

Harmony Euro Balanced Fund – Class E

Fund details

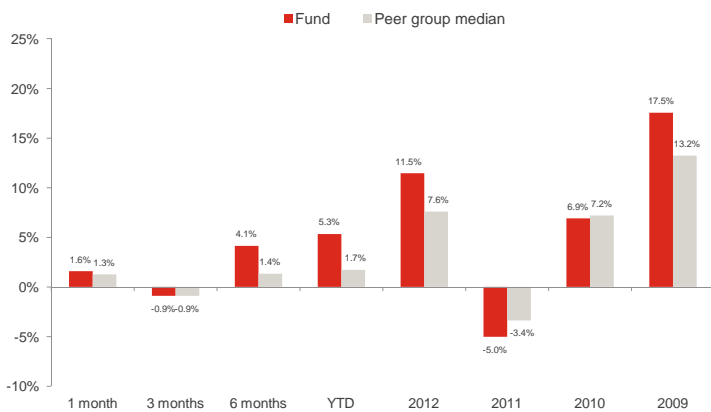
Investment manager: Momentum Global Investment Management Limited	ISIN: LU0795380780
Currency: EUR	Price per share: EUR 1.0881
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000 (EUR equivalent)
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group: Bloomberg Active Index for Funds - Global Balanced Offshore Funds (returns in EUR)	Investment timeframe: 3 years +

Investment objective

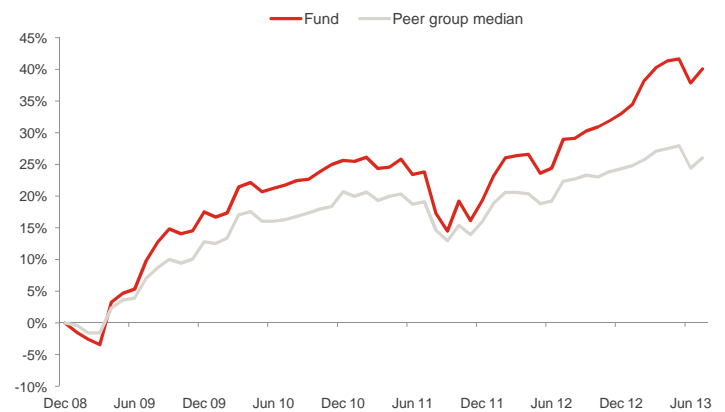
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance¹



Cumulative returns¹



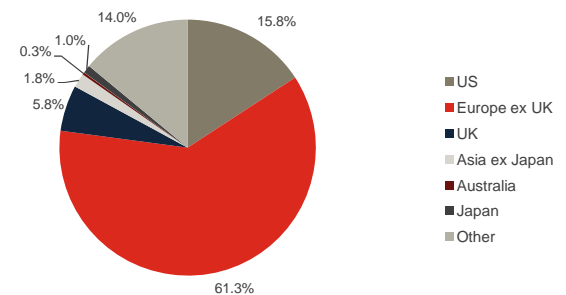
All holdings

Holdings	Asset type	Weight
Cash	Cash	16.1%
Jupiter European Special Situations	Equity	15.2%
Henderson European Special Situations	Equity	13.4%
Old Mutual Dublin Global Bond	Fixed Income	10.2%
Cohen & Steers Global Real Estate	Property	6.4%
RWC Global Convertibles	Fixed Income	5.8%
BlackRock European Corporate Bond Index	Fixed Income	5.4%
Muzinich EnhancedYield Short-Term	Fixed Income	4.8%
Jupiter Dynamic Bond	Fixed Income	4.7%
Momentum IF Global Equity	Equity	4.4%
Threadneedle European High Yield Bond	Fixed Income	3.5%
First State Global Listed Infrastructure	Equity	2.7%
iShares \$ TIPS	Fixed Income	2.4%
Morgan Stanley Global Brands	Equity	2.0%
Artisan Global Value	Equity	1.0%
Dimensional Emerging Markets Value	Equity	1.0%
iShares Gold Producers	Commodities	1.0%

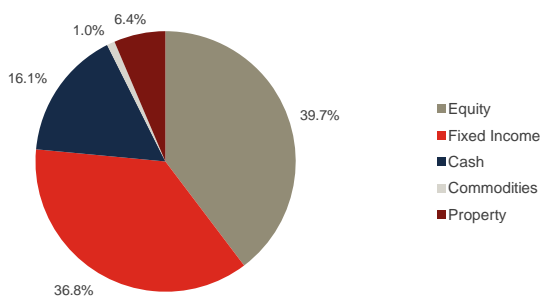
Investment statistics (since 1 January 2009)¹

Current month return:	1.6%
Cumulative return:	40.1%
Annualised return:	7.6%
Annualised volatility:	7.0%

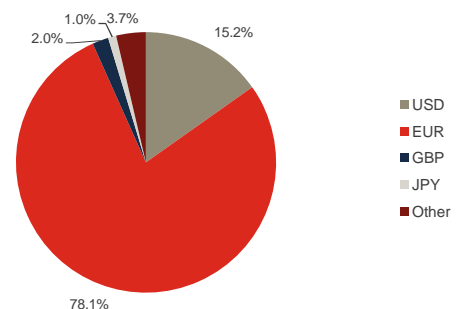
Regional allocation



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

July saw a return to form for global equity markets following a couple of negative months, as the market digested the latest news surrounding the likely future behaviour of central banks (most notably the US) with respect to Quantitative Easing (QE). The market's reaction to the Fed's tapering warnings in May and June had been dramatic, with bond yields rising across the developed world by around 1%. These changes represented an immediate tightening of monetary conditions, and central banks spent July trying to allay the market's concerns about the premature tightening of monetary policy. With the global economic recovery still in its infancy and debt levels remaining high across the developed world, central banks cannot afford a policy move which would choke-off the recovery before it becomes entrenched.

The Harmony Euro Balanced fund returned 1.6% in July, net of all fees. Over the past twelve months the fund has returned 8.6%. The global aggregate bond market returned -0.9% in euro terms, as fears over a sudden unwinding of QE subsided, while global stocks added 3.1% and global emerging markets returned -1.0%. The fund's asset allocation policy contributed positively to performance last month, with our decision to avoid government bonds in favour of aspects of the credit markets paying off in July, as these assets in aggregate outperformed sovereign paper.

While we expect the coming years to be reasonable ones for investors, it would be unwise to expect this year's relatively benign volatility environment to continue in perpetuity, and as such 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.

First State Global Listed Infrastructure, which was added to the fund towards the end of last year, delivered strong returns in July with gains of 3.6% in US dollar terms, to bring its year to date performance to 9.4%. These returns are behind the MSCI AC World benchmark which has returned 5.3% and 14.1% over these periods, reflecting the underperformance of the utilities and infrastructure sectors. This outcome is to be expected, to some degree, given the strong performance of equity markets and the low equity 'beta' of these sectors. The characteristics of infrastructure equities mean they should deliver more stable, defensive returns compared to general equities, with lower correlations to other asset classes. As experienced investors in this area, the First State team 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, lower quality businesses, and by constructing a portfolio that is well diversified by sector, geography and economic drivers. The infrastructure sector has posted negative returns over the last three months on the back of rising bond yields, due to the vulnerability of 'income' areas such as regulated utilities and pipeline businesses to sharp rises in real interest rates. The First State strategy has outperformed over this period as a result of the team's more defensive approach.

Source: Bloomberg, Momentum Global Investment Management Limited, July 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.

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.