

Harmony US Dollar Balanced Fund

Fund details

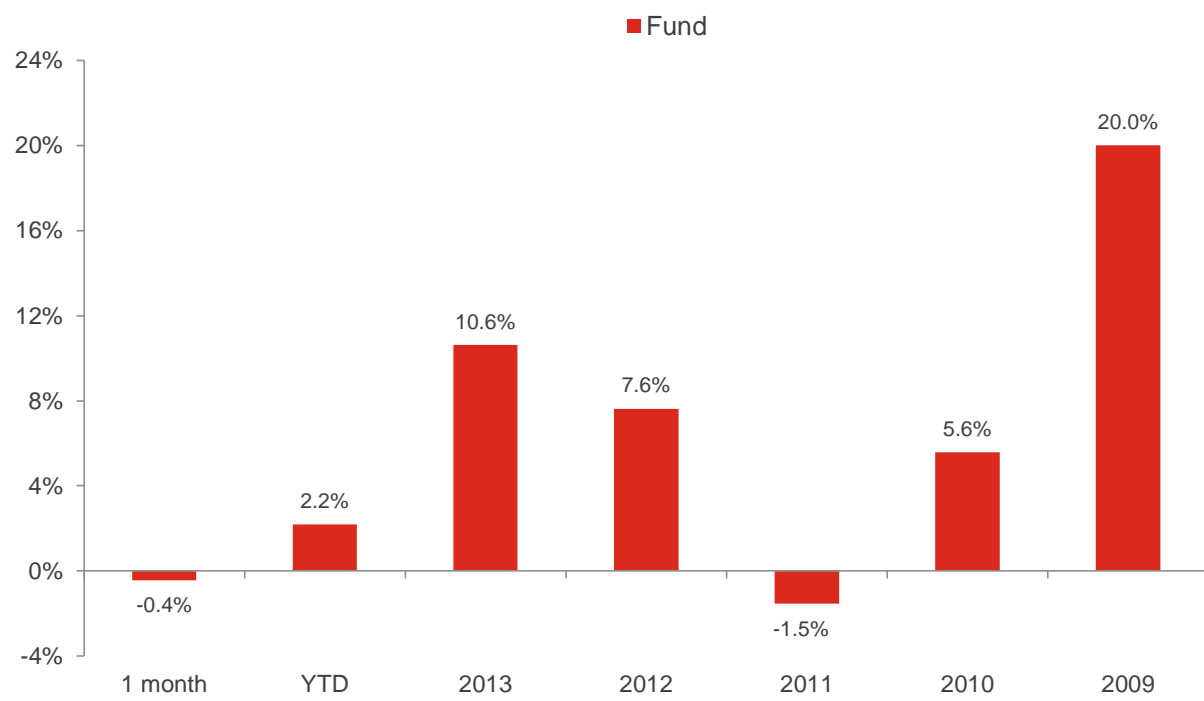
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|---|---|--|
| Investment manager: Momentum Global Investment Management | ISIN A Class: LU0651986068 | Price per share A Class: USD 1.1146 |
| Currency: USD | ISIN B Class: LU0651986142 | Price per share B Class: USD 1.1283 |
| Inception date (fund): 12 August 2011 | ISIN C Class: LU0651986225 | Price per share C Class: USD 1.2428 |
| Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS) | ISIN D Class: LU0651986498 | Price per share D Class: USD 1.1766 |
| Minimum investment Share Class A: USD 100,000; Classes B, C & D: USD 7,500 | Subscriptions / redemptions: daily | Investment timeframe: 3 years + |

