

Harmony US Dollar Balanced Fund

Fund details

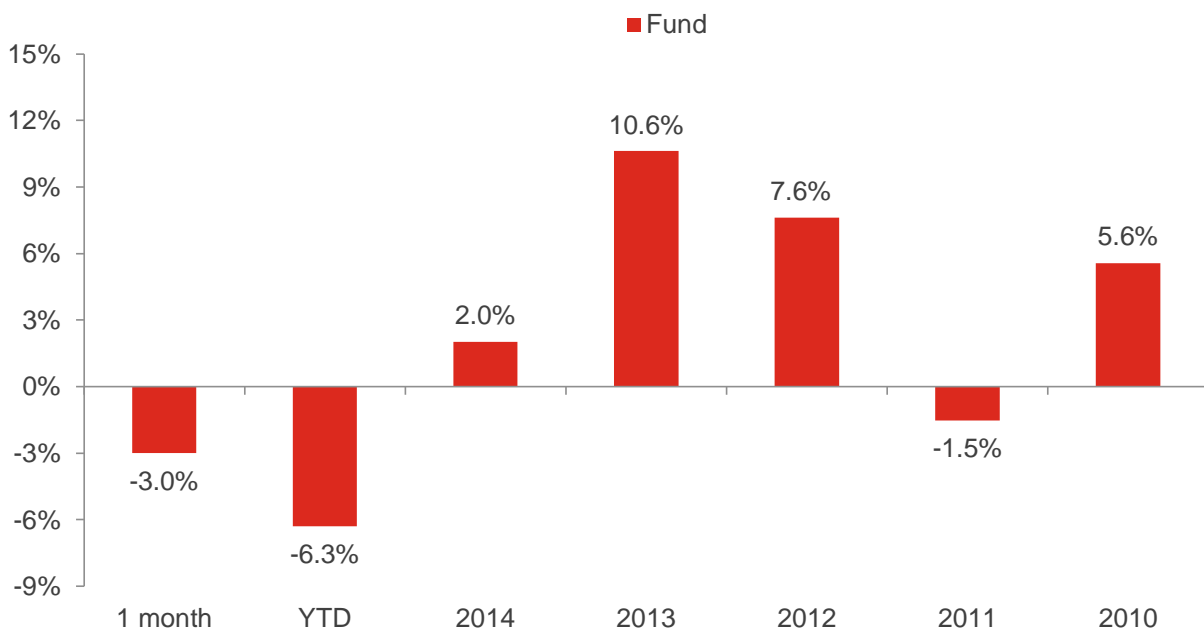
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.0428
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.0557
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.1560
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.0883
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

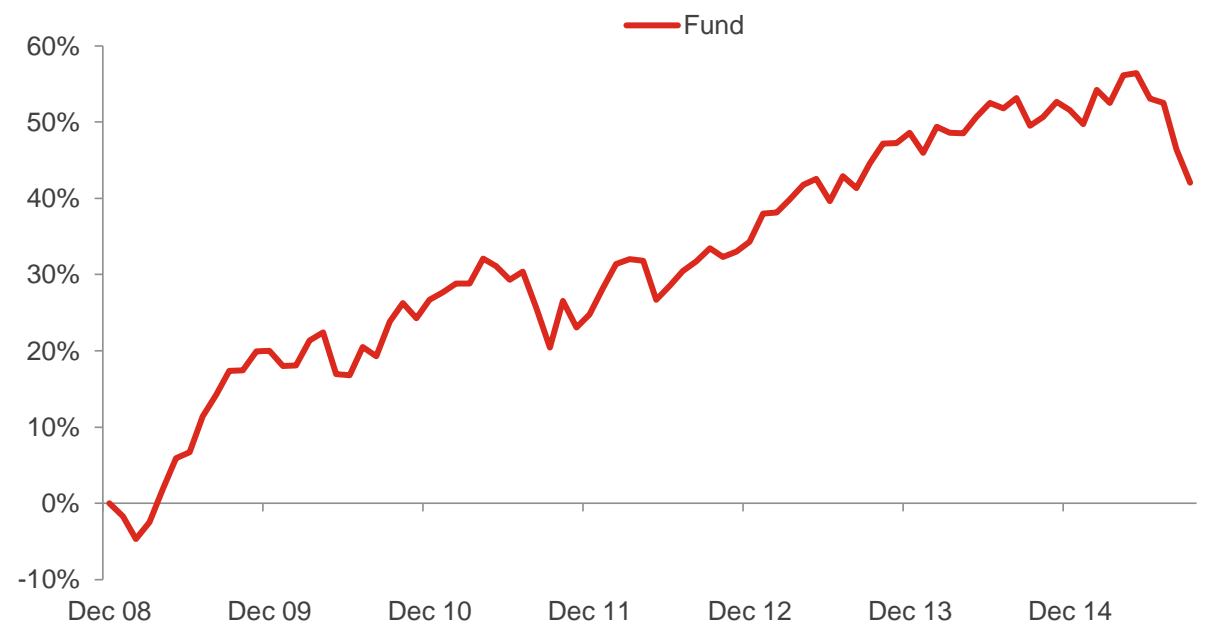
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



