important Information



**Talk to us**

+44 (0)207 618 1803



**Email us**

harmony@momentum.co.uk



**Visit our website**

[www.harmonyportfolios.com](http://www.harmonyportfolios.com)

*Investment Manager - Momentum Global Investment Management Limited. Management Company - FundRock Management Company S.A.*

*Important Notes - This document is only intended for use by the original recipient, either a Momentum Global Investment Management Limited (MGIM) client or prospective client, and does not constitute investment advice or an offer or solicitation to buy or sell. This document is not intended for use or distribution by any person in any jurisdiction in which it is not authorised or permitted, or to anyone who would be an unlawful recipient. The original recipient is solely responsible for any actions in further distributing this document, and in doing so should be satisfied that there is no breach of local legislation or regulation. This document should not be reproduced or distributed except via original recipients acting as professional intermediaries. This document is not for distribution in the United States. Any opinions expressed herein are those at the date this document is issued. Data, models and other statistics are sourced from our own records, unless otherwise stated. We believe that the information contained is from reliable sources, but we do not guarantee the relevance, accuracy or completeness thereof.*

*Unless otherwise provided under UK law, MGIM does not accept liability for irrelevant, inaccurate or incomplete information contained, or for the correctness of opinions expressed. The value of investments may fluctuate and it is possible that an investor may incur losses, including a loss of the principal invested. Past performance is not indicative of future performance. All fund performance figures quoted (table and charts where present) are as at 31/03/2021, based on a lump sum investment, using NAV-NAV. Investors whose reference currency differs from that in which the underlying assets are invested may be subject to exchange rate movements that alter the value of their investments. MGIM has its registered office at The Rex Building, 62 Queen Street, London EC4R 1EB. MGIM is authorised and regulated by the Financial Conduct Authority in the United Kingdom, and is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act 37 of 2002 in South Africa. © Momentum Global Investment Management Limited 2021.*





Thank you

**m**omentum  
global investment management