

Harmony US Dollar Balanced Fund

Fund details

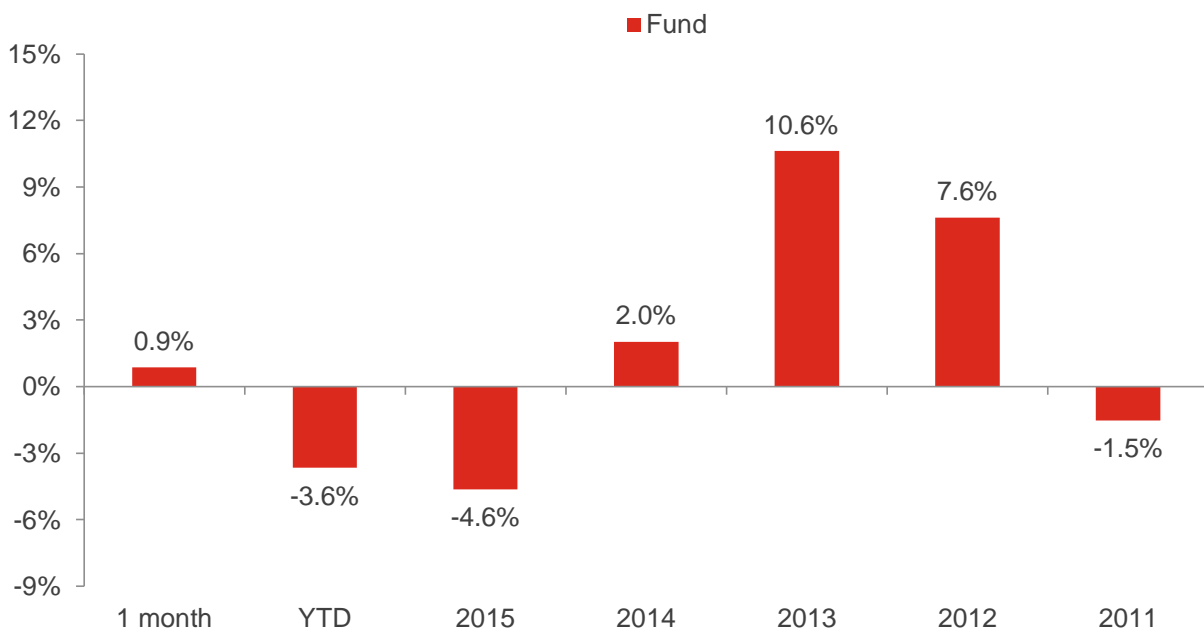
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.0226
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.0352
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.1314
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.0624
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

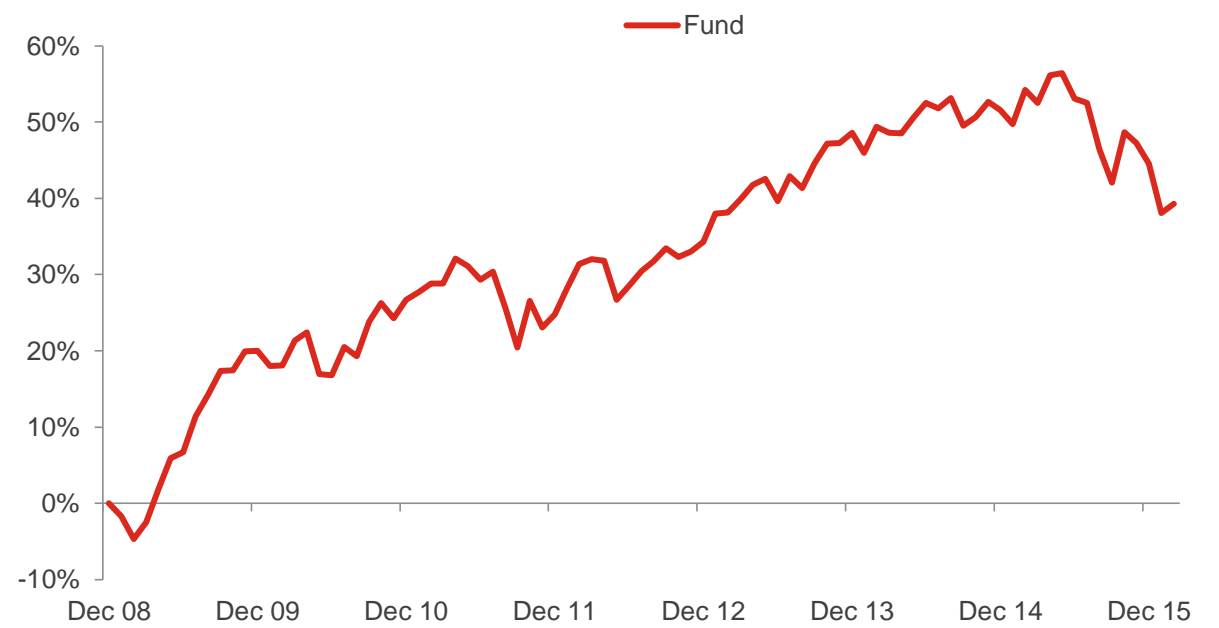
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



