

Harmony Portfolios US Dollar Balanced Fund - Class E

Fund details

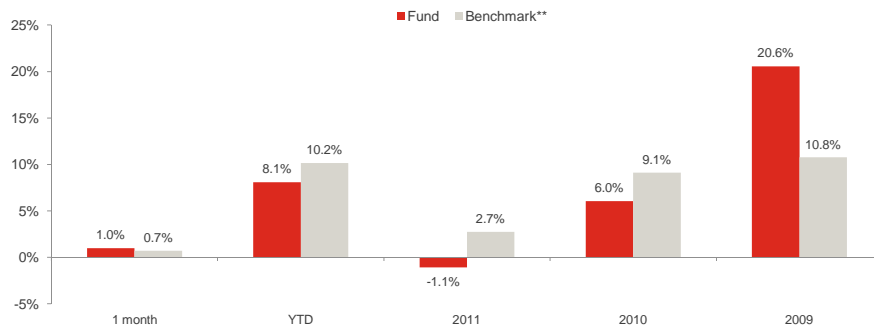
Investment manager: Momentum Global Investment Management Limited	Currency: USD	ISIN: LU0795381242
Initial fee: none	Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Price per share: USD 1.0219
Minimum Investment: USD 250,000	Subscriptions / redemptions: daily	
Investment timeframe: 3 years +	Inception date (fund): 9 August 2012	
Benchmark: 30% S&P 500, 10% MSCI AC World, 10% Citigroup WorldBIG, 30% JP Morgan US GBI, 10% FTSE EPRA/NAREIT Developed, 10% USD 7-Day LIBID		

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*



Source: Lipper Hindsight, JP Morgan Bank (Luxembourg) S.A.

* Performance figures prior to the inception date of the Class E share have been simulated to show its lower fees by adjusting the Harmony Portfolios US Dollar Balanced Fund Class A share's past performance. Past performance is not indicative of future returns. Prior to the Class A funds 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 IC Cell within the Momentum Mutual Fund. The historical performance of the Harmony US Dollar Balanced IC Class A fund is shown in the above chart from 1 January 2009 until the inception date of the SICAV. Past performance is not indicative of future returns. The fund performance is calculated on a total return basis, net of all fees and in US Dollar terms.

** From January 2009 to January 2010 the benchmark for performance comparison provided in this document comprised: 16% S&P 500, 10% MSCI World ex USA, 25% Citigroup US WGBI, 12% JPM EMBI+, 13% Lipper Property Peer Group, 24% US Dollar 7-Day LIBID. From January 2010 to August 2011 the benchmark comprised: 18% S&P 500, 12% MSCI World ex USA, 35% Citigroup US WGBI, 10% JPM EMBI+, 10% FTSE EPRA/NAREIT Developed CR, 15% US Dollar 7-Day LIBID.

All holdings

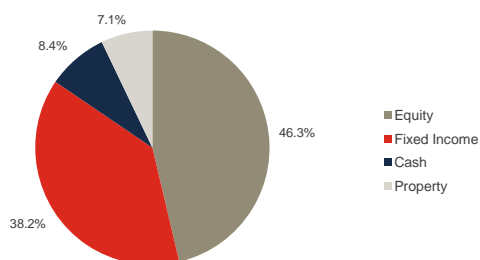
Holdings	Asset type	Weight
Wells Fargo US All Cap Growth	Equity	10.9%
Old Mutual Dublin Global Bond I Acc USD	Fixed Income	9.9%
Yacktman US Equity I	Equity	9.4%
Momentum IF Global Equity Fund	Equity	8.6%
Cash	Cash	8.4%
Cohen & Steers Global Real Estate USD	Property	7.1%
Hotchkis & Wiley US Value	Equity	7.0%
RWC Global Convertibles Fund	Fixed Income	6.2%
BlackRock US Corporate Bond Index Fund	Fixed Income	6.1%
Jupiter Dynamic Bond	Fixed Income	5.1%
Muzinich EnhancedYield Short-Term Fund USD	Fixed Income	5.0%
BlackRock US Index Fund	Equity	3.3%
AXA US High Yield Bonds	Fixed Income	3.0%
iShares \$ TIPS	Fixed Income	2.9%
First State Global Listed Infrastructure EUR	Equity	2.9%
Morgan Stanley Global Brands Fund	Equity	1.2%
Momentum IF Global Emerging Markets Fund	Equity	1.1%
Artisan Global Value	Equity	1.0%
Morgan Stanley Global Brands Fund Z	Equity	0.5%
iShares MSCI Emerging Markets	Equity	0.4%

Source: Momentum Global Investment Management Limited, JP Morgan Bank (Luxembourg) S.A.

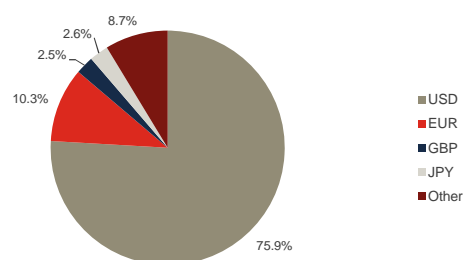
Investment statistics

Current month return:	1.0%
Cumulative return:	36.7%
Annualised return:	8.1%
Annualised volatility:	8.1%

Asset allocation



Currency allocation



Source: Momentum Global Investment Management Limited, JP Morgan Bank (Luxembourg) S.A.

