

Harmony US Dollar Balanced Fund – Class E

Fund details

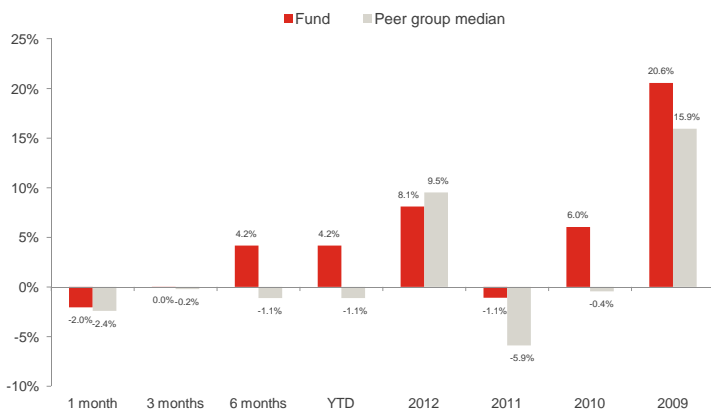
Investment manager: Momentum Global Investment Management Limited	ISIN: LU0795381242
Currency: USD	Price per share: USD 1.0646
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group: Bloomberg Active Index for Funds - Global Balanced Offshore Funds	Investment timeframe: 3 years +

Investment objective

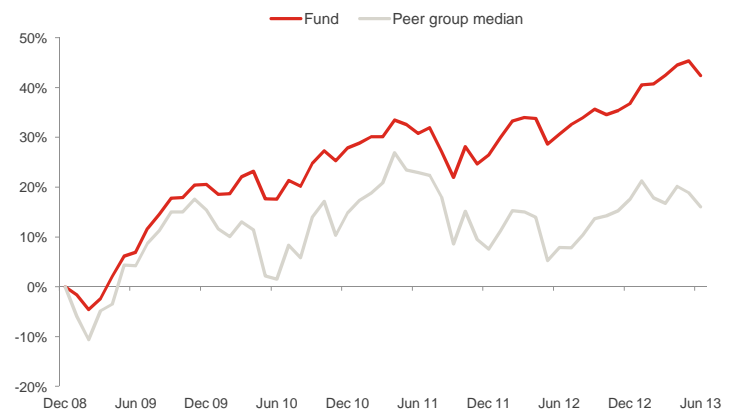
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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

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

Fund performance¹



Cumulative returns¹



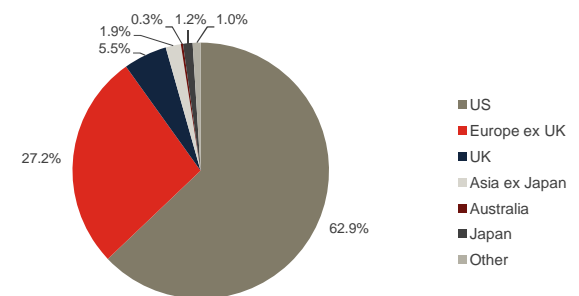
All holdings

Holdings	Asset type	Weight
Cash	Cash	13.1%
Old Mutual Dublin Global Bond	Fixed Income	9.9%
Harris Associates Concentrated US Equity Fund	Equity	9.6%
Wells Fargo US All Cap Growth	Equity	9.3%
Yacktman US Equity	Equity	9.0%
Cohen & Steers Global Real Estate	Property	7.2%
ING (L) Flex Senior Loans (USD hedged)	Fixed Income	6.1%
RWC Global Convertibles	Fixed Income	6.0%
Momentum IF Global Equity	Equity	5.0%
Muzinich EnhancedYield Short-Term	Fixed Income	4.9%
Jupiter Dynamic Bond	Fixed Income	4.8%
Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	3.9%
First State Global Listed Infrastructure	Equity	3.3%
BlackRock US Corporate Bond Index	Fixed Income	3.0%
Artisan Global Value	Equity	2.2%
Morgan Stanley Global Brands	Equity	1.6%
Dimensional Emerging Markets Value	Equity	1.1%

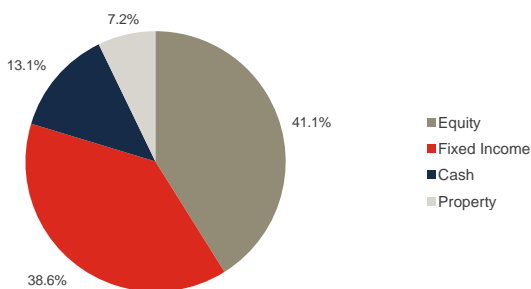
Investment statistics (since 1 January 2009)¹