Investment objective

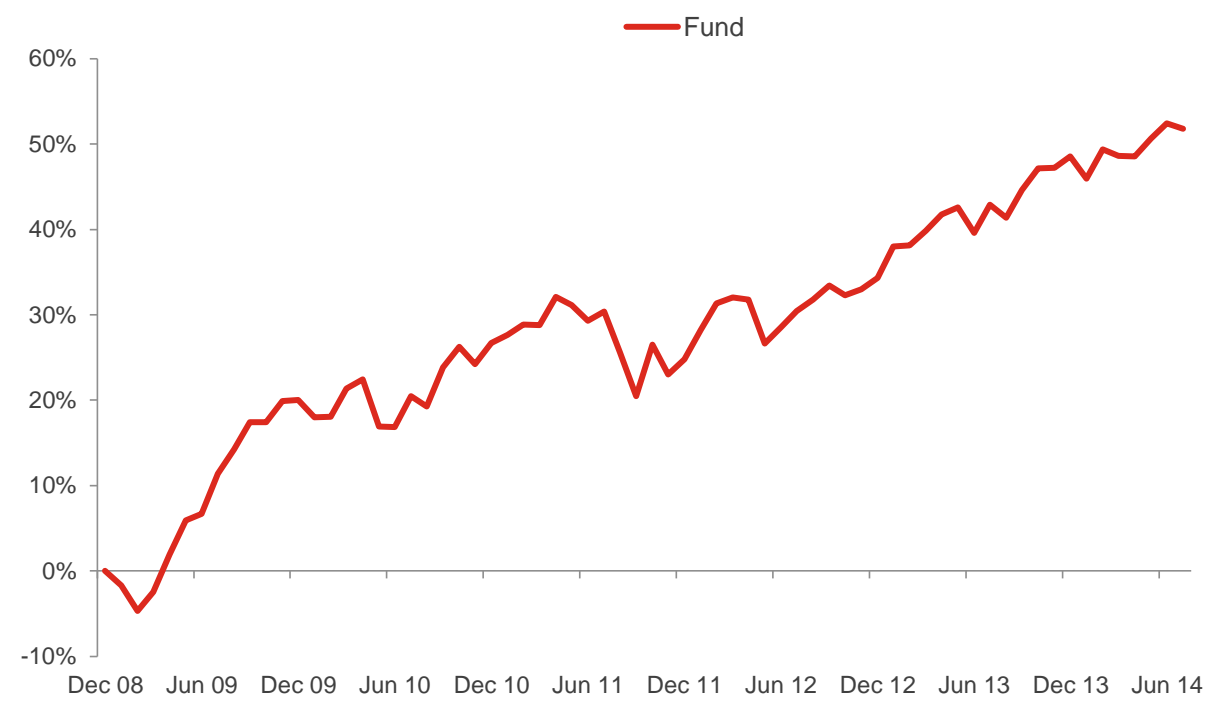
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



