

Harmony US Dollar Balanced Fund (Class E)

Fund details

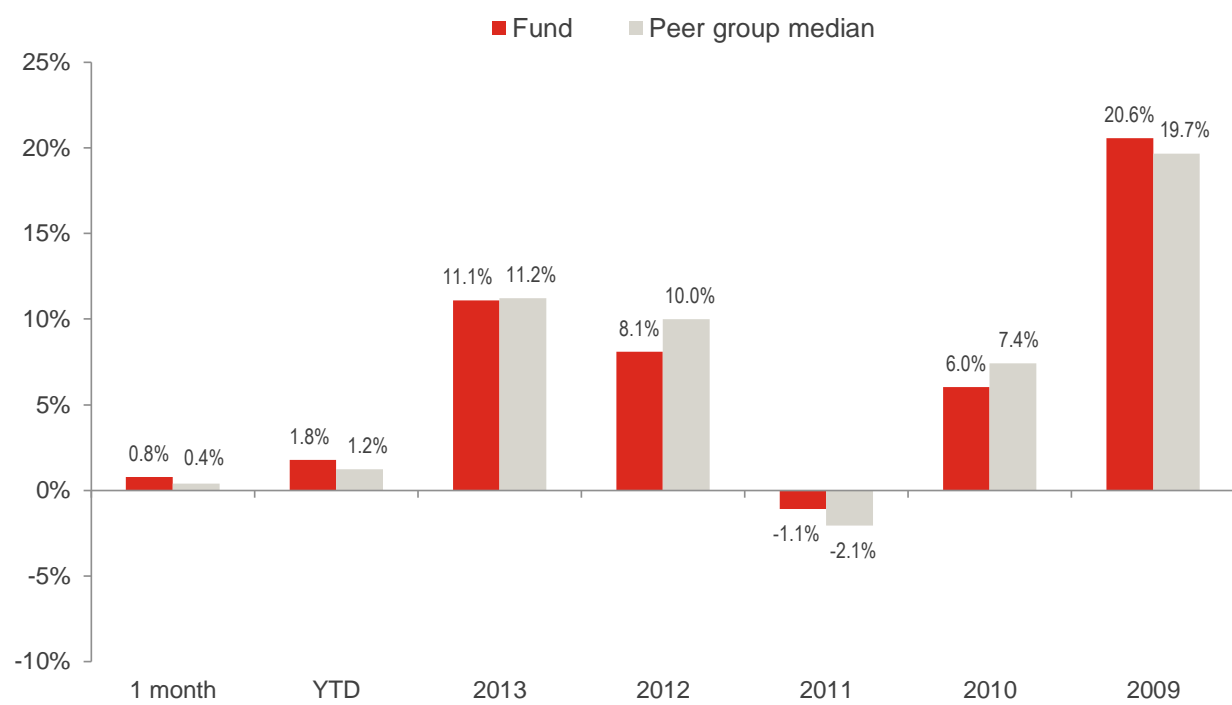
Investment manager: Momentum Global Investment Management	ISIN: LU0795381242
Currency: USD	Price per share: USD 1.1556
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group source: Bloomberg¹	Investment timeframe: 3 years +

