

# Harmony US Dollar Balanced Fund

## Fund details

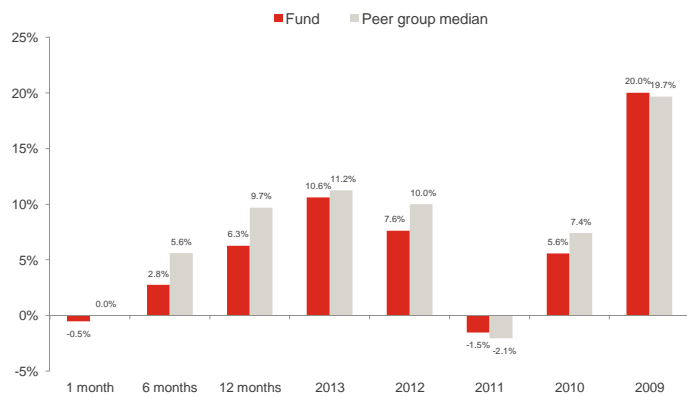
Investment manager: <b>Momentum Global Investment Management</b>	ISIN A Class: <b>LU0651986068</b>	Price per share A Class: <b>USD 1.0910</b>
Currency: <b>USD</b>	ISIN B Class: <b>LU0651986142</b>	Price per share B Class: <b>USD 1.1047</b>
Inception date (fund): <b>12 August 2011</b>	ISIN C Class: <b>LU0651986225</b>	Price per share C Class: <b>USD 1.2186</b>
Structure: <b>SICAV - Part 1 Luxembourg 2002 Law (UCITS)</b>	ISIN D Class: <b>LU0651986498</b>	Price per share D Class: <b>USD 1.1557</b>
Minimum investment <b>Share Class A: USD 100,000; Classes B, C &amp; D: USD 7,500</b>	Subscriptions / redemptions: <b>daily</b>	
Peer group source: <b>Bloomberg<sup>1</sup></b>	Investment timeframe: <b>3 years +</b>	

## Investment objective

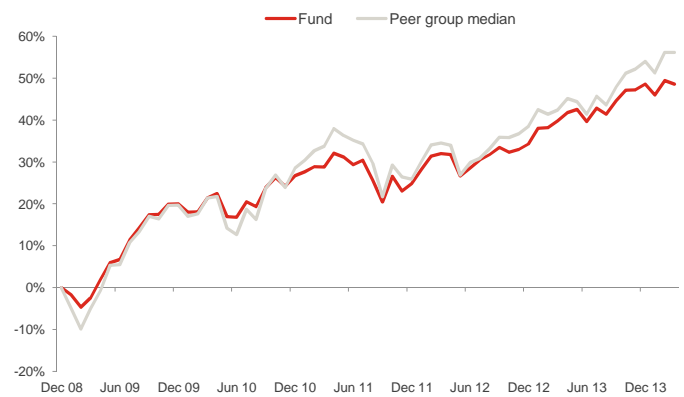
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



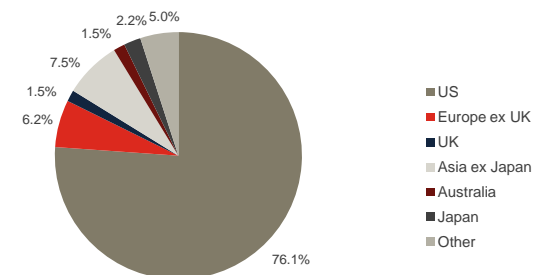
## Holdings

Holdings	Asset type	Weight
Cash	Cash	18.8%
Old Mutual Dublin Global Bond	Fixed Income	9.8%
Harris Associates Concentrated US Equity	Equity	8.2%
Wells Fargo US All Cap Growth	Equity	8.0%
Cohen & Steers Global Real Estate	Property	6.7%
Artisan Global Value	Equity	6.2%
RWC Global Convertibles	Fixed Income	5.9%
Yacktman US Equity	Equity	5.6%
Vulcan Value Equity	Equity	5.6%
RWC Asia Convertibles	Fixed Income	5.0%
Jupiter Dynamic Bond	Fixed Income	4.9%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.2%
First State Global Listed Infrastructure	Equity	3.0%
Muzinich Enhanced Yield Short-Term	Fixed Income	2.8%
Dimensional Emerging Markets Value	Equity	2.5%
American Century Concentrated Global Growth	Equity	1.6%
Morgan Stanley Global Brands	Equity	1.4%
iShares Gold Producers	Commodities	0.8%

