

Harmony US Dollar Balanced Fund

Fund details

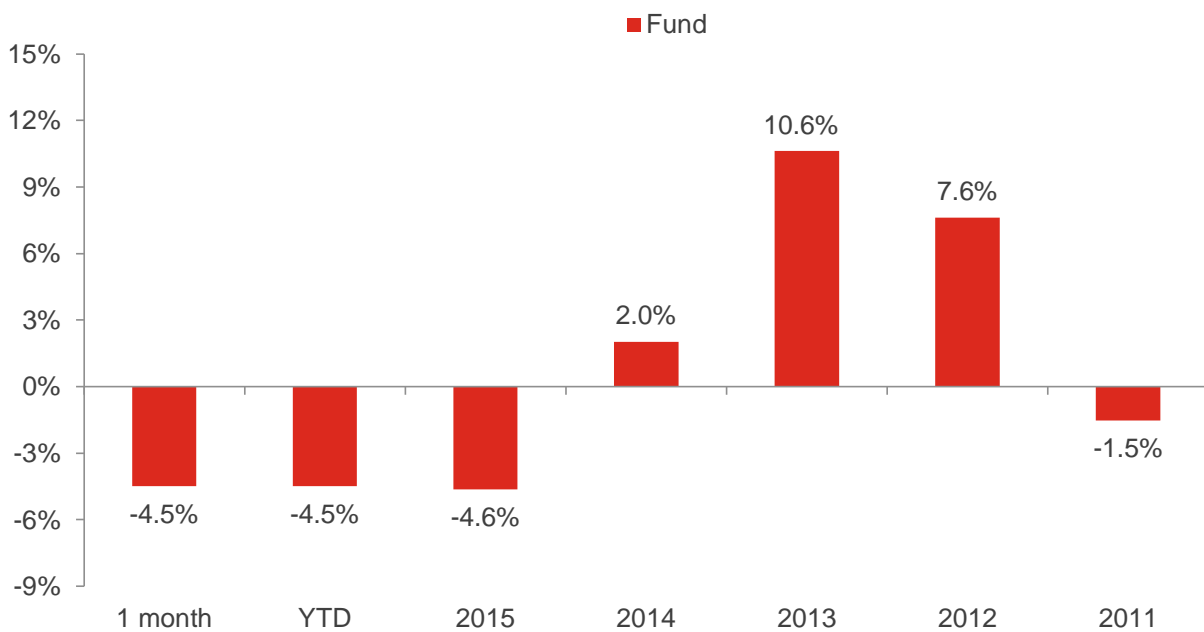
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.0137
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.0262
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.1219
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.0541
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

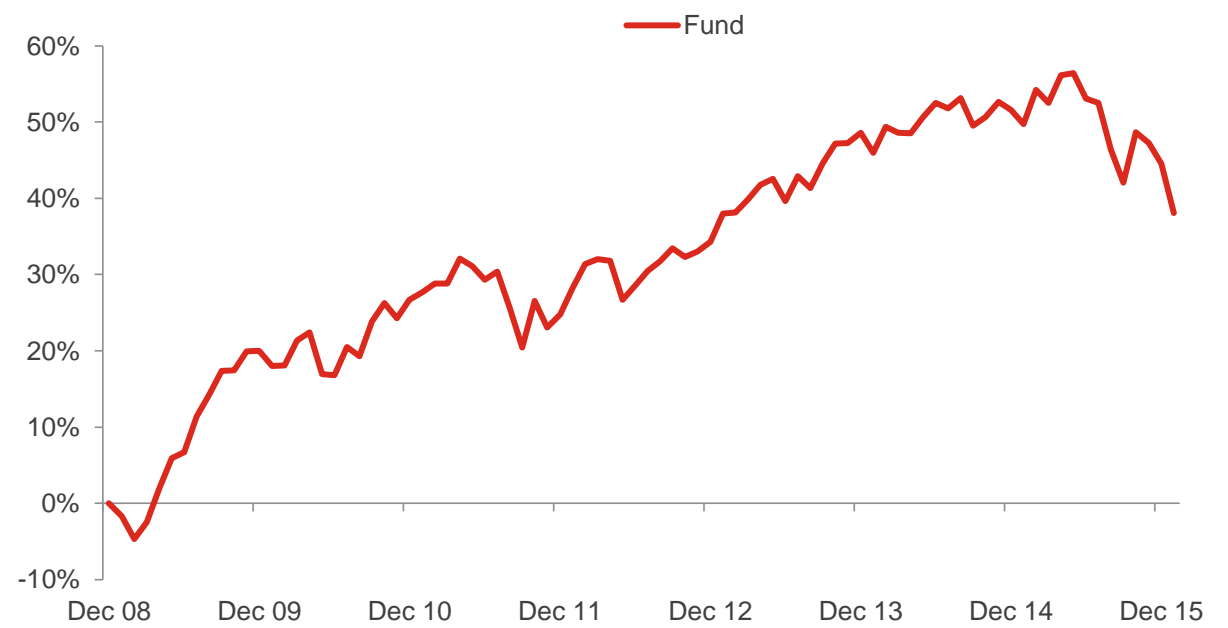
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



