

Harmony US Dollar Balanced Fund

Fund details

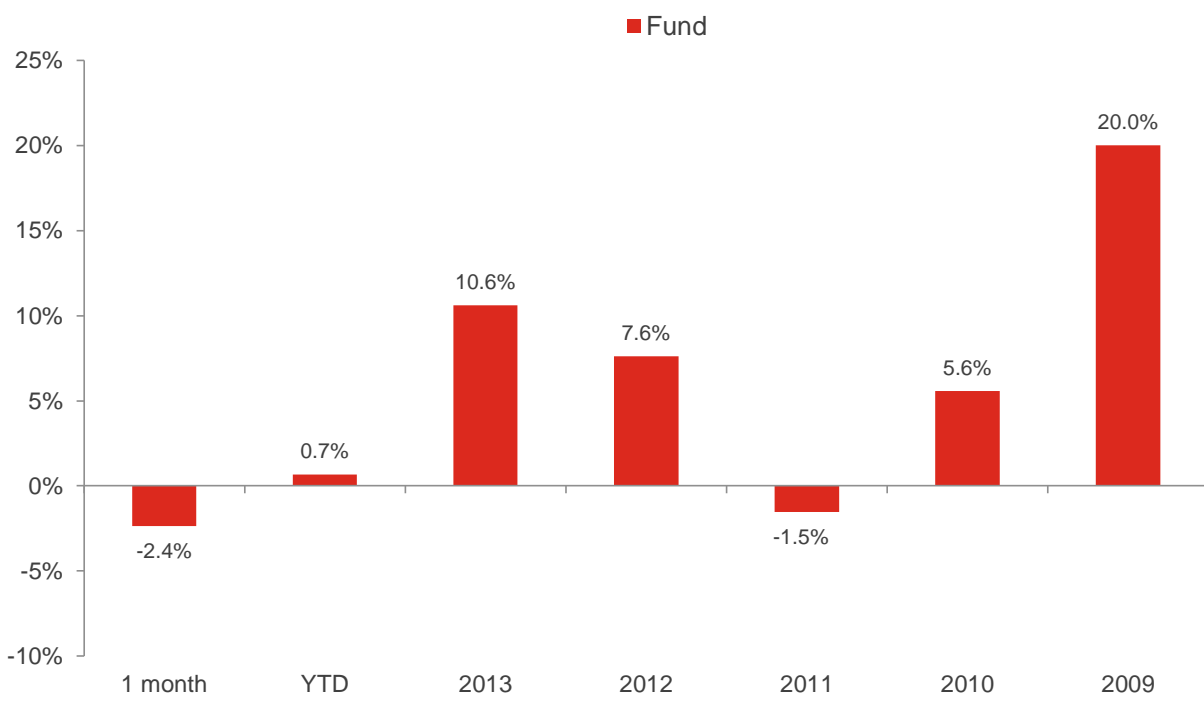
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.0979
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.1114
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.2232
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.1571
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

