

Harmony US Dollar Balanced Fund

Fund details

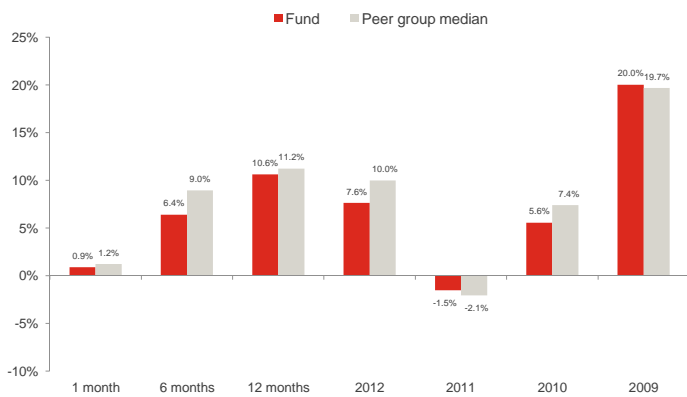
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.0907
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.1044
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.2197
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.1580
Minimum investment Share Class A: USD 100,000; Classes B, C & D: USD 7,500	Subscriptions / redemptions: daily	
Peer group source: Bloomberg¹	Investment timeframe: 3 years +	

Investment objective

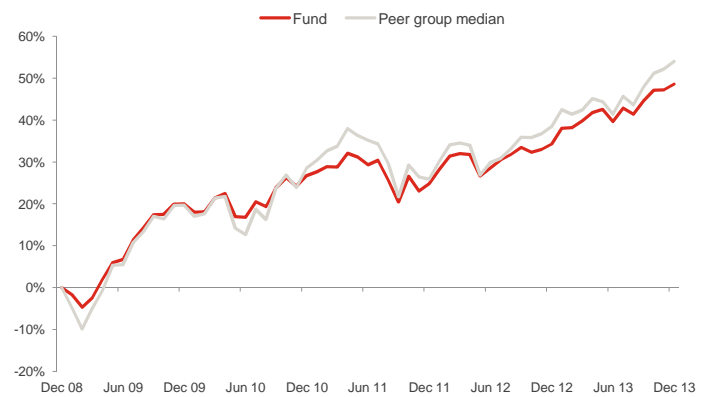
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



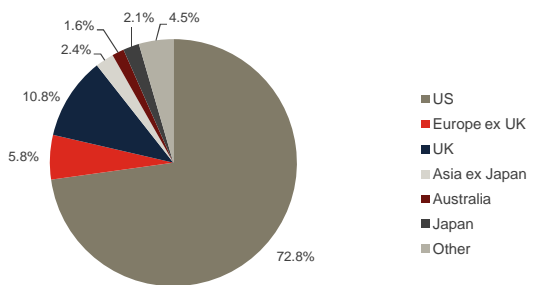
Holdings

Holdings	Asset type	Weight
Cash	Cash	13.6%
Old Mutual Dublin Global Bond	Fixed Income	10.3%
Yacktman US Equity	Equity	8.7%
Harris Associates Concentrated US Equity Fund	Equity	8.4%
Wells Fargo US All Cap Growth	Equity	8.0%
ING (L) Flex Senior Loans (USD hedged)	Fixed Income	7.6%
Cohen & Steers Global Real Estate	Property	7.1%
RWC Global Convertibles	Fixed Income	6.3%
Artisan Global Value	Equity	5.5%
Jupiter Dynamic Bond	Fixed Income	5.0%
Muzinich Short Duration High Yield (USD hedged)	Fixed Income	4.1%
First State Global Listed Infrastructure	Equity	3.1%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.0%
Muzinich EnhancedYield Short-Term	Fixed Income	2.9%
Dimensional Emerging Markets Value	Equity	2.3%
Morgan Stanley Global Brands	Equity	1.7%
iShares MSCI World	Equity	1.5%
iShares Gold Producers	Commodities	0.9%

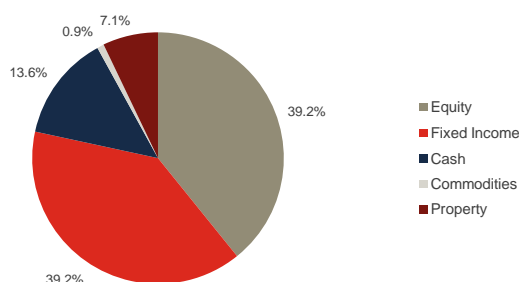
Investment statistics (since 1 January 2009)

Current month return:	0.9%
Cumulative return:	48.6%
Annualised return:	8.2%
Annualised volatility:	7.5%

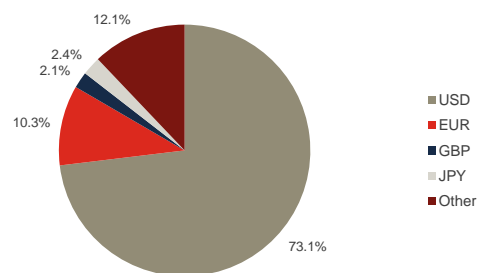
Regional allocation



Asset allocation



Currency allocation



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

¹ The peer group median is a composite of (i) global peers and (ii) local peers, in the ratio 1:2. The return of the global peer group each month receives a weight of one-third, and this is added to the return of the local peer group which receives a weight of two-thirds; together these two numbers produce a single composite peer group return. 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

The final month of 2013 brought with it a continuation of the main theme of the year, namely positive returns for equities and a negative month for global government debt. The Harmony US Dollar Balanced Fund returned 0.9% in December. For the calendar year the Fund has returned 10.6% net of all fees. The US Treasury bond market returned -1.1% in December, while the country's stocks returned 2.5% in USD terms. The Fund's asset allocation policy had a positive impact on absolute and relative returns last month, with our decision to avoid government bonds in favour of various aspects of the credit markets benefitting performance as these assets in aggregate outperformed sovereign paper. While the Fund is neutral to global equity, the small overweight to global emerging markets equity detracted from performance. Furthermore, the Fund is overweight cash which proved to be a store of value in a month where global government bonds sold off. Finally the decision to underweight global property securities aided relative performance as these underperformed the broader equity market.

Going forward, with uncertainty remaining over the strength of developed and developing world economic growth combined with the potential for tightening credit conditions, investors should look to retain a prudent level of diversification in their portfolios. Overall, we believe that the Fund is well positioned to take advantage of future opportunities in the markets as they present themselves. The past year was notable for its low levels of volatility in the markets. We do not believe this to be sustainable over the longer term and as a consequence we expect volatility to increase. It is important to bear in mind that while occasionally uncomfortable, volatility provides valuation opportunities for disciplined investors and our overweight cash position provides a ready source of liquidity which can be invested in opportunities as and when they arise.

From a manager selection perspective, our US equity managers struggled to keep up with the sharply rising market in the fourth quarter as the S&P 500 index gained 10.3% in US dollar terms. In comparison, our fund holdings managed by Harris, Wells and Yacktman, returned 9.1%, 7.6% and 6.6% respectively. Nonetheless, over the full year these funds have on the whole performed very well in relative terms despite the market rising by over 30%. Both Wells and Harris returned over 30.0% as their respective value and growth investment styles were both rewarded over the period. Yacktman underperformed for the year with a return of 25.9% although this was to be expected somewhat; the manager's quality biased approach is inherently conservative and so is likely to lag in such sharply rising markets and their higher than average cash holding has also been a drag on returns.

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.