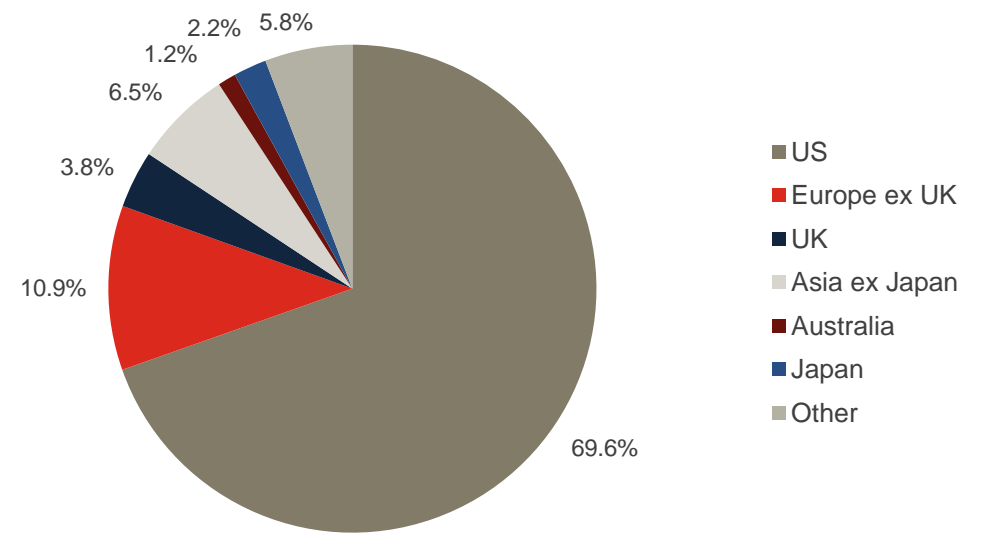
Holdings

Holdings	Asset type	Weight
BlackRock US Corporate Bond Index	Fixed Income	10.4%
Wells Fargo US All Cap Growth	Equity	6.1%
Artisan Global Value	Equity	6.0%
Third Avenue Real Estate Value	Property	5.8%
AXA US High Yield	Fixed Income	5.8%
Vulcan Value Equity	Equity	5.6%
Cash	Cash	5.3%
Yacktman US Equity	Equity	4.8%
Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	4.7%
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%
Westwood Strategic Global Convertibles (USD hedged)	Fixed Income	3.5%
RWC Asia Convertibles	Fixed Income	3.4%
First State Global Listed Infrastructure	Equity	3.1%
RWC Global Convertibles	Fixed Income	3.0%
FP Crux European Special Situations	Equity	2.9%
Dimensional Emerging Markets Value	Equity	2.8%
Heptagon Kopernik Global All-Cap Equity	Equity	2.6%
Schroder UK Recovery	Equity	2.1%
Morgan Stanley Global Brands	Equity	2.0%
American Century Concentrated Global Growth	Equity	1.5%
Granahan US Focused Growth	Equity	1.1%
BlackRock Developed Real Estate	Property	1.0%
iShares Gold Producers	Commodities	0.5%