Current month return:	-2.0%
Cumulative return:	42.4%
Annualised return:	8.2%
Annualised volatility:	7.8%

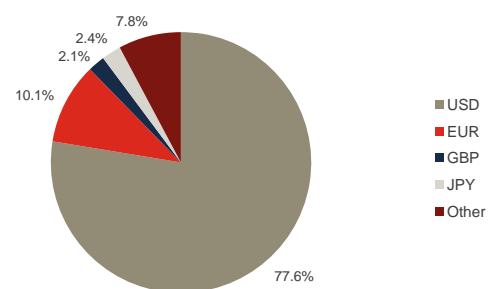
Regional allocation



Asset allocation



Currency allocation



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

¹ As a result of its bias to the United States, the fund will tend to perform well versus peers when US securities (including the dollar) outperform. The opposite will also be true when US securities underperform other regions.

■ Manager commentary

The sell-off that started in late May continued through June, with nearly all asset classes suffering sharp falls. In a busy month for data and news, there were two key developments for investors to contend with; namely, US central bank 'tapering' and the apparent slowdown in Chinese growth. The market's already acute concern about tapering was heightened following the Federal Open Market Committee's (Fed's) meeting during the third week of the month, with Chairman Ben Bernanke sounding a hawkish note. In light of broadly encouraging data from the economy, the Fed announced that tapering of its asset purchase programme would start before the end of 2013 and end by mid 2014 if the economy continues on its current path. The market took this to mean that tapering would start in a matter of months, triggering a rush to sell bonds and other asset classes that have been the big beneficiaries of central bank liquidity. The Fed emphasised, however, that its final decision on tapering will be entirely data dependent, meaning that if the economy slows the central bank stands ready to increase asset purchases and/or delay any planned tapering. In China, evidence continues to mount that the economy is undergoing a significant slowdown, with export growth falling to 1% in May, inflation lower at 2.1% and slippage in both industrial production growth and retail sales. The issue which is likely to have by far the biggest impact on markets in coming months, however, is the decision to be made at the Fed over reducing the rate of quantitative easing (QE). Given that the reason for tapering will be an improving economy, which should bode well for the corporate sector, equities seem to be better supported than bonds in the current environment.

The Harmony US Dollar Balanced fund returned -2.0% in June, net of all fees. Over the past twelve months the fund has returned 9.0%. As a major recipient of QE flows, the government bond market is clearly highly sensitive to talk around 'tapering', and treasuries duly sold off in June with yields rising across the curve. Overall, global government bonds returned -0.7% in US dollar terms during June, while global equities returned -2.5%. Stocks in the US returned -1.3% to outperform global equity markets. From an asset allocation perspective our decision to allocate money away from government bonds and towards various parts of the credit spectrum was not rewarded last month, as spread widening resulted in these assets underperforming their government counterparts. Overall, we see the current pause in markets as being a normal and healthy development considering the strength of the equity rally since the middle of last year. While we are cautiously optimistic about the prospects for markets over the medium term, investors should look to retain a prudent level of diversification in their portfolios. The recent pullback in markets provides a reasonable buying opportunity and we are working to identify the best long term valuation opportunities.

From a manager selection perspective, Artisan Global Value fell by 1.2% during June, whilst nonetheless outperforming the MSCI World index. The strategy has performed well in both absolute and relative terms during the second quarter, with a gain of 3.6% compared to 0.6% for the benchmark. The portfolio retains a positive bias towards US and UK listed companies, with limited exposure to listings in developed Asia and emerging markets. On a sector basis the main overweights are to IT and financials stocks. Over the past quarter the main contributors to performance have been Microsoft, Lloyds Banking Group and ING Group. Holdings in Tesco and Diageo have alternatively detracted from performance, after their stock prices fell by approximately 10%.

Source: Bloomberg, Momentum Global Investment Management Limited, June 2013.

■ 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. The annualised return figure has been corrected from that shown when this factsheet was first issued.

This financial promotion is issued by Momentum Global Investment Management Limited (MGIM). MGIM is the Investment Manager, Promoter and Distributor for the Momentum Global Funds SICAV. MGIM is registered in England and Wales No. 3733094. Registered Office: 20 Gracechurch Street, London EC3V 0BG. MGIM is authorised and regulated by the Financial Conduct Authority No. 232357.