Investment objective

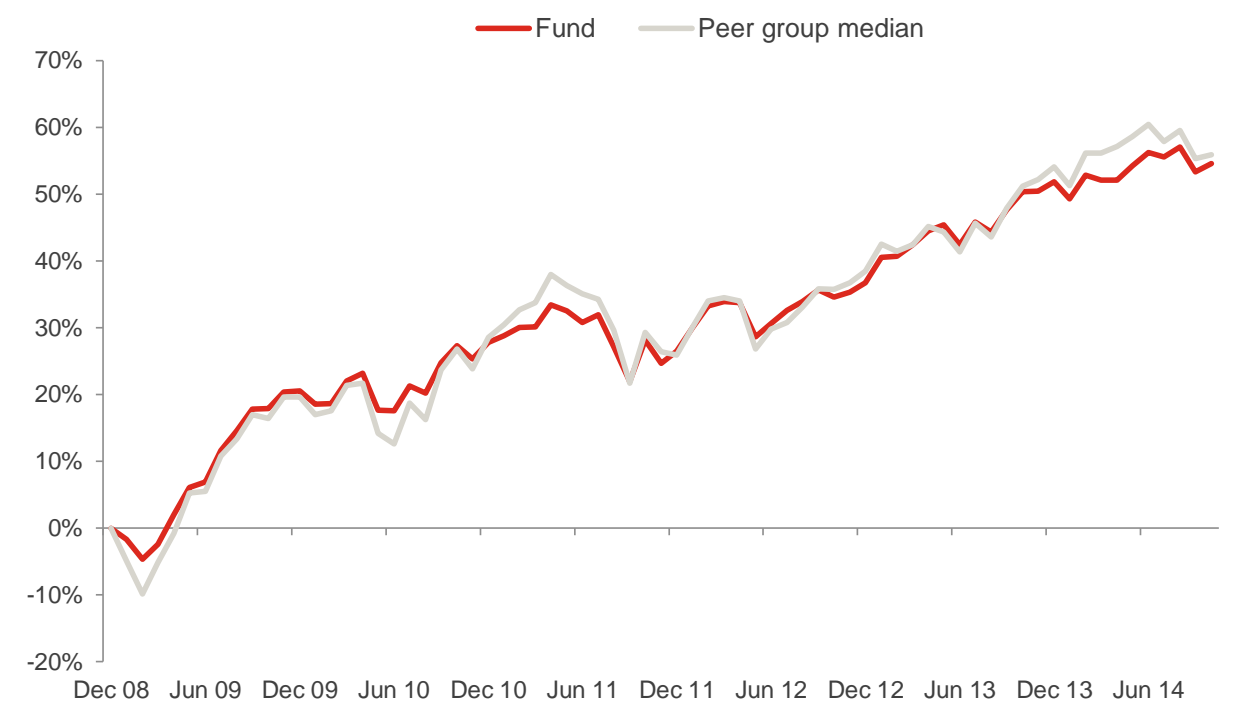
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