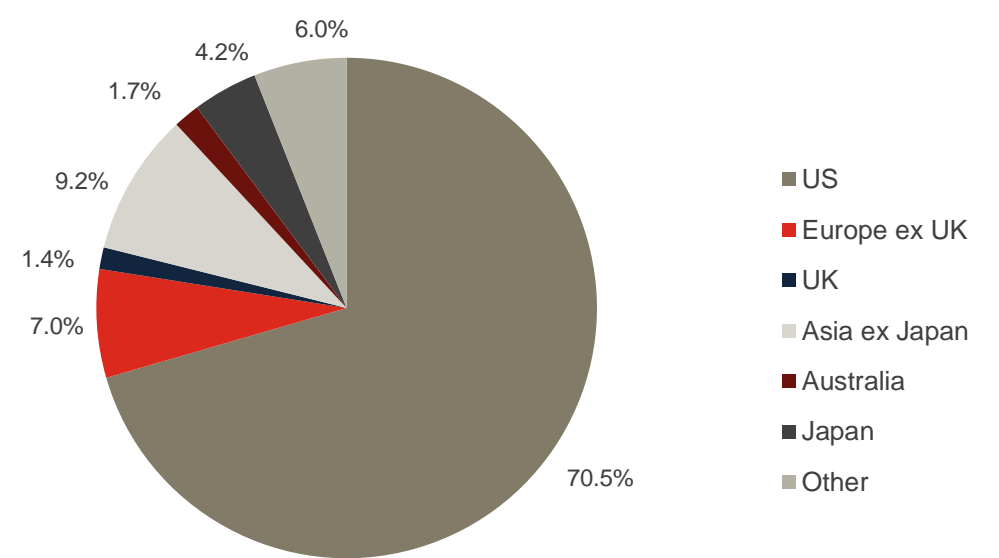
Holdings

| Holdings | Asset type | Weight |
|---|--------------|--------|
| Cohen & Steers Global Real Estate | Property | 8.8% |
| Old Mutual Dublin Global Bond | Fixed Income | 8.2% |
| Harris Associates Concentrated US Equity | Equity | 7.7% |
| Cash | Cash | 6.9% |
| Wells Fargo US All Cap Growth | Equity | 6.7% |
| RWC Asia Convertibles | Fixed Income | 6.0% |
| RWC Global Convertibles | Fixed Income | 5.9% |
| Artisan Global Value | Equity | 5.7% |
| Vulcan Value Equity | Equity | 5.5% |
| Yacktman US Equity | Equity | 5.3% |
| BlackRock US Corporate Bond Index | Fixed Income | 4.9% |
| Muzinich Emerging Markets Short Duration (USD hedged) | Fixed Income | 4.9% |
| Muzinich Enhanced Yield Short-Term | Fixed Income | 4.8% |
| iShares JP Morgan Emerging Markets Bond | Fixed Income | 3.9% |
| First State Global Listed Infrastructure | Equity | 3.1% |
| Dimensional Emerging Markets Value | Equity | 2.3% |
| Polar Capital Japan (USD hedged) | Equity | 2.0% |
| Heptagon Kopernik Global All Cap Equity | Equity | 2.0% |
| Granahan US Focused Growth | Equity | 1.5% |
| American Century Concentrated Global Growth | Equity | 1.4% |
| Morgan Stanley Global Brands | Equity | 1.2% |
| iShares Gold Producers | Commodities | 0.7% |
| Morgan Stanley UK Global Brands | Equity | 0.6% |

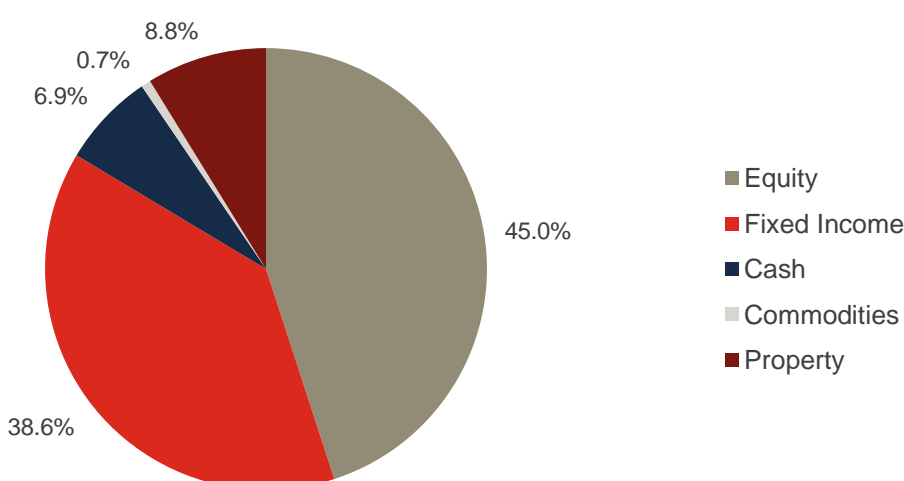
Investment statistics (since 1 January 2009)

| | |
|------------------------|-------|
| Current month return: | -0.4% |
| Cumulative return: | 51.8% |
| Annualised return: | 7.8% |
| Annualised volatility: | 7.3% |