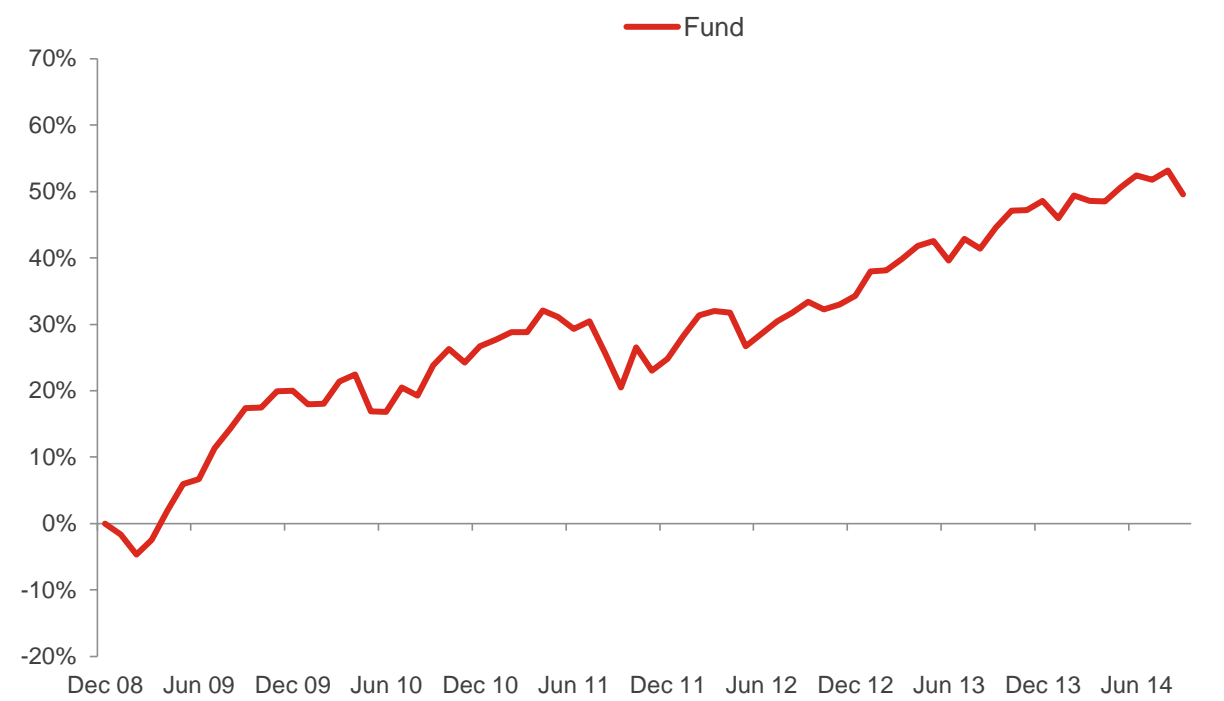
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



