

Harmony Euro Balanced Fund – Class E

Fund details

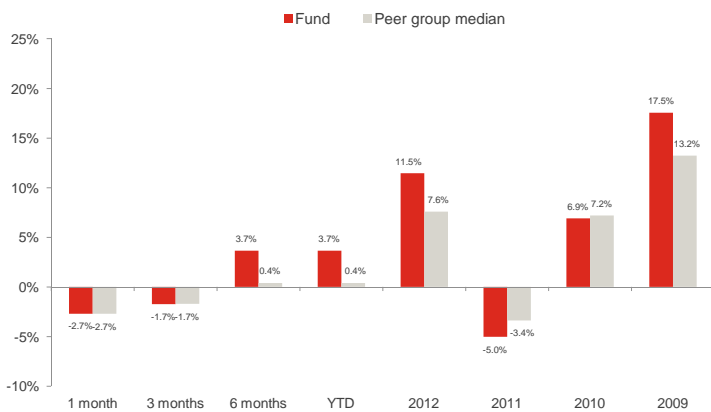
Investment manager: Momentum Global Investment Management Limited	ISIN: LU0795380780
Currency: EUR	Price per share: EUR 1.0709
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000 (EUR equivalent)
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group: Bloomberg Active Index for Funds - Global Balanced Offshore Funds (returns in EUR)	Investment timeframe: 3 years +

Investment objective

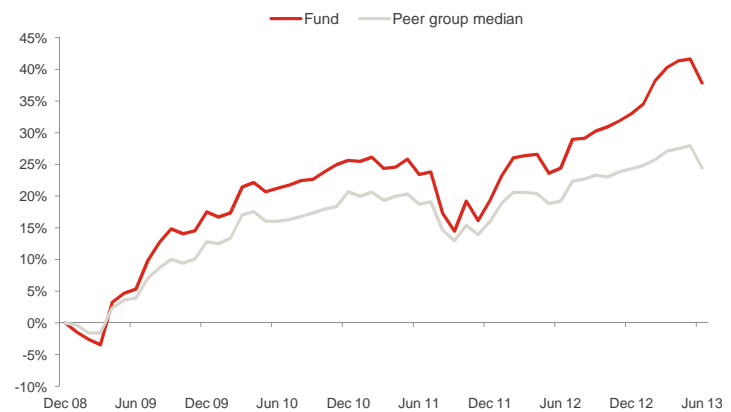
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance¹



Cumulative returns¹



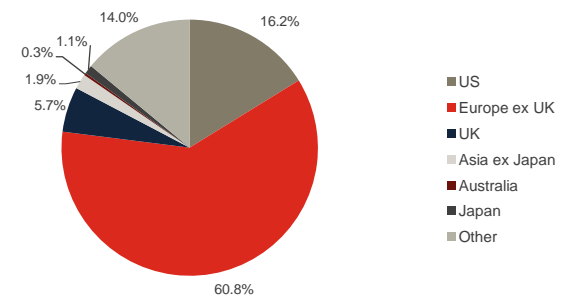
All holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	14.7%
Henderson European Special Situations	Equity	14.0%
Cash	Cash	13.2%
Old Mutual Dublin Global Bond	Fixed Income	10.0%
Cohen & Steers Global Real Estate	Property	6.9%
RWC Global Convertibles	Fixed Income	6.2%
BlackRock European Corporate Bond Index	Fixed Income	5.9%
Muzinich EnhancedYield Short-Term	Fixed Income	5.3%
Jupiter Dynamic Bond	Fixed Income	5.1%
Momentum IF Global Equity	Equity	4.8%
Threadneedle European High Yield Bond	Fixed Income	3.8%
First State Global Listed Infrastructure	Equity	2.9%
iShares \$ TIPS	Fixed Income	2.8%
Morgan Stanley Global Brands	Equity	2.2%
Dimensional Emerging Markets Value	Equity	1.1%
Artisan Global Value	Equity	1.1%

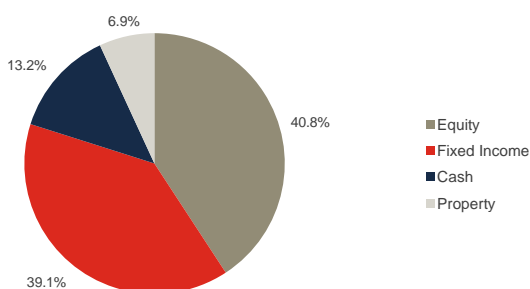
Investment statistics (since 1 January 2009)¹

