

Harmony US Dollar Balanced Fund

Fund details

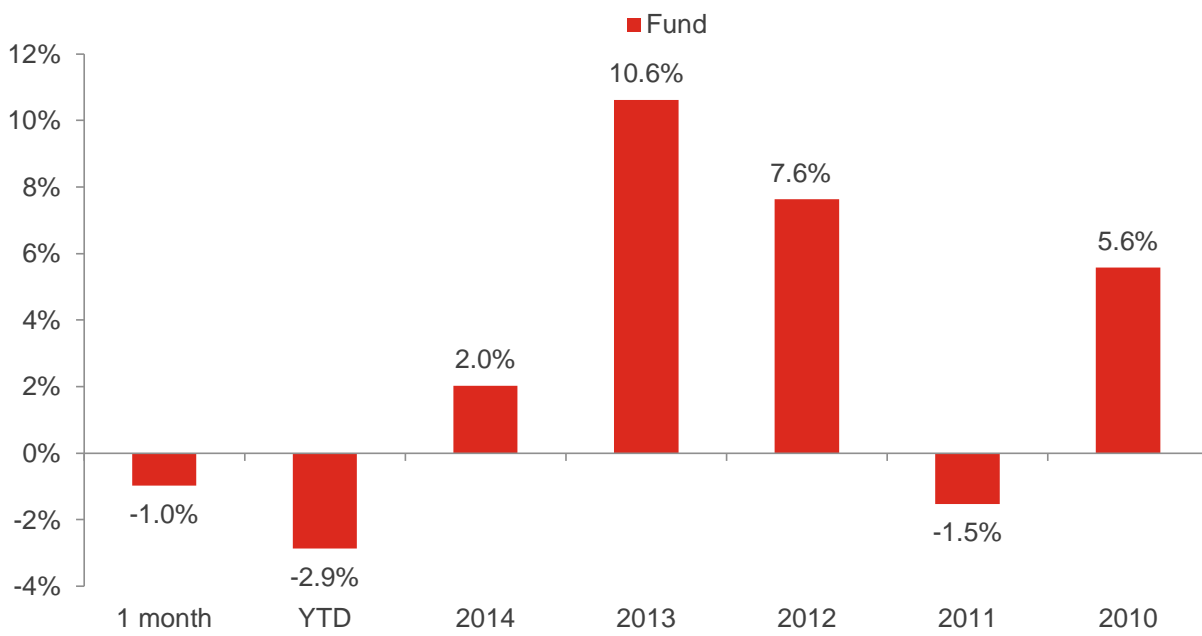
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.0809
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.0942
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.1973
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.1261
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

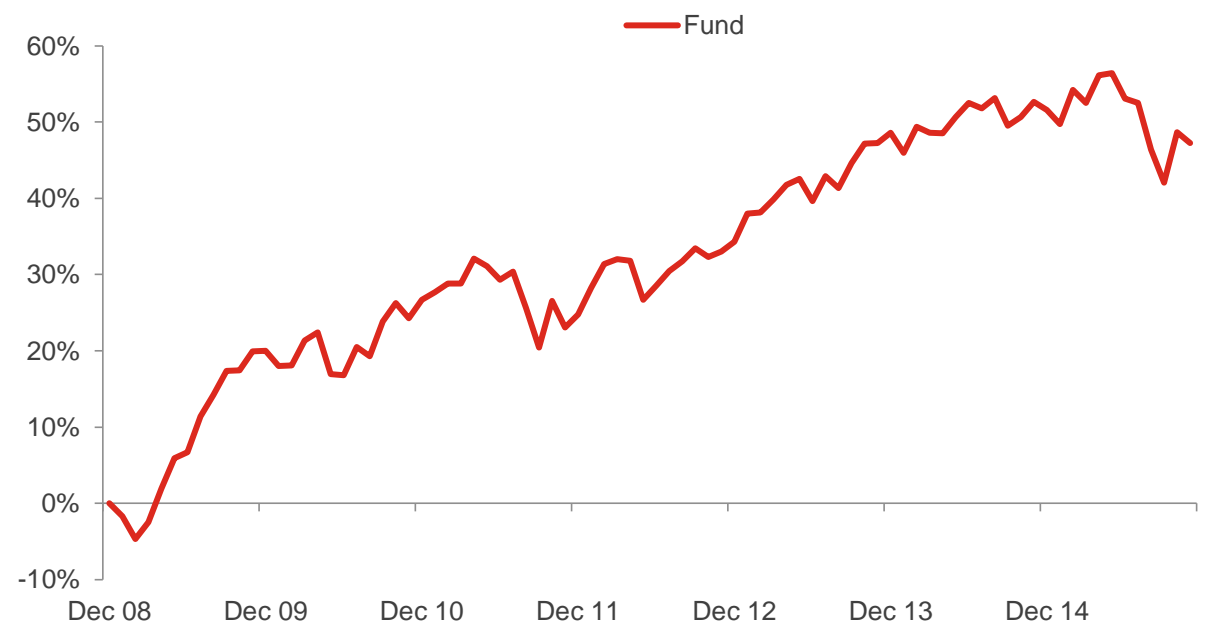
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