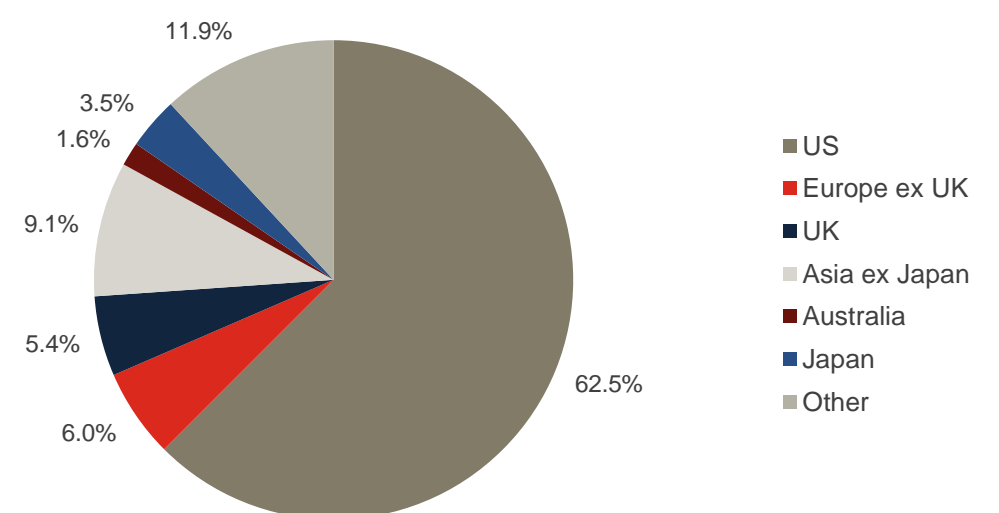
Holdings

Holdings	Asset type	Weight
Cash	Cash	9.0%
Cohen & Steers Global Real Estate	Property	8.6%
Harris Associates Concentrated US Equity	Equity	8.0%
Wells Fargo US All Cap Growth	Equity	6.9%
Artisan Global Value	Equity	6.0%
RWC Global Convertibles	Fixed Income	5.7%
RWC Asia Convertibles	Fixed Income	5.6%
Vulcan Value Equity	Equity	5.4%
Yacktman US Equity	Equity	5.3%
BlackRock US Corporate Bond Index	Fixed Income	5.0%
Muzinich EM Short Duration (USD hedged)	Fixed Income	4.9%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.9%
Old Mutual Dublin Global Bond	Fixed Income	4.7%
Muzinich EnhancedYield Short-Term	Fixed Income	4.7%
Dimensional Emerging Markets Value	Equity	3.8%
First State Global Listed Infrastructure	Equity	2.7%
Heptagon Kopernik Global All-Cap Equity	Equity	1.9%
Polar Capital Japan (USD hedged)	Equity	1.8%
American Century Concentrated Global Growth	Equity	1.7%
Morgan Stanley UK Global Brands	Equity	1.5%
Granahan US Focused Growth	Equity	1.5%
iShares Gold Producers	Commodities	0.4%

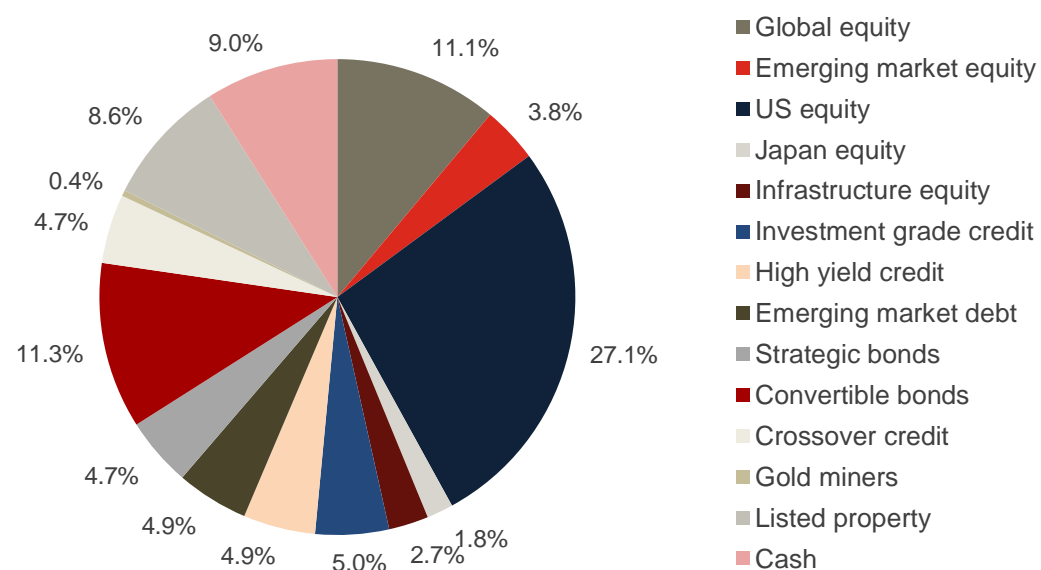
Investment statistics (since 1 January 2009)

Current month return:	0.8%
Cumulative return:	54.6%
Annualised return:	7.8%
Annualised volatility:	7.2%

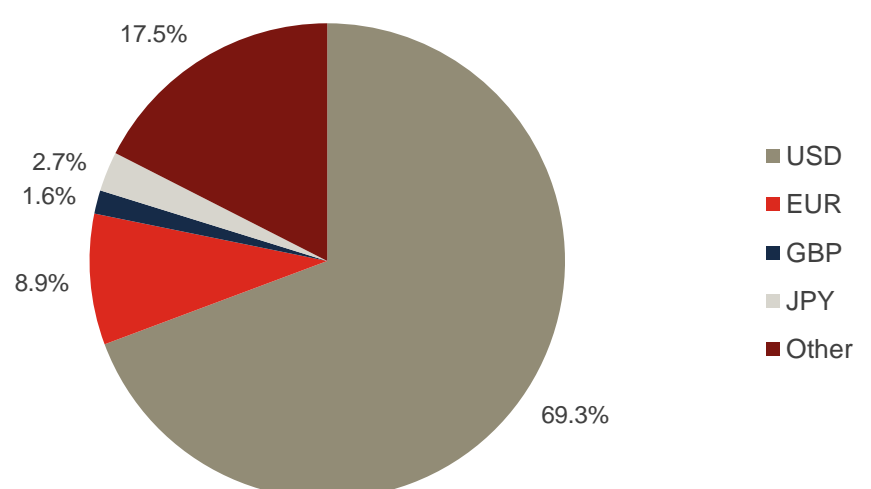
Regional allocation



Strategy allocation



Currency allocation



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

¹ The peer group median return is a composite of (i) global peers and (ii) local peers, in the ratio 1:2. This weighting methodology is consistent with the "normal" asset allocation of the Fund, with a two-thirds bias towards "home" country assets and currencies.