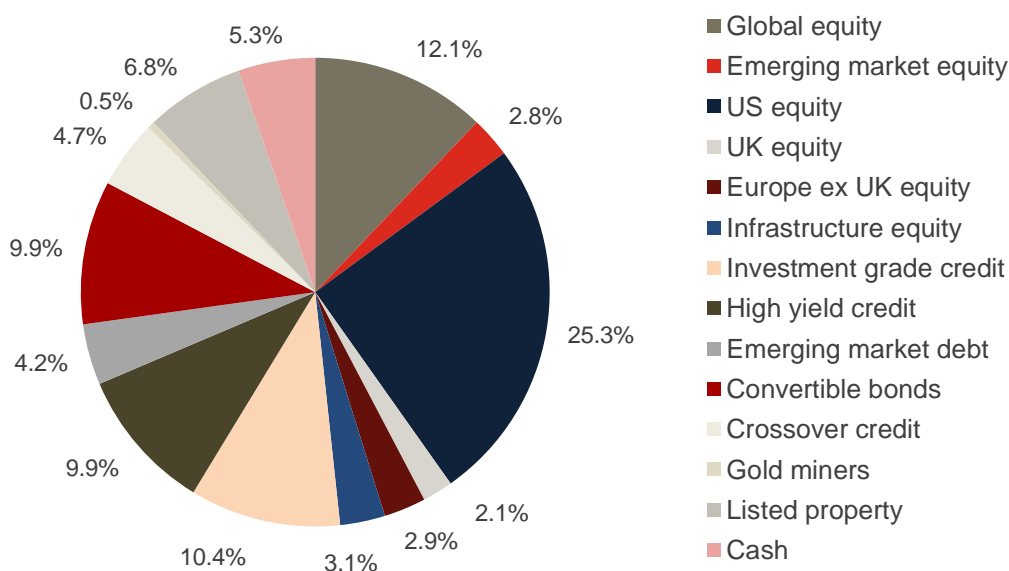
Investment statistics (since 1 January 2009)

Current month return:	0.9%
Cumulative return:	39.3%
Annualised return:	4.7%
Annualised volatility:	7.6%

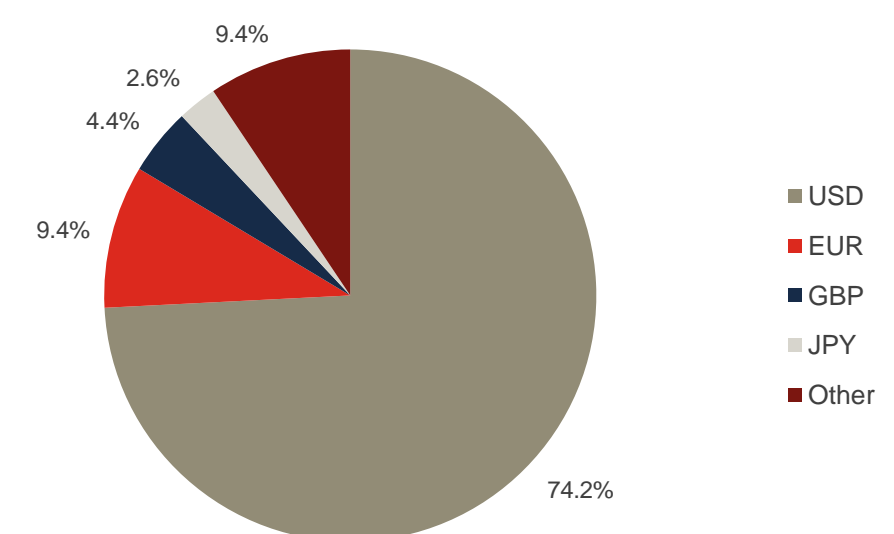
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