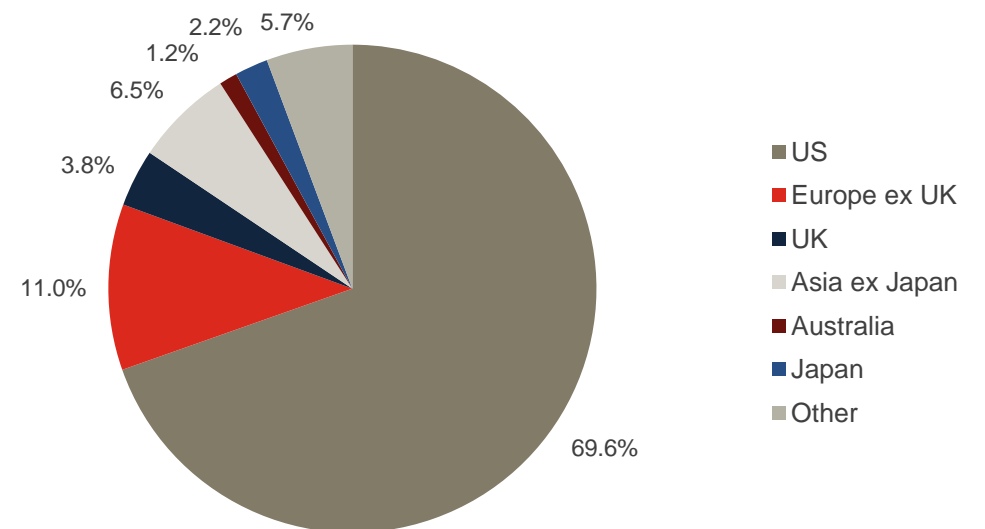
Holdings

Holdings	Asset type	Weight
Cash	Cash	8.3%
Wells Fargo US All Cap Growth	Equity	6.3%
Artisan Global Value	Equity	6.0%
Third Avenue Real Estate Value	Property	5.9%
Yacktman US Equity	Equity	5.9%
AXA US High Yield	Fixed Income	5.8%
Vulcan Value Equity	Equity	5.4%
BlackRock US Corporate Bond Index	Fixed Income	5.3%
RWC Global Convertibles	Fixed Income	4.9%
Muzinich EM Short Duration (USD hedged)	Fixed Income	4.9%
Muzinich Enhanced Yield Short-Term (USD hedged)	Fixed Income	4.8%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.2%
AXA US Short Duration High Yield	Fixed Income	4.1%
Harris Associates Concentrated US Equity	Equity	3.9%
Conventum Lyrical	Equity	3.8%
RWC Asia Convertibles	Fixed Income	3.5%
Dimensional Emerging Markets Value	Equity	2.8%
Heptagon Kopernik Global All-Cap Equity	Equity	2.4%
Morgan Stanley Global Brands	Equity	2.0%
Schroder UK Recovery	Equity	2.0%
First State Global Listed Infrastructure	Equity	1.9%
FP Crux European Special Situations	Equity	1.6%
American Century Concentrated Global Growth	Equity	1.6%
Westwood Strategic Global Convertibles (USD hedged)	Fixed Income	1.2%
Granahan US Focused Growth	Equity	1.1%
iShares Gold Producers	Commodities	0.4%

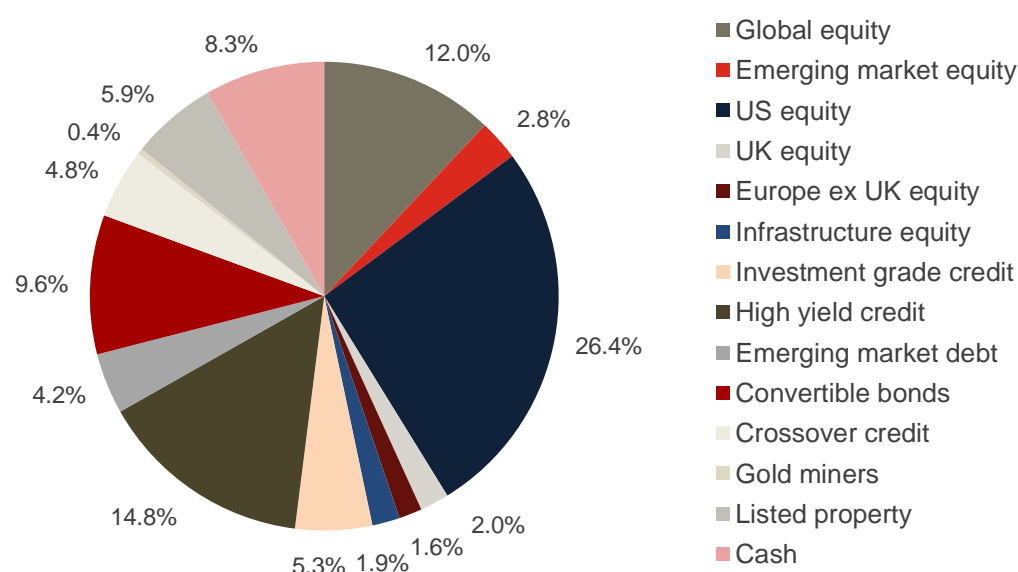
Investment statistics (since 1 January 2009)