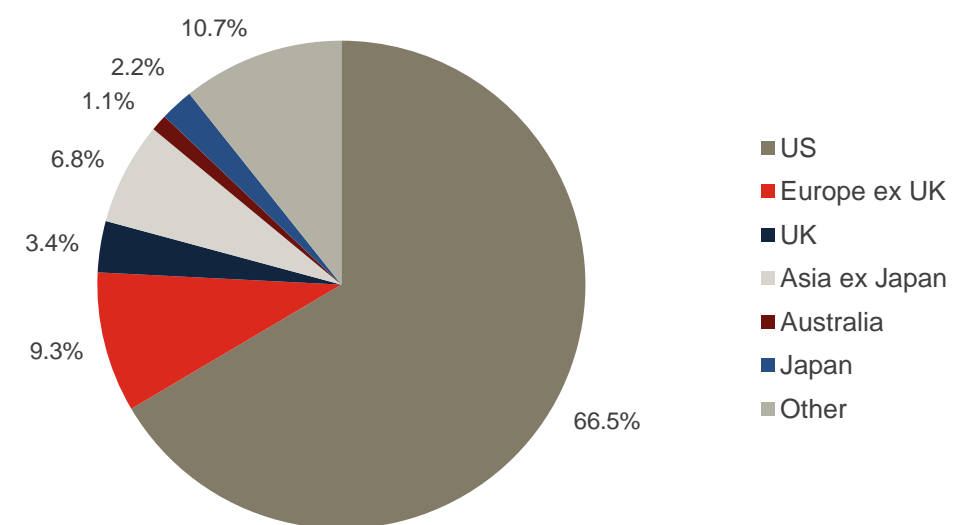
Holdings

Holdings	Asset type	Weight
AXA US High Yield	Fixed Income	6.7%
Third Avenue Real Estate Value	Property	6.2%
Cash	Cash	6.2%
Artisan Global Value	Equity	6.2%
Wells Fargo US All Cap Growth	Equity	6.0%
Yacktman US Equity	Equity	5.8%
Vulcan Value Equity	Equity	5.2%
Muzinich EM Short Duration (USD hedged)	Fixed Income	5.1%
BlackRock US Corporate Bond Index	Fixed Income	5.0%
Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	5.0%
RWC Global Convertibles	Fixed Income	4.9%
Harris Associates Concentrated US Equity	Equity	4.3%
Conventum Lyrical	Equity	4.2%
iShares JP Morgan Emerging Markets Bond	Fixed Income	4.1%
RWC Asia Convertibles	Fixed Income	4.0%
AXA US Short Duration High Yield	Fixed Income	4.0%
Dimensional Emerging Markets Value	Equity	2.9%
Heptagon Kopernik Global All-Cap Equity	Equity	2.6%
Morgan Stanley Global Brands	Equity	2.0%
First State Global Listed Infrastructure	Equity	1.9%
Schroder UK Recovery	Equity	1.7%
American Century Concentrated Global Growth	Equity	1.6%
FP Crux European Special Situations	Equity	1.6%
Granahan US Focused Growth	Equity	1.3%
Westwood Strategic Global Convertibles (USD hedged)	Fixed Income	1.2%
iShares Gold Producers	Commodities	0.3%

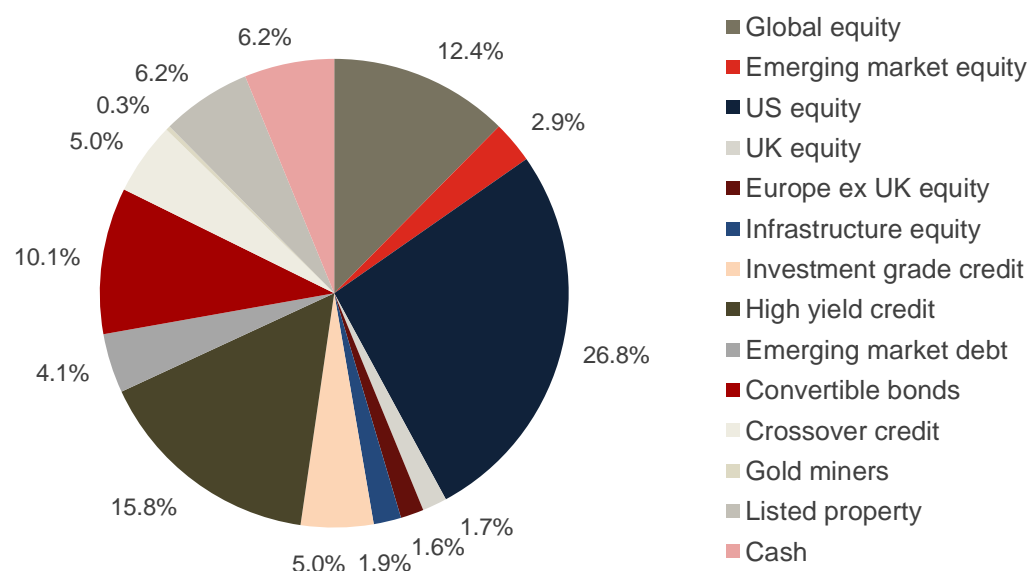
Investment statistics (since 1 January 2009)