The market weakness seen in January continued into February, with high levels of uncertainty and fear, notably affecting the financial sector and in particular European bank shares. However, sentiment began to improve mid-month and markets recovered significantly; by month end the MSCI World index was down by just 1.5% in February in local currency terms, up 6.4% from its 11 February low. Alongside the main factors which have triggered the global sell-off in past months – China's slowdown and the collapse in commodity markets – there have been rising concerns that monetary policy is becoming less effective, as investors reappraised the longer term profitability of banks in a negative interest rate environment. Against this background, safe haven assets continued to perform strongly. Government bond yields in Europe, Japan and the UK are at or near all-time lows, with Japanese 10-year government bonds now having negative yields. The JP Morgan Government Bond Index returned 1.2% during February in local currency terms. In contrast credit continued to underperform, suffering from concerns over the slowdown in global growth. The more positive tone in markets as the month progressed, however, saw some recovery in corporate bonds, high yield and emerging market debt. The market recovery from the worst period of performance since the global financial crisis can in part be attributed to a sharp turn in oil. Brent crude oil, having fallen to a low of circa \$28 per barrel in mid-January, recovered almost 30% by 29 February. Also of note was the UK government's calling of the EU stay/leave referendum for 23 June, leading to an immediate fall in sterling which finished the month down 2.3% against the dollar.

The Harmony US Dollar Balanced Fund returned 0.9% in US dollar terms in February net of fees. This compares to a decline of 0.2% for the S&P 500 index. The Fund's strong return was driven by our equity manager selection, led by the Fund's holdings in strategies managed by Vulcan and Conventum Lyrical which outperformed by 5.8% and 4.2% respectively. This reflects the outperformance of value styles over the month, as both managers focus on investing in high quality businesses that are priced significantly below their intrinsic value. Similarly, the Fund's global deep value holding managed by Kopernik delivered very strong outperformance, returning 8.8% in US dollar terms. This was driven by their allocation to the materials sector, which was the strongest performing sector within global equities over the month. More specifically fund performance benefited from exposure to gold mining companies, both through the Kopernik strategy and via a small sector ETF holding, as the sector rallied by over 30%. The Fund's fixed income component generated a small positive return, with the main contributors being hard currency emerging market bonds and US investment grade credit. Notably the Fund's US high yield bond holdings also contributed a positive return following underperformance in prior months.

It is evident that some of the post crisis structural headwinds, in particular the high levels of debt globally, will keep growth subdued for some time. Similarly the structural slowdown in China and the severe cyclical downturn in many emerging countries and commodity markets have sent a negative pulse across the developed world, slowing growth further and increasing risks of deflation. These risks have re-priced very quickly into bond and equity markets however, and more recent data from developed economies has held up reasonably well; the US, UK, Europe and Japan should continue to grow modestly through 2016. Furthermore, some of the big factors hitting markets in the past year, including the oil rout, are showing signs of stabilising. For these reasons we believe the market fears in recent months are overdone. Central banks have become more accommodating and have made it clear that they will take further action to prevent economies falling into a deflationary spiral. While there are risks posed to the financial system by a slowdown in growth and deteriorating credit conditions, banks across the world are in a much stronger capital position than ahead of the global financial crisis, such that it is extremely unlikely that today's problems will cause a global systemic crisis. With valuations across many markets at much improved levels after the sharp falls of the past 9 months, we believe that this represents a good opportunity to add to equity positions. Indeed we adjusted the Fund's asset allocation around the start of February, adding to European equity and global listed property positions while also increasing investment grade credit within the fixed income portion.

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.