

Harmony US Dollar Balanced Fund (Class E)

Fund details

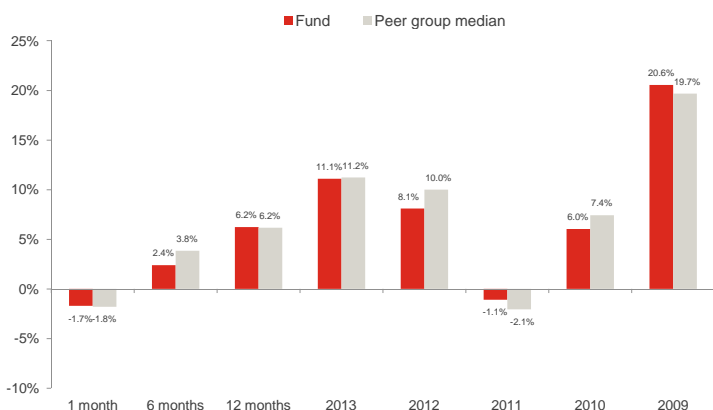
Investment manager: Momentum Global Investment Management	ISIN: LU0795381242
Currency: USD	Price per share: USD 1.1160
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group source: Bloomberg¹	Investment timeframe: 3 years +

Investment objective

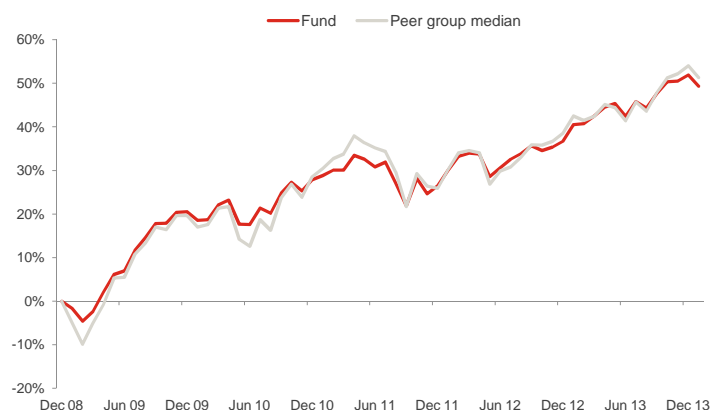
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of 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



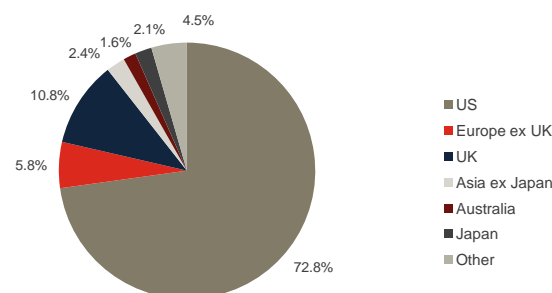
Holdings

Holdings	Asset type	Weight
Cash	Cash	18.3%
Old Mutual Dublin Global Bond	Fixed Income	10.1%
Harris Associates Concentrated US Equity	Equity	9.2%
Wells Fargo US All Cap Growth	Equity	8.6%
ING (L) Flex Senior Loans (USD hedged)	Fixed Income	7.3%
Yackman US Equity	Equity	7.1%
Cohen & Steers Global Real Estate	Property	7.0%
RWC Global Convertibles	Fixed Income	6.2%
Artisan Global Value	Equity	5.8%
Jupiter Dynamic Bond	Fixed Income	5.1%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.0%
First State Global Listed Infrastructure	Equity	2.9%
Muzinich EnhancedYield Short-Term	Fixed Income	2.8%
Dimensional Emerging Markets Value	Equity	2.3%
iShares MSCI World	Equity	1.7%
Morgan Stanley Global Brands	Equity	1.5%
iShares Gold Producers	Commodities	0.9%
Vulcan Value Equity Fund	Equity	0.1%
American Century Global Growth	Equity	0.1%

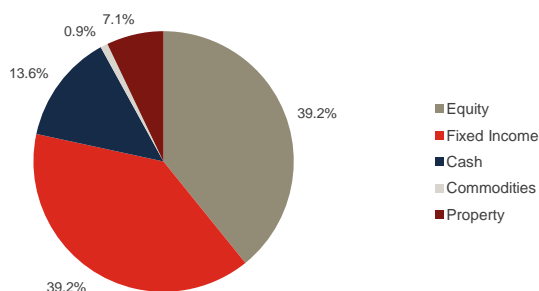
Investment statistics (since 1 January 2009)

