

Harmony Portfolios US Dollar Balanced Fund

(formerly known as the Harmony US Dollar Balanced Fund IC Ltd within the Momentum Mutual Fund ICC until 12 August 2011)

Fund details

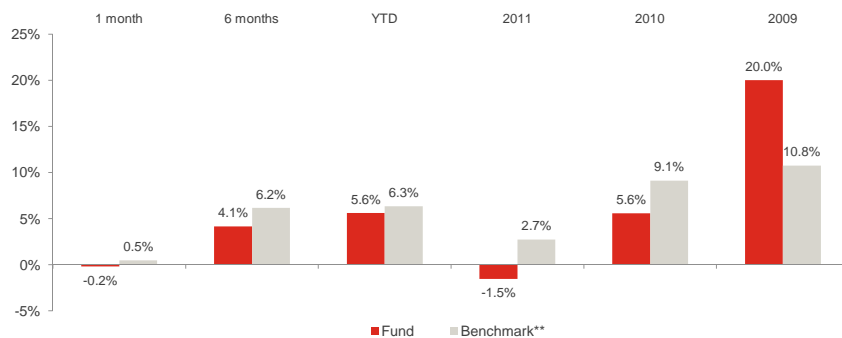
Investment manager: Momentum Global Investment Management Limited	Currency: USD	ISIN A Class: LU0651986068	Price per share A Class: USD 0.9675
Initial fee: none	Subscriptions / redemptions: daily	Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Investment timeframe: 3 years +	ISIN D Class: LU0651986498	Price per share D Class: USD 1.0445
Minimum Investment Share Class A: USD 100,000; Share Classes B, C & D: USD 7,500			
Prior Form: before the above inception date the fund was managed to the same strategy as an integrated cell within Momentum Mutual Fund ICC Ltd			
Benchmark: 30% S&P 500, 10% MSCI AC World, 10% Citigroup WorldBIG, 30% JP Morgan US GBI, 10% FTSE EPRA/NAREIT Developed, 10% USD 7-Day LIBID			

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 other asset classes.

Please refer to the Prospectus for full details of the fund, its charges, the investment objective and investment policy.

Fund performance*



Source: Lipper Hindsight, JP Morgan Bank (Luxembourg) S.A.

* Prior to the funds 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 IC Cell within the Momentum Mutual Fund. The historical performance of the Harmony US Dollar Balanced IC is shown in the above chart from 1 January 2009 until the inception date of the SICAV. Past performance is not indicative of future returns. The fund performance is calculated on a total return basis, net of all fees and in US Dollar terms.

** From January 2009 to January 2010 the benchmark for performance comparison provided in this document comprised: 16% S&P 500, 10% MSCI World ex USA, 25% Citigroup US WGBI, 12% JPM EMBI+, 13% Lipper Property Peer Group, 24% US Dollar 7-Day LIBID. From January 2010 to August 2011 the benchmark comprised: 18% S&P 500, 12% MSCI World ex USA, 35% Citigroup US WGBI, 10% JPM EMBI+, 10% FTSE EPRA/NAREIT Developed CR, 15% US Dollar 7-Day LIBID.

All holdings

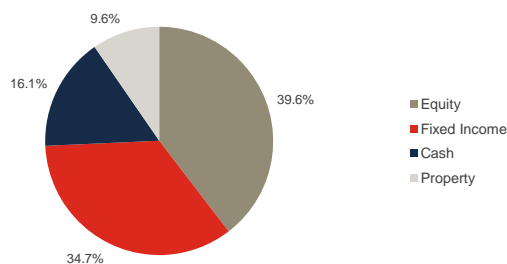
Holdings	Asset type	Weight
Cash	Cash	16.1%
BlackRock US Index Fund	Equity	11.1%
Old Mutual Dublin Global Bond Fund I Acc USD	Fixed Income	10.0%
Cohen & Steers Global Real Estate USD	Property	9.6%
Yacktman US Equity I	Equity	8.5%
Wells Fargo US All Cap Growth	Equity	8.5%
RWC Global Convertibles Fund	Fixed Income	8.3%
Momentum IF Global Equity Fund	Equity	7.6%
BlackRock US Corporate Bond Index Fund	Fixed Income	6.0%
BlackRock US Dollar High Yield Bond Fund	Fixed Income	5.4%
iShares USD Treasury Bond 7-10	Fixed Income	3.0%
iShares USD Treasury Bond 1-3	Fixed Income	2.0%
Morgan Stanley Global Brands Fund	Equity	1.7%
Momentum IF Global Emerging Markets Fund	Equity	1.3%
Artisan Global Value	Equity	0.8%
Hotchkis & Whiley US Value	Equity	0.1%

Source: Momentum Global Investment Management Limited, JP Morgan Bank (Luxembourg) S.A.

