

Harmony US Dollar Balanced Fund

Fund details

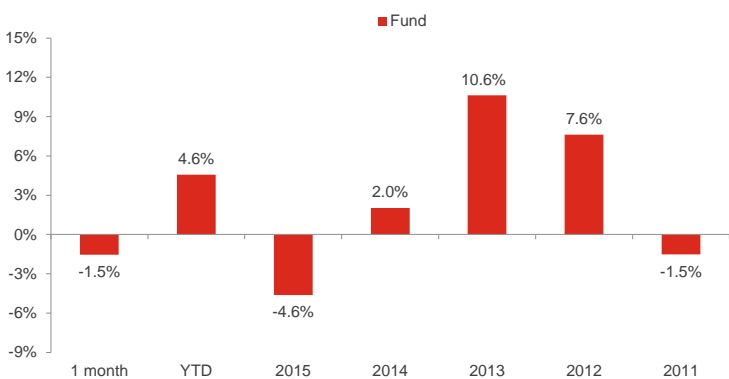
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651986068	Price per share A Class: USD 1.1098
Currency: USD	ISIN B Class: LU0651986142	Price per share B Class: USD 1.1235
Inception date (fund): 12 August 2011	ISIN C Class: LU0651986225	Price per share C Class: USD 1.2238
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651986498	Price per share D Class: USD 1.1439
Minimum investment: Share classes A, B, C & D: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

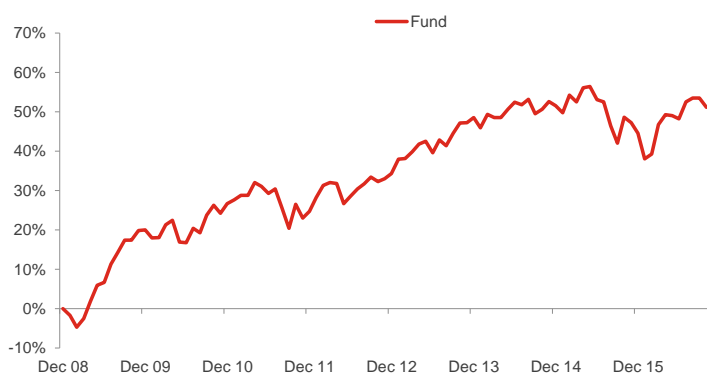
The portfolio will be biased to investments in the United States, but could also hold investments outside this country. The portfolio aims to provide a balance between capital preservation and capital growth in US dollars with a reduced level of volatility, via strategic exposures to a wide range of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



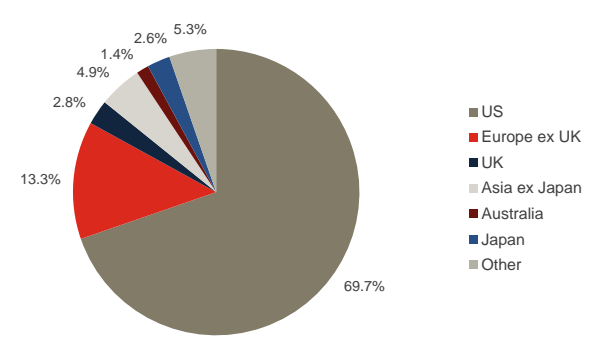
Holdings

Holdings	Asset type	Weight
Muzinich Enhanced Yield Short-Term (USD hedged)	Fixed Income	11.5%
BlackRock US Corporate Bond Index	Fixed Income	10.2%
Cash	Cash	7.6%
Artisan Global Value	Equity	7.5%
Third Avenue Real Estate Value	Property	5.6%
Vulcan Value Equity	Equity	5.5%
AXA US Short Duration High Yield	Fixed Income	4.7%
Wells Fargo US All Cap Growth	Equity	4.4%
Westwood Strategic Global Convertibles (USD hedged)	Fixed Income	3.9%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.8%
Conventum Lyrical	Equity	3.8%
Yacktman US Equity	Equity	3.7%
Jennison Global Equity Opportunities	Equity	3.2%
AXA US High Yield	Fixed Income	2.9%
First State Global Listed Infrastructure	Equity	2.8%
RWC Global Convertibles (USD hedged)	Fixed Income	2.7%
RWC Asia Convertibles (USD hedged)	Fixed Income	2.5%
Heptagon Kopernik Global All-Cap Equity	Equity	2.2%
Dimensional Emerging Markets Value	Equity	2.0%
Morgan Stanley Global Brands	Equity	1.9%
Goldman Sachs EFl Long Short Risk Premia Portfolio	Alternatives	1.6%
American Century Concentrated Global Growth	Equity	1.5%
Granahan US Focused Growth	Equity	1.3%
Schroder UK Recovery	Equity	0.9%
FP Crux European Special Situations	Equity	0.9%
BlackRock Developed Real Estate	Property	0.9%
iShares Gold Producers	Commodities	0.5%