Current month return:	-2.7%
Cumulative return:	37.9%
Annualised return:	7.4%
Annualised volatility:	7.0%

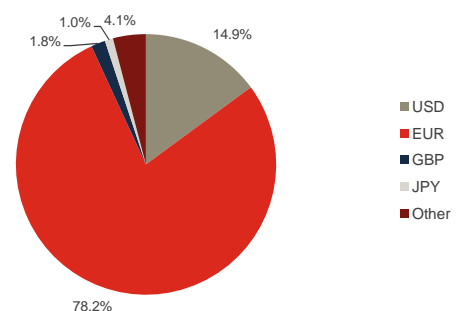
Regional allocation



Asset allocation



Currency allocation



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

¹ As a result of its bias to Europe, the fund will tend to perform well versus peers when European securities and currencies outperform. The opposite will also be true when European securities underperform other regions.

■ Manager commentary

The sell-off that started in late May continued through June, with nearly all asset classes suffering sharp falls. In a busy month for data and news, there were two key developments for investors to contend with; namely, US central bank 'tapering' and the apparent slowdown in Chinese growth. The market's already acute concern about tapering was heightened following the Federal Open Market Committee's (Fed's) meeting during the third week of the month, with Chairman Ben Bernanke sounding a hawkish note. In light of broadly encouraging data from the economy, the Fed announced that tapering of its asset purchase programme would start before the end of 2013 and end by mid 2014 if the economy continues on its current path. The market took this to mean that tapering would start in a matter of months, triggering a rush to sell bonds and other asset classes that have been the big beneficiaries of central bank liquidity. The Fed emphasised, however, that its final decision on tapering will be entirely data dependent, meaning that if the economy slows the central bank stands ready to increase asset purchases and/or delay any planned tapering. In China, evidence continues to mount that the economy is undergoing a significant slowdown, with export growth falling to 1% in May, inflation lower at 2.1% and slippage in both industrial production growth and retail sales. The issue which is likely to have by far the biggest impact on markets in coming months, however, is the decision to be made at the Fed over reducing the rate of quantitative easing (QE). Given that the reason for tapering will be an improving economy, which should bode well for the corporate sector, equities seem to be better supported than bonds in the current environment.

The Harmony Euro Balanced fund returned -2.7% in June, net of all fees. Over the past twelve months the fund has returned 10.8%. As a major recipient of QE flows, the government bond market is clearly highly sensitive to talk around 'tapering', and treasuries duly sold off in June with yields rising across the curve. Overall, global bonds returned -1.3% in euro terms during June, while global equities returned -3.2%. Stocks in Europe ex UK returned -4.9% to underperform global equity markets. From an asset allocation perspective our decision to allocate money away from government bonds and towards various parts of the credit spectrum was not rewarded last month, as spread widening resulted in these assets underperforming their government counterparts. Overall, we see the current pause in markets as being a normal and healthy development considering the strength of the equity rally since the middle of last year. While we are cautiously optimistic about the prospects for markets over the medium term, investors should look to retain a prudent level of diversification in their portfolios. The recent pullback in markets provides a reasonable buying opportunity and we are working to identify the best long term valuation opportunities.

From a manager selection perspective, Jupiter European Special Situations declined by 2.9% during June, whilst nonetheless outperforming European equities which fell by the higher 4.9%. Over twelve months the strategy has returned 23.8%, again outperforming the benchmark's return of 19.9%. Although the manager has been selectively adding exposure to the financial sector in recent months, he continues to avoid the highest risk areas within the region, including Southern European stocks, domestically-focused companies and low quality financials. The portfolio continues to consist of an internationally-led collection of high quality businesses with a bias towards large and mid caps, with minimal exposure to mega caps. More recently the manager has increased cyclical exposure by adding to positions in stocks such as Continental, Schneider Electric, ING and BNP Paribas.

Source: Bloomberg, Momentum Global Investment Management Limited, June 2013.

■ 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. The annualised return figure has been corrected from that shown when this factsheet was first issued.

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