

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

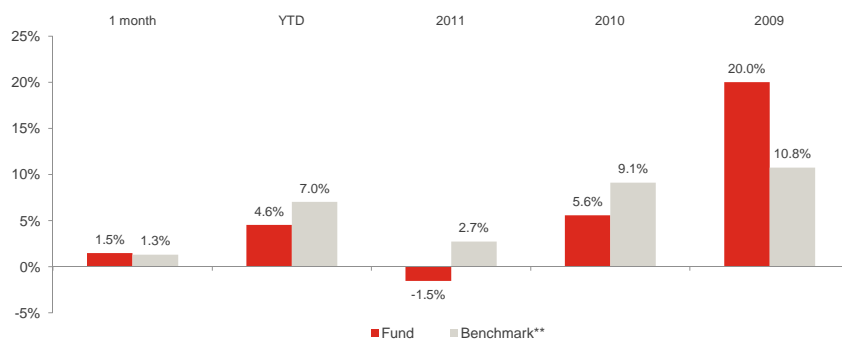
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|---|---|--|--|
| Investment manager: Momentum Global Investment Management Limited | Currency: USD | ISIN A Class: LU0651986068 | Price per share A Class: USD 0.9578 |
| Initial fee: none | Subscriptions / redemptions: daily | Inception date (fund): 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 1.0311 |
| 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

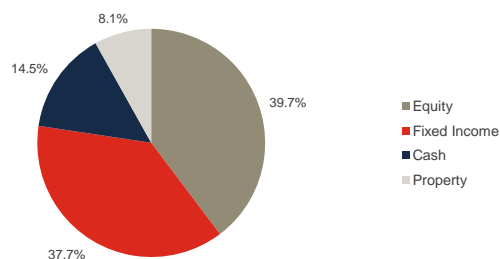
| Holdings | Asset type | Weight |
|--|--------------|--------|
| Cash | Cash | 14.5% |
| Old Mutual Dublin Global Bond I Acc USD | Fixed Income | 10.2% |
| Yacktman US Equity I | Equity | 8.8% |
| RWC Global Convertibles Fund | Fixed Income | 8.3% |
| Wells Fargo US All Cap Growth | Equity | 8.2% |
| Cohen & Steers Global Real Estate USD | Property | 8.1% |
| Momentum IF Global Equity Fund | Equity | 7.7% |
| BlackRock US Corporate Bond Index Fund | Fixed Income | 6.3% |
| BlackRock US Index Fund | Equity | 5.6% |
| Hotchkis & Wiley US Value | Equity | 5.5% |
| BlackRock US Dollar High Yield Bond Fund | Fixed Income | 5.2% |
| iShares \$ TIPS | Fixed Income | 2.9% |
| iShares USD Treasury Bond 7-10 | Fixed Income | 2.9% |
| iShares USD Treasury Bond 1-3 | Fixed Income | 1.9% |
| Morgan Stanley Global Brands Fund | Equity | 1.8% |
| Momentum IF Global Emerging Markets Fund | Equity | 1.2% |
| Artisan Global Value | Equity | 0.9% |

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

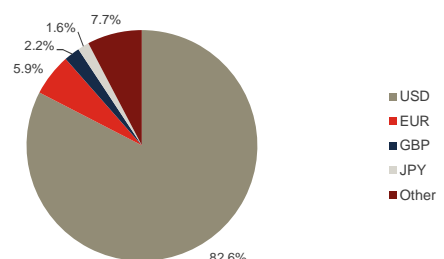
Investment statistics

| | |
|------------------------|-------|
| Current month return: | 1.5% |
| Cumulative return: | 30.5% |
| Annualised return: | 7.7% |
| Annualised volatility: | 8.5% |

Asset allocation



Currency allocation



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

■ Market commentary

Equity markets traced a W-shaped path in July, as investors rapidly adjusted their expectations in response to news from the US and Europe. Anxiety grew at the start of July, with a particular focus on Spain, as several regions turned to the central government for financial aid. Yields on Spanish 10 year government bonds climbed to over 7.5% and, perhaps more worryingly (in light of the fact that much of the European Central Bank's (ECB) funding support to date has concentrated on the short end of government yield curves), two year borrowing rates approached 7%, double their level at the start of the year. Once more the appearance of these stresses triggered a response from policymakers. The key turning point was ECB President Mario Draghi's speech in London a few days before the month end, in which he dropped strong hints that the Central Bank was ready to intervene: "to the extent that the size of these sovereign premia hampers the functioning of the monetary policy transmission channel, they come within our mandate". Whilst no bond purchases have taken place to date, the stage is set for this eventuality in the near future. Global equities added 1.3% last month in US dollar terms, led by Asia Pacific excluding Japan. Investment grade corporate debt proved to be the sweet spot for fixed income investors on both sides of the Atlantic during July, as spreads narrowed by circa 25 basis points. Hard currency (US dollar denominated) emerging market bonds rallied by 4.4% to bring year to date returns to 11.6%. Post the month end, signs of a rebound in US jobs growth have helped to drive equity markets higher. The next few weeks will see investors continue to focus on events in the Eurozone, starting with the German constitutional court's hearing to approve the European Stability Mechanism (Europe's permanent bailout facility) in September, and the announcement of a bank supervisor to oversee a European banking union.

During what proved to be another volatile month for global equity markets, the Harmony US Dollar Balanced fund returned 1.5%, net of all fees, compared to a benchmark return of 1.3%. The contribution from asset allocation to relative performance was mixed. The fund was neutral to both local and global equity over the month and both of these areas posted positive absolute returns, with the S&P 500 index returning 1.4% in USD terms. The fund's underweight to global government bonds aided relative performance as these assets underperformed equity markets, despite posting positive returns. One detractor from relative performance was the 2% underweight to global property securities, which returned 3.6% in USD terms. Finally, the fund's high yield position performed in line with US government debt, whilst convertibles underperformed. Overall, the Harmony US Dollar 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. 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, the Hotchkis & Wiley US Value fund provided a notable bright spot over the month. The fund returned 2.1% in US dollar terms in July, ahead of the 1.4% gain of the S&P 500 benchmark. Founded over thirty years ago, Hotchkis & Wiley is a dedicated investment management business based in Los Angeles. They 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. This manager was added to the portfolio in April to provide deep value exposure, at a time when value styles appeared attractive relative to history based on the level of market valuations. Hotchkis & Wiley's approach is also complementary to the growth and quality-orientated styles of the fund's other holdings. As was the case in July, we would expect Hotchkis & Wiley to deliver decent relative performance during periods when value factors outperform the broader market.

Source: Lipper Hindsight, Momentum Global Investment Management Limited, July 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 Depository 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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