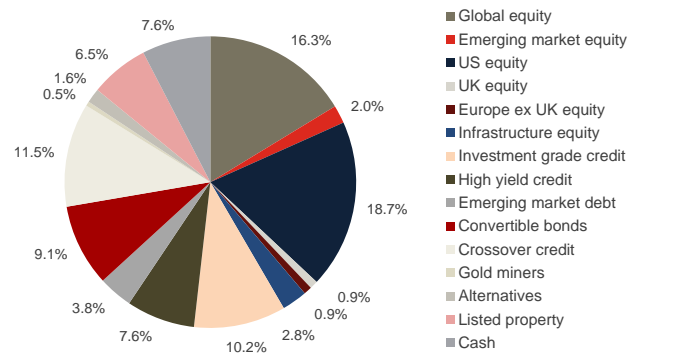
Investment statistics (since 1 January 2009)

Current month return:	-1.5%
Cumulative return:	51.2%
Annualised return:	5.4%
Annualised volatility:	7.6%

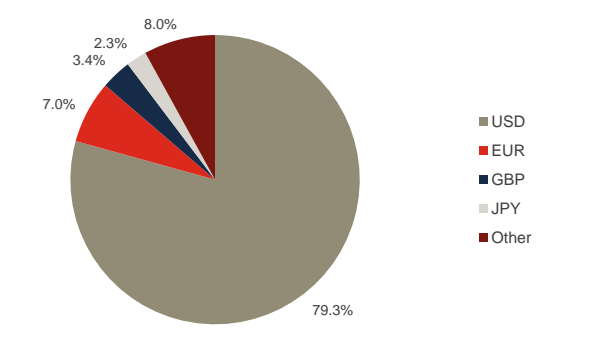
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

Throughout October, the world's attention was firmly focused on the build-up to the US election. Markets broadly followed the ebbs and flows of each candidate's campaign momentum. As such the announcement that the FBI was to re-open its investigation into then candidate Hillary Clinton's email account led to a wave of risk aversion and portfolio hedging throughout global markets. The S&P 500 index fell 1.9% over the month, whilst European stocks lost 1.0%. The UK was an outlier, gaining 0.9% in sterling terms, although this was largely due to the pound depreciating by 5.6% versus the US dollar over the month. This happened after the UK Prime Minister Theresa May's announcement that Article 50 would be triggered before March next year, along with general mutterings of an inevitable 'hard' Brexit. Since then however, the UK High Court's ruling that parliament must vote in favour of triggering Article 50, as well as the surprising result of the aforementioned US election, has helped sterling recover from early month lows of USD 1.21 to finish the week of the election at circa USD 1.26.

The Harmony US Dollar Balanced fund fell 1.5% in October in US dollar terms net of fees, reducing the year to date return to 4.6%. This outcome largely reflected the near 2% decline in the US equity market as well as significant US dollar strength, which translated into lower dollar values for overseas holdings. Across equity markets cyclical sectors generally outperformed, in particular financials, energy and materials. The fund's holdings in Artisan and Lyrical, which together represent approximately 11% of the fund, outperformed their respective market indices as a result of having meaningful exposure to these areas. Indeed manager selection within the equity portion of the fund contributed to performance but nonetheless most of the fund's equity holdings fell over the period, with the exception of the emerging market equity holding managed by Dimensional which gained 1.9%. However, the bond portion of the portfolio proved resilient as declines from the fund's emerging market and US corporate bond holdings were largely offset by gains from short duration corporate and convertible bond holdings. Although aggregate performance of the fund's fixed income holdings was still marginally negative, this outcome was considerably better than the 3.3% fall in global government bonds over the month, an area we continue to have no exposure to.

The bounce in sterling has gone relatively unnoticed, however, as all eyes are now on Donald Trump and his remarkable victory in the US election. The strength of his mandate and his campaign rhetoric suggests that fiscal spending will be materially higher and policy more expansionary, underpinning growth in the US. With inflation likely to move higher, government bonds appear over-valued, despite the rises in yields in the past month. Safe haven assets such as gold have increasing appeal. However, the more extreme concerns about a Trump Presidency are almost certainly misplaced and we see no reason for taking a materially more defensive stance in portfolio construction than before the election. A Trump victory is undoubtedly a shock for markets. Uncertainty surrounding the future direction of US policy is likely to result in heightened market volatility for some time to come. We would not recommend selling into this volatility. We are outcome based investment managers, constructing well diversified portfolios in order to minimise the potential detrimental impact that specific global events could have on returns in order to help clients to stay invested. While some asset classes will no doubt be adversely impacted by the global trend of political disaffection and anti-globalisation, other assets are likely to offer offsetting benefits. As always, we continuously aim to utilise opportunities to increase exposure to asset classes that are unfairly punished by risk events in striving to increase the long-term financial wellness of our clients, whilst making their journey to that outcome as palatable as possible.

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.