

Harmony Euro Balanced Fund (Class E)

Fund details

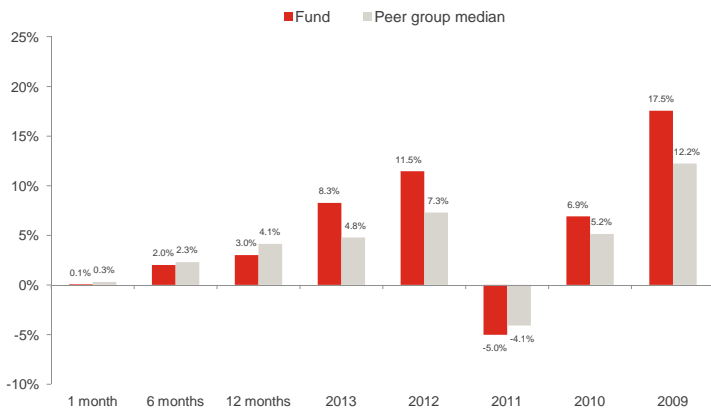
Investment manager: Momentum Global Investment Management	ISIN: LU0795380780
Currency: EUR	Price per share: EUR 1.1308
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000 (EUR equivalent)
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group source: Bloomberg¹	Investment timeframe: 3 years +

Investment objective

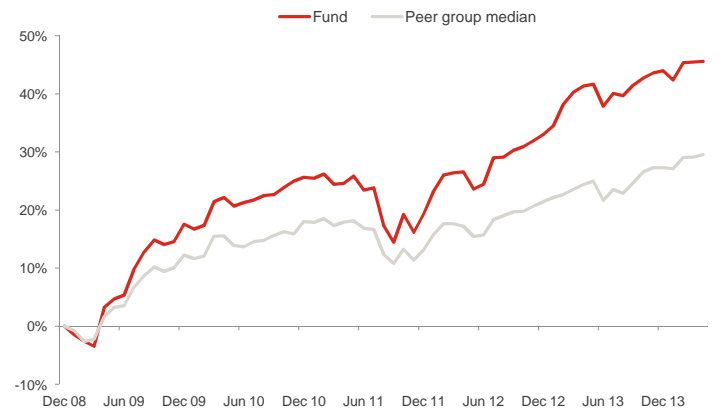
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

Please refer to the Prospectus for full details of the fund, its charges, the investment objective and investment policy.

Fund performance



Cumulative returns



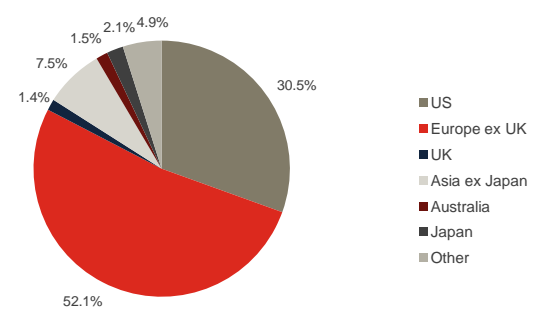
Holdings

Holdings	Asset type	Weight
Cash	Cash	18.9%
Jupiter European Special Situations	Equity	14.8%
Henderson European Special Situations	Equity	14.3%
Old Mutual Dublin Global Bond	Fixed Income	9.5%
Cohen & Steers Global Real Estate	Property	6.9%
RWC Global Convertibles	Fixed Income	6.2%
BlackRock European Corporate Bond Index	Fixed Income	5.1%
RWC Asia Convertibles	Fixed Income	5.0%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.1%
First State Global Listed Infrastructure	Equity	3.1%
Artisan Global Value	Equity	3.0%
Muzinich EnhancedYield Short-Term	Fixed Income	2.7%
Dimensional Emerging Markets Value	Equity	2.4%
American Century Concentrated Global Growth	Equity	2.3%
Morgan Stanley Global Brands	Equity	1.8%
iShares Gold Producers	Commodities	0.8%
Jupiter Dynamic Bond	Fixed Income	0.1%

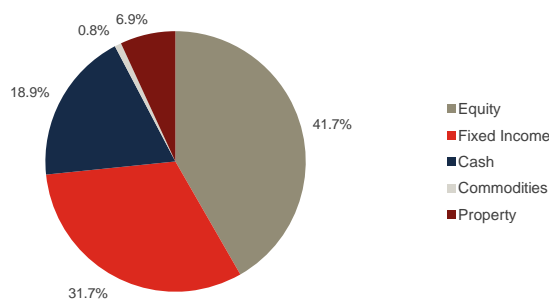
Investment statistics (since 1 January 2009)