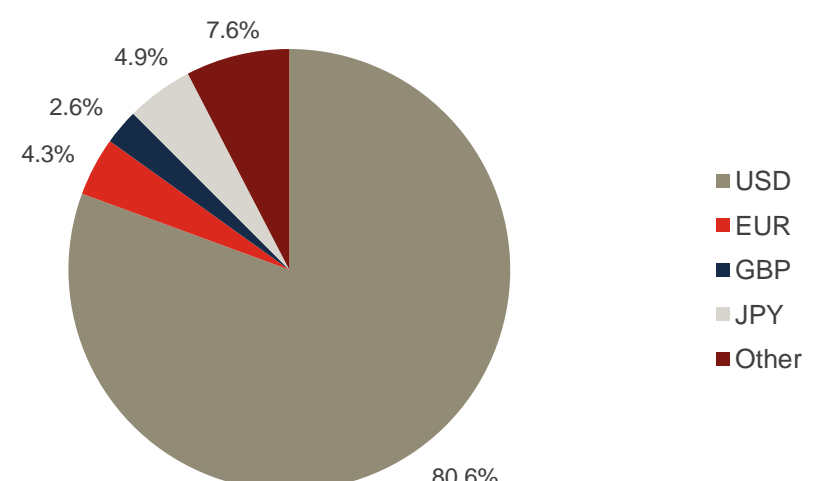
Regional allocation



Asset allocation



Currency allocation



■ Manager commentary

Central banks have tended to dominate financial markets since the financial crisis. Geopolitics was at the forefront of investors' minds last month, however, with growing nervousness culminating in a 2% sell-off on Wall Street on the last day of the month. Emerging markets (EM) outperformed developed markets meaningfully over the month, to move them ahead of their developed counterparts for the year (+8.2% versus +4.5%).

Geopolitical risk rose in July, following the downing of a passenger plane over Ukraine in the middle of the month. The international community adjudged Russia to be responsible for arming the separatist rebels that are believed to have shot down the aircraft, prompting the US and Europe to tighten sanctions on Russia. The sanctions now preclude some Russian banks from raising finance in US and European markets, exports of equipment to the oil industry are barred, and new contracts to sell arms to Russia have been banned. Elsewhere in Europe, one of Portugal's largest banks, Banco Espirito Santo, ran into trouble during July, as its parent group suffered substantial write-offs and a resultant capital shortfall. The share price fell by 85%, weighing on the broader Portuguese stock market. Although the scale of the required capital injection is modest in comparison to the massive amounts of capital injected into other banks over the past few years, it provides a salutary reminder of the problems that persist in Europe.

Economic news was mixed last month. The US economy recovered sharply after contracting in the first quarter of 2014, with a rebound to growth of 4.0% in Q2. The surprising strength of this recovery, together with positive news from the labour market, pushed Treasury yields up and led to concerns that the Federal Reserve would bring forward the timing of the first interest rate rise. Fed Chair, Janet Yellen, however, continues to emphasise the spare capacity in the US economy. Elsewhere, Chinese growth registered 7.5% in the second quarter, in line with the government's target. Together with an improvement in leading indicators from China, the news helped the Shanghai Stock Exchange to gains of 10.5% over the period in US dollar terms.

Markets have finally come out of a long period of low volatility. Recent weakness could well continue in the short term, and is to an extent a necessary correction, removing some of the excessive valuations from asset classes and sectors. However, the underlying economic news remains supportive and monetary policy will remain loose for some time yet, with the result that we expect to see continued progress from markets into year end.

Against this backdrop, the Harmony US Dollar Balanced Fund returned -0.4% net of all fees last month. Over the past three and twelve months the Fund has gained 2.2% and 6.3% respectively in US Dollar terms, net of all fees. The main driver of the disappointing return in July was the decline of over 1% from both US and global developed equity markets. With mixed returns from the fixed income portion of the portfolio, ranging from small negative to small positive contributions, the only significant positive attribution came from the global emerging market equity and global listed real estate holdings, as the main indices for these asset classes gained approximately 2% and 1% respectively. Overall, manager selection was a slight detractor from performance over the month.

In the fixed income part of the portfolio, the decision was made to reduce the allocation to emerging market government bonds on the back of strong returns from the asset class since the start of the year. At the same time some of the overall exposure to emerging market debt was switched to a fund focusing on the shorter duration corporate section of the market, thereby reducing the portfolio's sensitivity to interest rates whilst maintaining the exposure to emerging bond markets. The strategy we added was the Muzinich Emerging Market Short Duration credit strategy. Muzinich are a specialist corporate credit manager with a well-resourced and highly experienced investment team that have expertise across the full spectrum of corporate credit. They adopt a conservative, bottom up investment process with a focus on capital preservation and delivering high risk adjusted returns. The fund manager, Warren Hyland, has over 17 years of investment management experience and was most recently with Schroders where he managed another global emerging markets strategy.

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.