Current month return:	-4.5%
Cumulative return:	38.1%
Annualised return:	4.7%
Annualised volatility:	7.6%

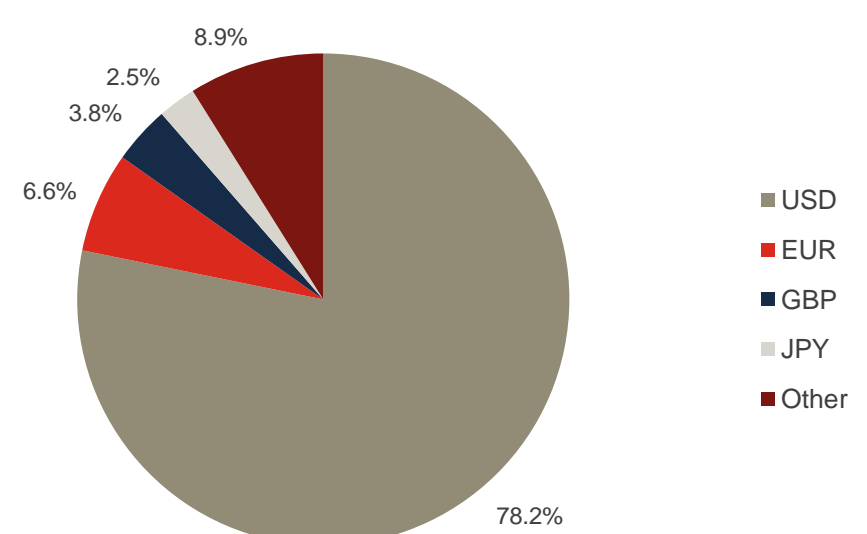
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

In the worst start to a year since the financial crisis, and one of the worst on record, equity markets plunged in January, despite a notable rally in the final two days. Global equities fell by 5.4% in local currency terms over the month, and emerging equity markets were down by 5.2%. Falls were led by China, down 12.4%, as well as Japan and the wider Asian market falling 7.6% and 6.6% respectively in local currency terms, where the technology and financial sectors in particular posted steep declines. Continental Europe's -6.0% return was driven by the financial sector falling almost 12%, while the UK lost relatively little, 2.4%, aided by the consumer staples and energy sectors posting positive returns. Gold proved its worth as a safe haven, gaining 5.2% in USD terms, while oil continued to show volatility. The price of Brent crude tumbled to USD 27.67 per barrel mid-month, before recovering to finish at USD 34.67, losing 6.8% over the period. Following a similar path, the Goldman Sachs commodity index fell by 5.2%, after falling significantly more to the 20th. In the fixed income space, high yield bonds continued to be dragged down by the energy sector, returning -1.6% and -1.1% in the US and Europe respectively. Government bonds were, as would be expected, defensive during this uncertainty, with those of the major regions advancing: most notably UK Gilts with a 3.9% return. Despite the dollar's upward trend reversing towards the end of January, the greenback remained strong over the month: of the main hard currencies Sterling lost out most to the dollar, falling 3.3%.

The Harmony US Dollar Balanced Fund returned -4.5% in US Dollar terms in January net of fees. The Fund's equity content explained most of the decline, with holdings across most regions and sectors falling by over 5%. Overall, our equity manager selection detracted from performance with both value and growth orientated strategies struggling. Quality and listed infrastructure strategies held up relatively well due to their sector biases, but still posted small declines in US dollar terms. The fixed income portion of the portfolio also provided a degree of downside protection, with investment grade credit delivering a small gain while short duration high yield and hard currency emerging market debt holdings also proved relatively resilient. However, the Fund's full duration high yield bond holdings fell 2% and convertible bond holdings fell more due to their sensitivity to equity prices.

As things stand, we believe that fears over global growth and concerns over the strength of the financial system are starting to look overdone. The global economy has softened but is still growing, central banks have become more accommodating and the fall in energy and other commodity prices, which to date has had a material negative impact on the global economy, will begin to show through in higher consumer incomes and spending as the year progresses. While the risks to the financial system – a slowdown in growth and deteriorating credit conditions – are not to be dismissed, banks across the world are in a much stronger capital position than ahead of the global financial crisis, and in the first weeks of 2016 bond and equity markets appear to have re-priced for these risks very quickly. Predicting when sentiment will turn is impossible, and given the prevailing nervousness of investors, risks of further falls in markets cannot be ruled out. Positive factors such as the boost to consumer spending to come from lower oil prices and the continuation of low interest rates are welcome and complement the now attractive valuations. We remain in a challenging environment where returns are likely to be subdued and markets volatile, but against a background of low yet steady growth in the developed world the weakness over the past nine months has taken many markets back to levels last seen in 2013: this represents a good opportunity to add to equity positions.

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 US Dollar Balanced Incorporated Cell (IC) within the Momentum Mutual Fund. The historical performance of the Harmony US Dollar Balanced 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.