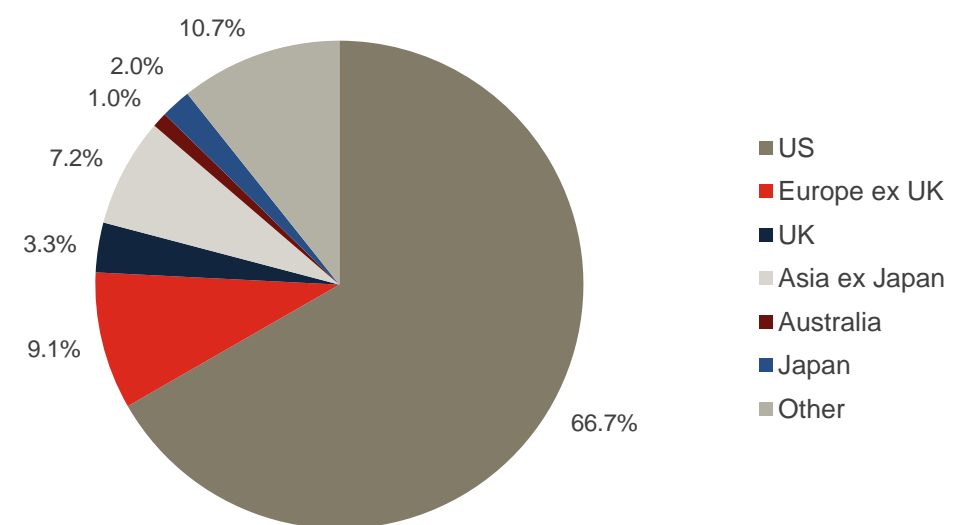
Holdings

Holdings	Asset type	Weight
Cash	Cash	8.6%
Wells Fargo US All Cap Growth	Equity	6.3%
AXA US High Yield	Fixed Income	6.0%
Artisan Global Value	Equity	5.9%
Third Avenue Real Estate Value	Property	5.6%
Yacktman US Equity	Equity	5.5%
Vulcan Value Equity	Equity	5.5%
RWC Global Convertibles	Fixed Income	5.4%
Muzinich EM Short Duration (USD hedged)	Fixed Income	5.1%
BlackRock US Corporate Bond Index	Fixed Income	5.0%
Muzinich Enhanced Yield Short-Term (USD hedged)	Fixed Income	5.0%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.0%
AXA US Short Duration High Yield	Fixed Income	4.0%
Harris Associates Concentrated US Equity	Equity	3.9%
RWC Asia Convertibles	Fixed Income	3.9%
Conventum Lyrical	Equity	3.9%
Dimensional Emerging Markets Value	Equity	3.4%
Heptagon Kopernik Global All-Cap Equity	Equity	2.5%
Morgan Stanley Global Brands	Equity	1.8%
First State Global Listed Infrastructure	Equity	1.8%
Schroder UK Recovery	Equity	1.7%
FP Crux European Special Situations	Equity	1.6%
American Century Concentrated Global Growth	Equity	1.5%
Granahan US Focused Growth	Equity	1.2%
Westwood Strategic Global Convertibles (USD hedged)	Fixed Income	0.6%
iShares Gold Producers	Commodities	0.3%

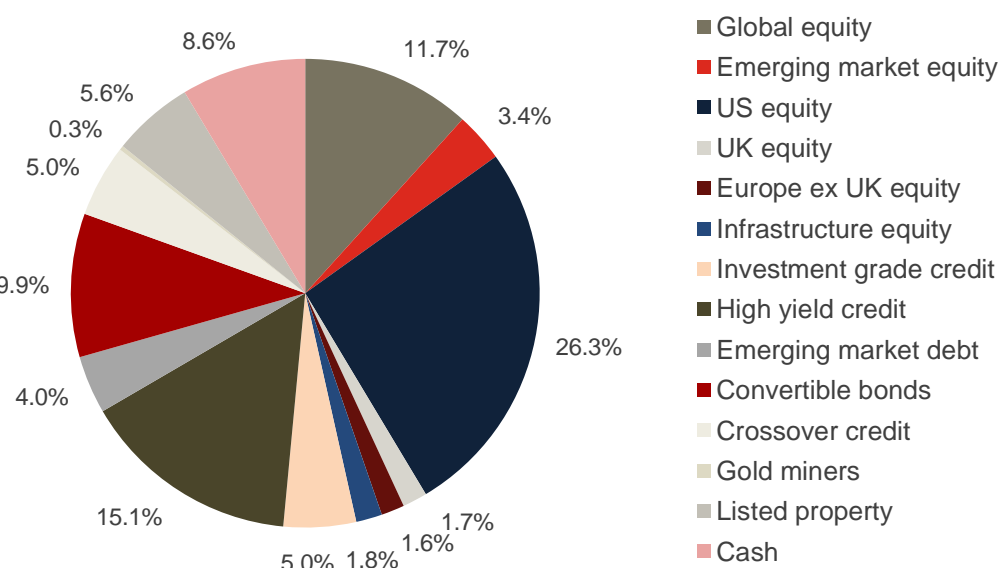
Investment statistics (since 1 January 2009)