Current month return:	-1.0%
Cumulative return:	47.2%
Annualised return:	5.8%
Annualised volatility:	7.4%

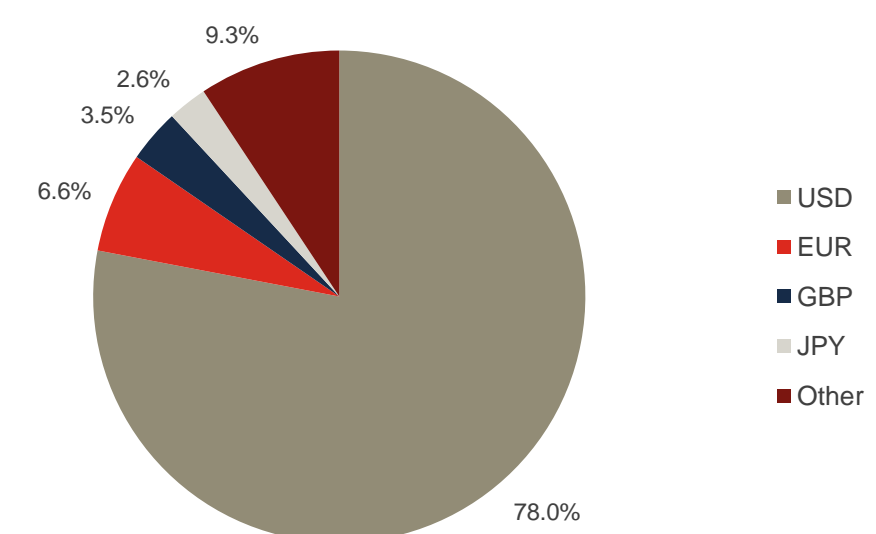
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

In contrast to the elevated volatility seen across markets in recent months, most asset classes ended November with relatively small moves, except for further large falls in various commodity markets. Global equities rose 0.6% in local currency terms as most major markets delivered gains, ranging from 0.3% for both the US and the UK to stronger gains of 1.1% for Japan and 2.7% for continental Europe. Emerging market equities underperformed, falling 2.7% in local currency terms. Returns from fixed income markets were more varied: UK and European government bonds performed well, gaining 1.2% and 0.4% respectively, while US treasuries fell 0.4%. Corporate credit outperformed government bonds in most markets, including European high yield bonds, but in the US high yield bonds were a notable underperformer falling 2.2% for the month. Meanwhile the US dollar appreciated further versus most other major currencies in November, in part reflecting heightened expectations for an interest rate hike by the US Federal Reserve (Fed) at their next meeting in December. This led to lower asset class returns when measured in US dollar terms; on this basis global developed market equities fell 0.5% while global bonds fell 1.7%. US dollar strength also impacted the commodity complex which weakened further over the month, with the Goldman Sachs Commodity Index falling 9.0% in US dollar terms, in part driven by an 11.6% fall in the Brent crude oil price.

Against this backdrop the Harmony US dollar Balanced Fund returned -1.0% in November in US dollar terms net of all fees. Asset allocation explained much of this return while manager selection did not have a meaningful impact on fund performance for the month. The bulk of the negative return contribution came from our various equity and US high yield holdings. Within equity the weakest performance came from our allocations to global strategies, but the Fund benefited from retaining a much higher allocation towards US equity strategies, which in aggregate generated a small positive return. Within the US equity allocation, our holdings that provide exposure to high growth stocks performed considerably better than those with a value bias, continuing a market trend that has been in place throughout most of the year. One of the reasons for value styles struggling throughout the year has been the underperformance of the energy sector on the back of the falling oil price. This has also been a key driver behind poor performance from US high yield bonds, where the energy sector represents around 13% of the market. The main exposure we have to the broad US high yield market is through a holding in the AXA US High Yield Bond Fund. On energy specifically, the manager currently has an underweight allocation and only owns those credits that offer a sufficiently attractive risk/reward profile. Considering the entire portfolio, we believe the aggregate yield, which has risen to over 8% as bond prices have fallen, more than compensates investors for the risks inherent in this asset class and should lead to strong risk adjusted performance over the medium term. However, we maintain sufficient diversification within our fixed income holdings by balancing this with other asset classes, such as convertible bonds and hard currency emerging market debt, both of which delivered small gains over the month.

Overall there is a sense that the markets are marking time ahead of the Fed's interest rate decision in mid-December and what that portends for global economic activity and for investment markets. This is a period where portfolio risk has not been particularly well rewarded and while we remain constructive on equity markets from here, going forward we expect volatility will continue along with sharp divergence of performance between countries, sectors and companies depending on fundamentals. On the positive side, it appears that against this backdrop even hawkish central banks will be unlikely to adjust interest rate and other easing measures aggressively, which should help underpin this long credit and market cycle for several years ahead. Nevertheless, in this uncertain 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.