■ Manager commentary

Global equities fell sharply during the first half of October, driven by concerns around the outlook for global growth. However, following a rally in the latter part of the month, developed market equities finished up by 0.6% in US dollar terms, while emerging markets gained 1.2%. The US equity market outperformed with a return of 2.4%. As equity markets sold off in the first half of the month government bond yields fell sharply. The yield on the US 10 year Treasury fell by 0.4% in a single day to 1.9%, its lowest level since May 2013. Despite the effect of a strong dollar on local currency returns, the global aggregate bond index ended the month up by 0.1% in US dollar terms.

Policy is now diverging between the major central banks, with the Federal Reserve (Fed) bringing its asset purchase programme to an end in October while the European Central Bank (ECB) began buying covered bonds in an attempt to ease pressure on banks and release liquidity into the markets. The big surprise, however, was the action at the end of the month by the Bank of Japan, which increased its asset purchase programme from JPY 60-70 trillion per annum to JPY 80 trillion, nearly matching the quantitative easing programme of the Fed at its peak. Weakening and, in many countries, fragile growth, deflationary forces and asset values which in most cases are no longer intrinsically cheap, are likely to result in periods of greater volatility such as the one we have just seen in October. It is clear, however, that central banks are ready to take action to ensure stability. The prospect of this support is expected in turn to provide support for markets.

Against this backdrop, the Harmony US Dollar Balanced Fund returned 0.8% net of all fees last month in US dollar terms. Key contributors to performance included the Fund's holdings in listed infrastructure and listed property as well as exposure to growth orientated equity strategies. Our global listed property holding, which represents almost 10% of the portfolio, gained over 6% in US Dollar terms bringing the year to date return to over 12%. Meanwhile, global listed infrastructure gained 3% in October but has achieved broadly the same return year to date as global listed property. The Fund's holdings in American Century Global Concentrated Growth, Wells US All Cap Growth and Granahan US Focused Growth all outperformed their respective benchmarks as they benefited from the outperformance of their earnings acceleration / momentum orientated investment styles over the period. The main holdings that detracted from performance were those with significant exposure to energy and materials; namely the Kopernik Global All Cap Equity fund and the iShares Gold Producers ETF, but we will maintain small position sizes in these areas due to the downside risk and volatility, which materialised in October and may well remain a feature of these investments going forward. The strong performance of bonds in local currency terms, both in October and over longer time periods, represents a missed opportunity for the fund as we continue to have very limited exposure to government and investment grade bonds, but we remain confident this is the right positioning to retain given the poor risk reward trade-off resulting from absolute yields being so low.

US small caps performed very well in October, but this only just brought the Russell 2000 into positive territory for the year to date (up 1.9%) compared to the S&P 500 index of large cap companies which has gained 10.4% over the same period. Our small cap growth manager, Granahan, outperformed with a gain of 8.3% in October and has now delivered a return of 12.3% over the last six months which roughly matches the fund's holding period, significantly ahead of both large and small cap indices. Granahan are a boutique investment management firm managing only US small cap growth strategies. The firm was founded in 1985 and today manages over \$3bn across four distinct strategies. The portfolio manager, Drew Beja, started his career in the mid-1980s focusing on US small caps and has managed his current strategy since 2007, joining Granahan in 2011. The strategy is very focused on niche businesses that have very high long-term growth potential. The manager focuses his research on his areas of expertise: technology and business services as well as internet and consumer-orientated businesses. The concentrated 30-40 stock portfolio is actively managed with position sizes being determined based on probability weighted expected return and conviction, whilst paying strong attention to the downside risk inherent within each stock.

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.

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.

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.