Current month return:	0.1%
Cumulative return:	45.6%
Annualised return:	7.3%
Annualised volatility:	6.6%

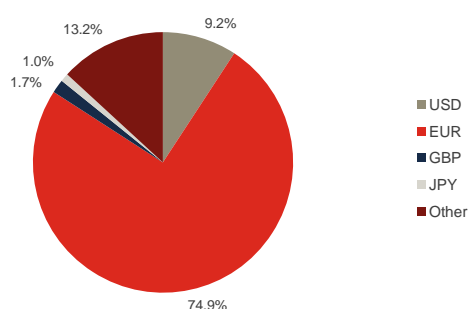
Regional allocation



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

In a relatively quiet month for news flow, markets failed to establish a clear trend while volatility continued to fall. Over the month the MSCI World index (developed equities) and the MSCI Emerging Markets index returned 0.3% and -0.4% in Euro terms respectively, while bond yields generally drifted down slightly, leading to gains of 0.4% for global government bonds. Credit experienced a mixed month with high quality corporate debt outperforming sovereign debt, but with other parts of the credit spectrum lagging. Emerging market (EM) bonds continued their recovery post the sell-off in 2013, returning 1.2% in April to make them one of the best performing asset classes to date in 2014 with a return of 4.8% (in Euro terms).

In the US, economic data remains difficult to interpret given the impact on activity of the severe winter weather. First quarter GDP growth registered 0.1%, well below the previous quarter's 2.6%, but forward indicators are currently pointing towards a rebound in Q2. Less encouraging was data from China, where first quarter GDP fell to 7.4% annualised, below the government's 7.5% target for 2014. The decline in peripheral European government bond yields has been a notable feature of the past 12 months. So far this year yields on 10 year Spanish and Italian bonds have fallen by between 1 and 3%, taking them to their lowest levels since the euro was launched in 1999, and comparing with levels of around 7% at the height of the crisis in 2012. In Greece and Portugal yields have fallen by over 2% this year to 6% and 3.6% respectively.

Against this backdrop, the Harmony Euro Balanced Fund returned 0.1% last month compared to a peer median return of 0.3%. In April, top-level asset allocation had a modest impact on portfolio performance. While the Fund is neutral to global equity, the small overweight to global emerging markets detracted from relative performance as EM underperformed slightly. The largest detractor from relative performance came from the use of various credit strategies within the fixed income allocation of the Fund. This is largely a consequence of the underweight sovereign debt and overweight credit positions established in the Fund. Over the month, the government bond market outperformed the majority of the credit market. The Fund is overweight cash which did not have a significant impact on relative performance given the modest price moves in both equity and sovereign bond markets.

Overall performance in April was negatively impacted by manager selection as a number of our manager selections underperformed in the month. From a manager selection perspective, the Henderson European Special Situations fund returned 0.5% in euro terms in the first quarter and 12.9% over the last twelve months. Meanwhile the Jupiter European Special Situations fund returned -0.7% and 15.9% respectively. Both funds have underperformed their benchmark year to date and over the full year, with the MSCI Europe ex UK index returning 18.2% over the last twelve months. Underperformance was driven largely by the manager's styles being out of favour over the period, with higher risk deep value strategies typically outperforming driven by strong returns from peripheral European countries and sectors such as financials and property. The managers have limited exposure to these areas and indeed their strategies have paid off over longer time periods – over three years the Henderson and Jupiter funds have returned 37.4% and 30.7% respectively, compared to 26.2% for the benchmark.

The prospect of a steady pickup in the US and Europe through the remainder of 2014 should help to bolster confidence following the wobbles seen in Q1. Improved sentiment towards EM assets and lately the euro area are also encouraging signs, and it seems clear that while the Federal Reserve gradually removes its ultra loose monetary policy, both the European Central Bank and the Bank of Japan will continue to ease. Although there are clear risks on the horizon, notably the impact of tapering in the US and the potential for a policy misstep in China, the underlying economic and corporate news and the continuation of zero interest rate policy are all positives for markets.

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 Euro 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 Euro Balanced Incorporated Cell (IC) within the Momentum Mutual Fund. The historical performance of the Harmony Euro 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.