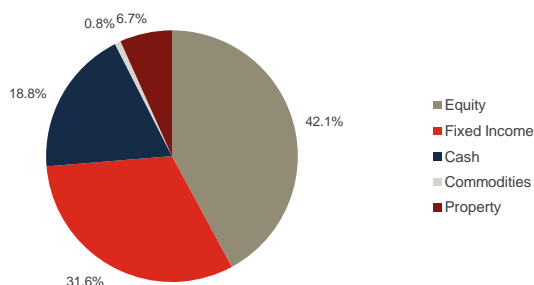
## Investment statistics (since 1 January 2009)

Current month return:	-0.5%
Cumulative return:	48.6%
Annualised return:	7.8%
Annualised volatility:	7.5%

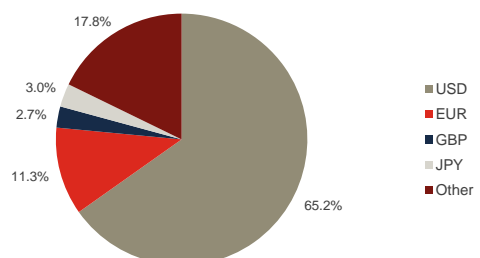
## Regional allocation



## Asset allocation



## Currency allocation



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

<sup>1</sup> 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

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March was undoubtedly an interesting month for news flow, much of which centred on the emerging markets. For example, the market result occurred against the backdrop of escalating tension in Ukraine and concerns over the risk of corporate defaults in China. In March the markets took a circuitous route to end the month essentially flat; with a return of 0.1% in US dollar terms for the MSCI World. Year to date global equities are up 1.3%, led by the US and Continental Europe. In March, global emerging market equity enjoyed a much stronger month than has been the case of late and the region's return of 3.1% in US dollar terms was almost sufficient to drag the year to date returns out of negative territory. The bond markets provided more muted returns in March, but year to date the majority of high quality government bonds are in positive territory. For example, the JP Morgan Global Government Bond Index returned -0.1% in March, but remains up 2.5% year to date. The March performance of hard currency denominated emerging market debt is notable at 1.4%. Meanwhile the asset class has added 3.5% in US dollar terms year to date. Following a difficult 2013, year to date global property securities have returned 7.3%.

Against this backdrop the Harmony US Dollar Balanced Fund returned -0.5% last month. Asset allocation had a mixed impact on the portfolio. While the Fund is neutral to local and global equity, the small overweight to global emerging markets equity contributed positively to relative and absolute performance as these markets outperformed the broader markets. Within the fixed income selection of the Fund, the underweight to global bonds helped marginally as these assets lost a modest amount of value over the month. The Fund's allocation to convertible debt detracted from performance as these markets generated negative total returns for the month. The Fund is overweight cash which did not have a significant impact on relative performance given the modest price moves in both equity and sovereign bond markets. The Fund's allocation to property aided absolute returns as these assets outperformed the broader equity markets. The Fund underperformed as a number of our manager selections underperformed in the month.

We began introducing American Century to the Fund in January. American Century is a multi-discipline, independently owned investment management business that offers a wide range of strategies run by specialist teams. American Century run a concentrated, unconstrained global growth strategy focusing on businesses displaying accelerating earnings growth. The strategy is managed by a New York-based investment team, consisting of two co-portfolio managers and supported by seven global sector analysts. They sit within a larger team in New York that consists of portfolio managers and analysts that focus on International strategies across various market cap segments. This gives the global team access to a wide range of ideas and insights. We believe this growth orientated strategy will deliver long term outperformance versus global equity indices, whilst also complementing our existing global equity holdings by improving style diversification.

Looking forward, we expect modest but positive economic growth in the developed world, and we anticipate that the pace of growth in emerging markets, which has been the subject of negative speculation of late, will be supported and will continue to outstrip the developed world even if it has slowed in recent years. Furthermore, equity valuations remain moderate and in select pockets we are still able to identify significant value. Despite the recent geopolitical uncertainty, the markets have proven to be reasonably supported both by accommodative monetary policy and continued investor interest. We believe that government debt remains expensive, and whilst credit spreads continue to tighten there are still potentially attractive risk adjusted return opportunities in those markets. The ongoing concerns relating to both geopolitics and the path of global growth serve as a salutary reminder of the merits of diversification in a portfolio of this sort. As active investors we must also remain alert to the opportunities provided to us by short term market volatility as it provides valuation opportunities for disciplined investors.

Source: Bloomberg, Momentum Global Investment Management.

## ■ Important Information

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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.