■ Market commentary

The final month of 2012 was dominated by two key themes: the looming 'fiscal cliff' in the US, and the strong performance of Japanese equities. Global equity markets (1.9%) rose steadily during the first three weeks of December in anticipation of new legislation to avert the US fiscal cliff, before pulling back as it became clear that discussions were set to continue right up to the deadline. Several days of discussions concluded with an eleventh hour deal to stop tax rises on individuals earning less than USD 400,000 and married couples with combined incomes of up to USD 450,000. The so-called 'fiscal cliff' is more appropriately described as a 'fiscal slide'; the widely-discussed headline reduction in US GDP – estimated to be around 4% – would only come to pass if tax breaks and government spending cuts were left untreated for the whole of 2013. Nonetheless, the total effect of planned measures is significantly larger than anything seen in Europe thus far. The deal does little to alter the current trajectory of US public debt, which is on course to hit the debt ceiling at the end of February. The US will soon be forced to introduce extraordinary measures in order to continue paying its bills. Japanese stocks added 10.1% in local currency terms during December, following the Liberal Democratic Party's election victory at the beginning of the month. It was the best festive period for investors in Japan since at least 1989, and moved the Topix index ahead of peer markets for the year. The new government is pushing for stronger action to bring an end to Japan's period of low inflation/deflation, with "bold monetary easing" and "flexible" fiscal policy. Elsewhere, in Europe the passing of new budget laws in Italy was followed by the resignation of Mario Monti as Prime Minister on 21 December. Mr. Monti is unlikely to disappear from the political spotlight, however, after announcing his willingness to play a role in a reform-minded centrist coalition in the next elections. A huge amount still remains to be done with regards to the euro 'project', with centralised banking supervision and greater fiscal integration at the top of politicians' wish list for 2013.

Despite a relatively weak end to the month, overall December provided positive returns for equity investors. Indeed, December represented a reasonable end to what has proven to be a strong year for higher risk assets such as equities. Overall the global equity market returned 1.9% in December, helped by a strong final trading session as concerns started to lift regarding the US fiscal cliff. Against this backdrop, the Harmony USD Balanced fund delivered its sixth positive month out of the past seven. The fund returned 1.0% in US dollars terms in December. From an asset allocation perspective, the fund's underweight to global government bonds and overweight allocation to areas of the credit markets benefited both absolute and relative performance. The fund's holdings in credit securities, as well as the allocation to strategic bond mandates and convertible debt, provided positive returns. The fund's small underweight to global property securities was a drag on performance as these securities outperformed the broader equity markets in December. The fund remains underweight to government bonds, as we do not see compelling valuations available in this area of the fixed income markets. Looking forward to 2013, while a degree of welcome optimism appears to be returning to the markets, it is worth bearing in mind that a multitude of risks remain for investors. Consequently, while we are cautiously optimistic about the prospects for 2013, investors should look to retain a prudent level of diversification in their portfolios.

The Harmony USD Balanced fund initiated a small position in the First State Global Listed Infrastructure strategy during December. The Sydney-based fund managers, Peter Meany and Andrew Greenup, are supported by a team of experienced infrastructure specialists and only invest in the equity of businesses that derive the bulk of their earnings from owning and operating infrastructure assets. Such assets enable the delivery of some of the essential services that make up today's modern society. Infrastructure assets often hold a guaranteed agreement with the government to provide essential services, which creates an effective monopoly for the provider and results in extremely predictable cash flows. Therefore, these businesses are often less vulnerable to economic cycles and can support high credit ratings and lower borrowing costs, due to their high predictability. Also, government agreements usually include automatic tariff increases which in many cases explicitly consider the rate of inflation. In combination these characteristics mean infrastructure equities are able to deliver more stable, defensive returns with lower correlations to other asset classes, compared to general equities. As experienced investors in this area, the managers of the First State strategy implement a conservative approach that focuses on buying the highest quality infrastructure stocks at attractive prices. They look to minimise risk through an in-depth due diligence process that excludes riskier, low quality businesses, as well as by constructing a portfolio that is well diversified by sector, geography and other economic drivers.

Source: Lipper Hindsight, Momentum Global Investment Management Limited, December 2012

■ Risk warnings and important notes

Harmony Portfolios US Dollar Balanced Fund is a sub fund of the Momentum Global Funds SICAV which is domiciled in Luxembourg and is an "umbrella" fund which offers a wide range of single-priced, open-ended sub-funds. It is regulated by the Commission de Surveillance du Secteur Financier, the Luxembourg financial services regulator and conforms to the requirements of the European UCITS directive.

Past performance of any investment is not necessarily a guide to the future. All performance is calculated Total Return, Net of all fees and in US Dollar terms. The annualised return figure has been corrected from that shown when this factsheet was first issued.

Fluctuations in the value of the underlying funds and the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed. Deductions of charges and expenses mean that you may not get back the amount you invested.

The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.

The Fund may contain shares or units in underlying funds that invest internationally. The value of your investment and the income arising from it may therefore be subject to exchange rate fluctuations.

This report should not be construed as investment advice or guidance or a proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund and clients of the Distribution Partner.

The appointed Management Company for the Momentum Global Funds SICAV are RBS (Luxembourg) S.A. of 33 Rue de Gasperich, L-5826, Hesperange, Luxembourg.

The appointed Administrator of the Momentum Global Funds SICAV are JP Morgan Bank Luxembourg S.A. of 6 Route de Treves, L-2633 Senningerberg, Luxembourg. The latest copy of the Prospectus can be obtained from the appointed Administrator at this address.

Momentum Global Investment Management Limited (company registration no. 3733094) is the appointed Investment Manager, Promoter and Distributor of the Momentum Global Funds SICAV and are authorised and regulated by the UK Financial Services Authority, with registered address at 20 Gracechurch Street, London, EC3V 0BG. Momentum Global Investment Management Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

The appointed Depository of the Momentum Global Funds SICAV are JP Morgan Bank Luxembourg S.A. of, 6 Route de Treves, L-2633 Senningerberg, Luxembourg.

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