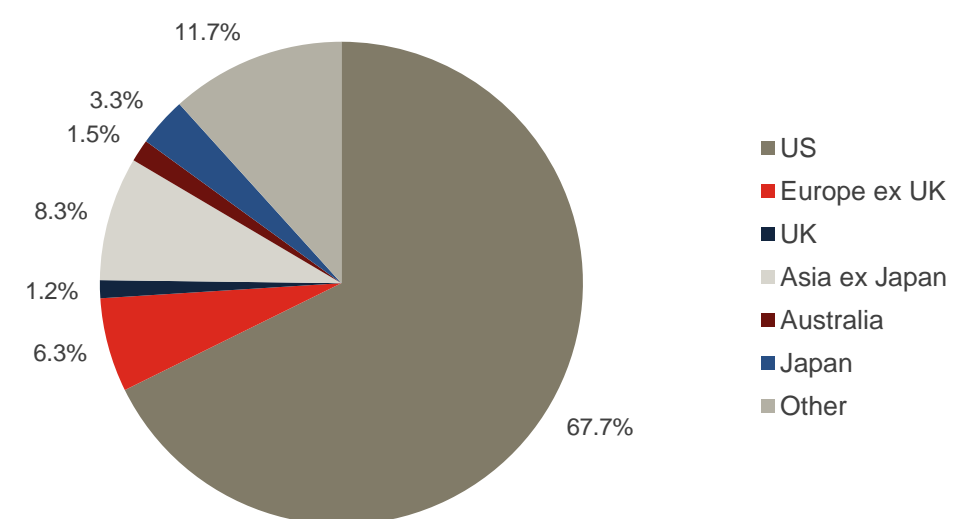
Holdings

Holdings	Asset type	Weight
Cash	Cash	9.6%
Harris Associates Concentrated US Equity	Equity	7.9%
Cohen & Steers Global Real Estate	Property	7.8%
Old Mutual Dublin Global Bond	Fixed Income	7.5%
Wells Fargo US All Cap Growth	Equity	7.0%
RWC Global Convertibles	Fixed Income	5.9%
RWC Asia Convertibles	Fixed Income	5.9%
Artisan Global Value	Equity	5.7%
BlackRock US Corporate Bond Index	Fixed Income	5.2%
Muzinich EM Short Duration (USD hedged)	Fixed Income	5.1%
Vulcan Value Equity	Equity	5.1%
Yacktman US Equity	Equity	5.0%
Muzinich Enhanced Yield Short-Term	Fixed Income	4.9%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.6%
First State Global Listed Infrastructure	Equity	2.8%
Dimensional Emerging Markets Value	Equity	2.0%
Polar Capital Japan (USD hedged)	Equity	1.9%
American Century Concentrated Global Growth	Equity	1.8%
Heptagon Kopernik Global All-Cap Equity	Equity	1.7%
Granahan US Focused Growth	Equity	1.4%
Morgan Stanley Global Brands	Equity	1.1%
iShares Gold Producers	Commodities	0.6%
Morgan Stanley UK Global Brands	Equity	0.5%

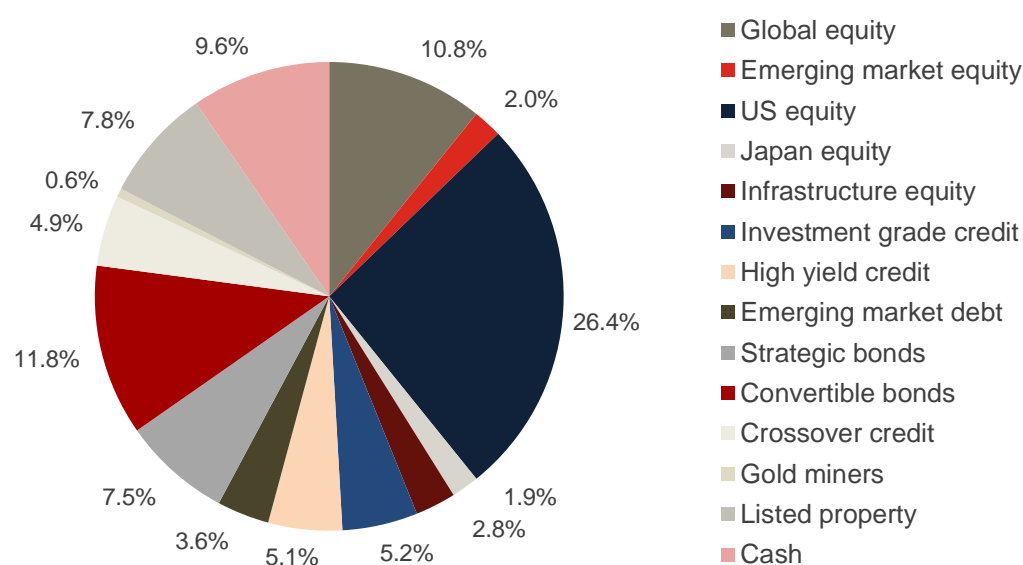
Investment statistics (since 1 January 2009)

Current month return:	-2.4%
Cumulative return:	49.5%
Annualised return:	7.2%
Annualised volatility:	7.3%

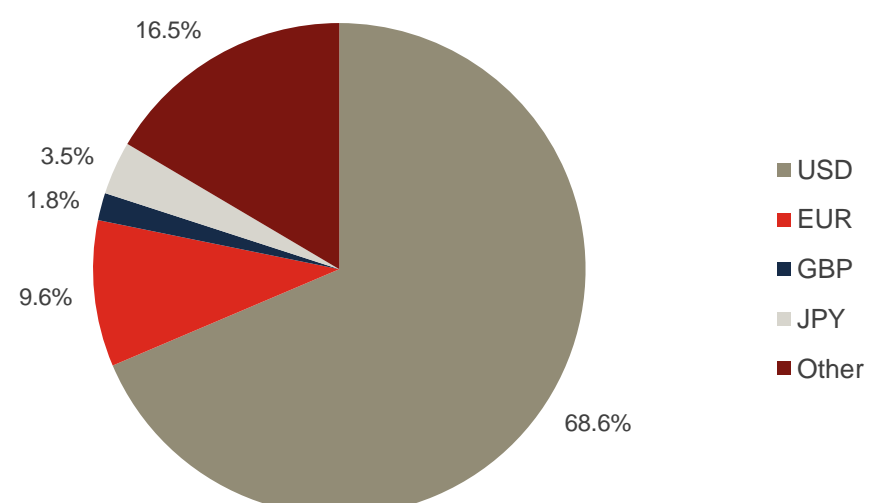
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