Current month return:	-3.0%
Cumulative return:	42.0%
Annualised return:	5.3%
Annualised volatility:	7.3%

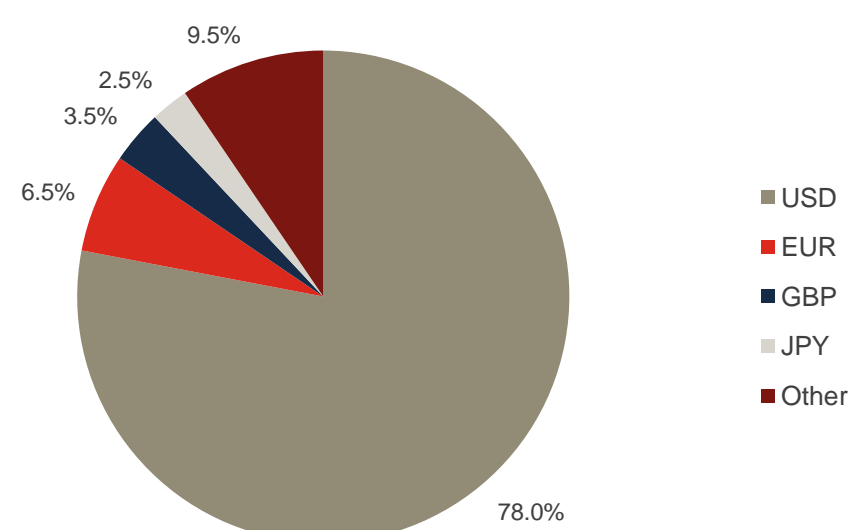
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

September did little to lift the mood following a difficult August. Commodities and emerging markets continued to be under pressure as concern mounted over the growth prospects of China in particular. This inevitably led to concerns over global growth more generally, which ultimately sowed the seed of doubt in investors' minds with respect to developed market valuations. September was dominated by the US interest rate decision, with the Federal Reserve's (Fed's) maintenance of the status quo spooking markets further, as this represented something of an abandonment of their earlier guidance, which had hinted strongly at a first hike in September. This decision has in some ways added to the uncertainty over the Fed's future policy and has also raised the question of whether the Fed has other reasons for concern apart from those in the public domain. As a consequence, the third quarter of 2015 was a difficult period for investors, with many markets experiencing the worst returns since the euro crisis gripped markets over the same period in 2011.

The MSCI World index fell 3.7% in US dollar terms in September. The US and UK markets outperformed with local currency returns of -2.7% and -3.0% respectively, while Japan was a notable laggard, falling by 7.9% in yen terms. Global emerging market equities outperformed developed markets with a 3.0% decline in US dollar terms, but have underperformed by almost 12% over the last three months. Fixed income assets generally outperformed equities, with global government bonds returning 0.6% in US dollar terms. Investment grade corporates provided mixed returns, slightly positive in the US and slightly negative in Europe, while high yield indices posted declines of over 2%. Convertible bonds and hard currency emerging market bonds also posted declines for the month. Meanwhile, commodities continued to fall as well, with the broad index down another 1.9% in US dollar terms.

Against this backdrop, the Harmony US Dollar Balanced Fund fell by 3.0% in US dollar terms. Capital protection remained difficult in this environment given the breadth of the weakness across most asset classes. The equity portion of the Fund contributed the majority of this decline in absolute terms. Within the US equity portion, the most defensively positioned and quality orientated of our selected managers outperformed, but this was insufficient to offset the underperformance of our growth and value-orientated managers. Within the fixed income portion, a holding in a US investment grade bond fund contributed to performance with a small positive return. This position was initiated at the start of the month after further widening of credit spreads presented us with an attractive entry point. However, that small contribution was offset by weak performance from holdings in high yield bonds, convertible bonds and hard currency emerging market bonds, which declined by between 0.9-2.5% for the month.

In addition to adding an investment grade bond fund holding in September, we also initiated a holding in the Conventum Lyrical US Equity fund to diversify the Fund's exposure to US value stocks. The fund is managed by a small New York based team of highly experienced value investors. They have a simple but well-thought-out approach to portfolio construction, which we believe reduces downside risk but also enables them to focus more attention on conducting in-depth fundamental research. Importantly, other than these changes, we have maintained the same asset allocation through this period of heightened volatility. Although this detracted from short-term performance, we believe that consistently implementing our valuation driven asset allocation approach should lead to strong long-term performance. Indeed, so far we have seen a significant rebound in markets at the start of October, which the Fund has captured.

Going forward we expect a continued presence of volatility and stresses in markets, and sharp divergence of performance between countries, sectors and companies depending on fundamentals. On the positive side, these conditions will encourage continued loose monetary policy, and extend this long credit and market cycle. Moreover, valuations are materially lower than just a few months ago, with the re-pricing of the China risk, and slower global growth now to a large extent discounted, markets arguably offer the best opportunity for some time to add to the risk positions in portfolios. But in this dangerous world, prudent diversification and a focus on quality stocks, cash generation and strong balance sheets will continue to reward investors.

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.