Current month return:	-1.7%
Cumulative return:	49.3%
Annualised return:	8.2%
Annualised volatility:	7.5%

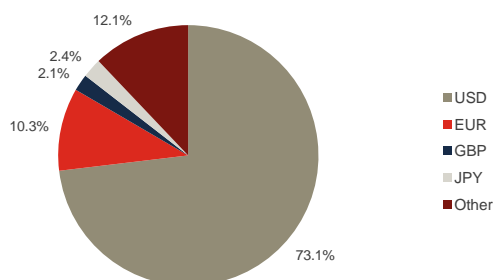
Regional allocation



Asset allocation



Currency allocation



Sources: Momentum Global Investment Management, JP Morgan Bank (Luxembourg) S.A., Bloomberg.

¹ The peer group median is a composite of (i) global peers and (ii) local peers, in the ratio 1:2. The return of the global peer group each month receives a weight of one-third, and this is added to the return of the local peer group which receives a weight of two-thirds; together these two numbers produce a single composite peer group return. This weighting methodology is consistent with the "normal" asset allocation of the Fund, with a two-thirds bias towards "home" country assets and currencies.

■ Manager commentary

The first month of 2014 was a more turbulent period compared to the majority of 2013. While developed market equities and fixed income moved in the opposite direction to what we generally observed in 2013, emerging market assets continued to trend downwards. Indeed, the MSCI Emerging Markets index returned -6.5% while emerging market debt also suffered, with the JP Morgan EMBI+ (hard currency) index returning -1.6% in US dollar terms. Despite a reasonable start for developed market equities, general 'risk off' sentiment weighed on returns with the result that the MSCI AC World index declined by 4.0% over the month. Government bonds, in contrast, benefitted from the rise in risk aversion, with the Citigroup WGBI returning 1.3% in US dollar terms.

Against this backdrop the Harmony US Dollar Balanced Fund returned -1.7% during January compared to a return of -3.5% for the US stock market. The Fund's asset allocation policy had a mixed impact on performance during the month, with the decision to avoid government bonds in favour of various parts of the credit spectrum acting as a headwind to performance, as these assets in aggregate underperformed sovereign paper. While the Fund is neutral to global equity, the small overweight to global emerging markets equity detracted from performance. The Fund is overweight cash which, while a store of value, further detracted from performance in a month where global government bonds rallied.

Going forward, with uncertainty remaining over the strength of economic growth around the world, combined with the potential for tightening credit conditions, investors should look to retain a prudent level of diversification in their portfolios. Overall, we believe that the Fund is well positioned to take advantage of future opportunities in the markets as they present themselves. The past year has been characterised by low volatility in many asset classes, a situation which we do not believe to be sustainable over the longer term. It is important to bear in mind that while occasionally uncomfortable, volatility provides valuation opportunities for disciplined investors and our overweight to cash enables us to take advantage of opportunities as and when they arise.

From a manager selection perspective, Vulcan was added to the Harmony USD Dollar Balanced Fund during January. Vulcan Value Partners is a boutique investment management business, based in Birmingham, Alabama, running concentrated US equity strategies that adhere to one consistent investment philosophy. The highly experienced investment team, led by C.T. Fitzpatrick who founded the firm in 2007 and was formerly a principal at SouthEastern Asset Management, invest with a disciplined, benchmark-agnostic approach. The businesses they invest in must have deep 'moats' that lead to high rates of free cash flow conversion and the ability to generate dependable cash flows over the next five years. Having conducted extensive research into Vulcan's team and strategy, including on-site due diligence meetings, we feel confident that their quality-value orientated investment approach offers high outperformance potential and further increases the balance of our US equity manager blend within the Fund.

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.

Performance figures prior to the inception date of the Class E share have been simulated to show its lower fees by adjusting the Harmony US Dollar Balanced Fund Class A share's past performance. Prior to the Class A fund's inception as a sub fund of the Momentum Global Funds SICAV on 12 August 2011, the fund was managed as the Harmony US Dollar Balanced Incorporated Cell (IC) within the Momentum Mutual Fund. The historical performance of the Harmony US Dollar Balanced IC Class A fund 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.