As we move into the final quarter of the year there are several interrelated themes playing out, all with a substantial impact on markets. First, global growth is slowing; second, performance among economies, especially between the US, Europe and Japan is diverging; third, expectations for central bank behaviour is becoming increasingly varied; fourth, a strong US dollar and weak commodity prices are causing sizeable shifts in relative pricing.

All of these have far reaching implications for asset prices and are of greater importance to asset allocation policy than the geopolitical risk seen in the Middle East and Ukraine. While not underestimating the ability of geopolitical risk to destabilise markets in the short term, a negotiated diplomatic solution is a probable outcome in Ukraine, and the Islamic State (IS) movement is being halted by a powerful global alliance led by the US, which will likely prevent it from gaining momentum and having a meaningful impact on oil supplies. Global markets are correcting as they adjust to reduced growth expectations; an increasingly difficult environment for revenue growth and the challenge of the first increase in US interest rates since June 2006. This weakness is likely to continue in the short term. Markets will be supported, however, by the search for yield and the prospect of very loose monetary policy for a long time ahead.

Against this backdrop, global equity markets returned -2.7% in US dollar terms, with global emerging markets falling by 7.4% over the same period. Year to date both of these indices remain in positive territory, with developed markets producing returns of 3.9% and emerging markets lagged somewhat adding 2.4% over the same period. Government bond markets were relatively resilient in local currency terms, but a strong US dollar created a headwind to returns when translated into US currency. The global government bond index returned -3.0% and global aggregate bonds returned -2.7% in US dollar terms in September. Credit markets generally sold off, with US high yield returning -2.1%, global convertibles -3.8% and hard currency emerging market debt (EMD) returning -2.6%.

The Harmony US Dollar Balanced Fund returned -2.4% net of all fees last month in US Dollar terms. Over the past twelve months the Fund has gained 3.4%, driven by strong returns from equity markets. Given the market backdrop most holdings detracted from absolute performance in September with two notable exceptions: the Polar Japan fund and the Old Mutual Strategic Bond fund. On Polar; the Japanese market outperformed global markets significantly in local currency terms while the portfolio's holding on a currency hedged basis protected from the effect of simultaneous yen weakness versus the US dollar. Meanwhile Old Mutual's short duration positioning was rewarded as bond yields rose. The most significant detractor from returns over the month was the Fund's holding in global listed real estate as this area suffered from both falling equity markets and rising bond yields, with the latter being a more relevant factor than for general equity markets due to the high yielding nature of the underlying real estate investment trusts (REITs). The Fund's emerging market equity holding underperformed the listed real estate holding but represented a far smaller position size; we viewed this price weakness as a good buying opportunity and as such increased the exposure to this area at the end of the month.

The Cohen & Steers Global Real Estate Securities fund had a negative month, returning -2.0% in September in US Dollar terms, marginally ahead of its benchmark at -2.1%, as global listed real estate suffered from the sell-off in several equity markets. The fund is currently 47% invested in the US, representing a marginal underweight exposure of 3% compared to the benchmark. The remaining exposure is diversified across a range of other geographies, with overweight allocations to the UK, Japan and Continental Europe. Compared to the previous month, they have partially closed their Australian underweight. In terms of sector, the Fund is still broadly in line with its benchmark with a small overweight to offices and residential at the expense of alternative sectors and healthcare. The managers tend to favour cyclical and short lease duration assets at the margin to benefit from the recovery cycle and potential for rents uplifts in countries such as the US and UK.

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.