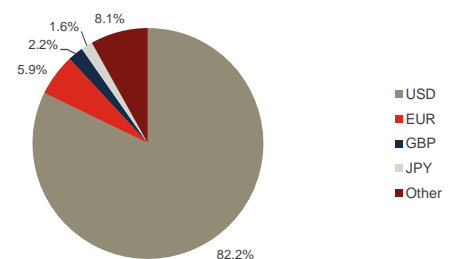
Investment statistics

Current month return:	-0.2%
Cumulative return:	31.8%
Annualised return:	8.6%
Annualised volatility:	8.4%

Asset allocation



Currency allocation



Source: Momentum Global Investment Management Limited, JP Morgan Bank (Luxembourg) S.A.

■ Market commentary

Growing political uncertainty in Europe during April threatened to take the shine off last quarter's gains. Dutch Prime Minister Mark Rutte's resignation on the last day of the month pitched another core Eurozone government into confusion, whilst in France investors readied themselves for the likelihood (now proven reality) of a change of leadership. Global equities suffered their first down month in 2012 last month, as the global aggregate dipped by 1.1% in US dollar terms. Global government bonds, in contrast, rallied by 1.6%, to edge into positive territory for the year. Economic data has softened in recent months, although the outlook for global growth still remains evenly balanced. US first quarter growth disappointed forecasters, rising by 2.2% (annualised), whilst April's ADP employment report similarly underperformed consensus expectations. The ISM manufacturing index, however, continues to provide an area of strength, helping to allay fears over an apparent seasonal bias in the data, with strong releases at the start of the calendar year giving way to more depressed levels of activity from then on. Whilst austerity is putting pressure on growth in Europe, China's official manufacturing PMI rose for the fifth month in a row in April. Companies continue to make money in this environment. As we approach the end of earnings season in the US, 69% and 71% of S&P 500 companies have beaten sales targets and earnings per share targets respectively, on par with the strongest earnings season since the second quarter of 2010.

The Harmony USD Balanced fund underperformed its benchmark in April with a return of -0.2% (net of all fees) compared to 0.5% for the reference index. April proved to be a mixed month for the equity markets, which began poorly on the back of a difficult end to March before consolidating through the middle of the month. Overall perceived 'riskier' assets proved to be less resilient than conventional 'safe havens' such as government securities and it was this return differential, combined with the fund's strategic positioning away from sovereign debt, which impacted relative performance. Overall, the Harmony USD Balanced fund is positioned for a low (but positive) growth environment, and under these conditions the portfolio's underweight to government debt is expected to benefit performance through the cycle. In the short term, however, when markets are impacted by a degree of risk aversion, this positioning will not aid relative performance. In view of the more uncertain short term outlook, the equity weighting in the portfolio was reduced slightly at the start of the period, with the proceeds reinvested in fixed income assets. Within the fixed income portion of the portfolio, use is made of strategic, investment grade, convertible and high yield mandates. From a manager selection perspective an investment in Hotchkis & Wiley's US Value strategy was initiated during April. Founded over thirty years ago, Hotchkis & Wiley is a dedicated investment management business based in Los Angeles. The team specialise in managing long term, value orientated strategies and have demonstrated an ability to consistently outperform the market by virtue of their disciplined approach and in-depth research and company knowledge. We believe now represents an attractive entry point to a value-orientated strategy such as this, because stocks in this category are currently trading at a greater discount to the market than the average historical discount.

Source: Lipper Hindsight, Momentum Global Investment Management Limited, April 2012

■ Risk warnings and important notes

Harmony Portfolios US Dollar Balanced Fund is a sub fund of the Momentum Global Funds SICAV which is domiciled in Luxembourg and is an "umbrella" fund which offers a wide range of single-priced, open-ended sub-funds. It is regulated by the Commission de Surveillance du Secteur Financier, the Luxembourg financial services regulator and conforms to the requirements of the European UCITS directive.

Past performance of any investment is not necessarily a guide to the future. All performance is calculated Total Return, Net of all fees and in US Dollar terms.

Fluctuations in the value of the underlying funds and the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed. Deductions of charges and expenses mean that you may not get back the amount you invested.

The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.

The Fund may contain shares or units in underlying funds that invest internationally. The value of your investment and the income arising from it may therefore be subject to exchange rate fluctuations.

This report should not be construed as investment advice or guidance or a proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund and clients of the Distribution Partner.

The appointed Management Company for the Momentum Global Funds SICAV are RBS (Luxembourg) S.A. of 33 Rue de Gasperich, L-5826, Hesperange, Luxembourg.

The appointed Administrator of the Momentum Global Funds SICAV are JP Morgan Bank Luxembourg S.A. of 6 Route de Treves, L-2633 Senningerberg, Luxembourg. The latest copy of the Prospectus can be obtained from the appointed Administrator at this address.

Momentum Global Investment Management Limited (company registration no. 3733094) is the appointed Investment Manager, Promoter and Distributor of the Momentum Global Funds SICAV and are authorised and regulated by the UK Financial Services Authority, with registered address at 20 Gracechurch Street, London, EC3V 0BG. Momentum Global Investment management Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

The appointed Depositary of the Momentum Global Funds SICAV are JP Morgan Bank Luxembourg S.A. of, 6 Route de Treves, L-2633 Senningerberg, Luxembourg.

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