Momentum Global Funds

Société d'Investissement à Capital Variable

Harmony Portfolios Euro Balanced Fund - Class E

month ended 28 September 2012

Fund details

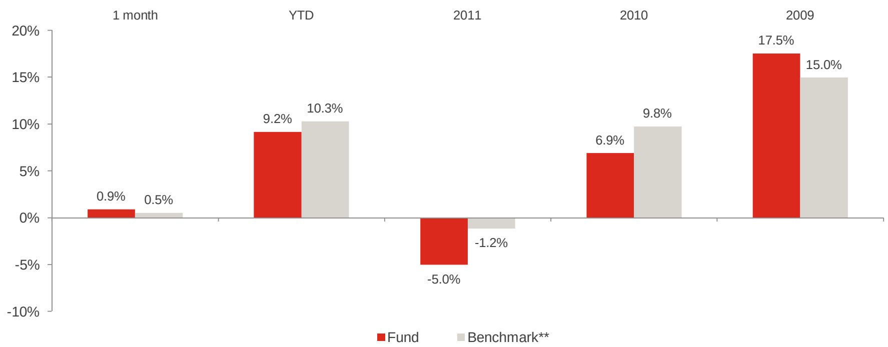
Investment manager: **Momentum Global Investment Management Limited**	Currency: **EUR**	ISIN: **LU0795380780**
Initial fee: **none**	Structure: **SICAV - Part 1 Luxembourg 2002 Law (UCITS)**	Price per share: **EUR 1.0118**
Minimum Investment: **USD 250,000 (EUR equivalent)**	Subscriptions / redemptions: **daily**	
Investment timeframe: **3 years +**	Inception date (fund): **3 August 2012**	
Benchmark: **30% MSCI Europe ex UK, 30% JPM European GBI, 10% MSCI AC World, 10% Citigroup WorldBIG, 10% FTSE EPRA/NAREIT Developed, 10% EUR 7-Day LIBID**		

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*



Source: Lipper Hindsight, JP Morgan Bank (Luxembourg) S.A.

* Performance figures prior to the inception date of the Class E share have been simulated to show its lower fees by adjusting the Harmony Portfolios Euro Balanced Fund Class A share's past performance. Past performance is not indicative of future returns. Prior to the Class A funds inception as a sub fund of the Momentum Global Funds SICAV on 12 August 2011, the fund was managed as the Harmony Euro Balanced IC Cell within the Momentum Mutual Fund. The historical performance of the Harmony Euro Balanced IC Class A fund is shown in the above chart from 1 January 2009 until the inception date of the SICAV. Past performance is not indicative of future returns. The fund performance is calculated on a total return basis, net of all fees and in Euro terms.

** From January 2009 to January 2010 the benchmark for performance comparison provided in this document comprised: 16% MSCI Europe ex UK, 10% MSCI Europe ex EMU, 25% Citigroup EUR WGBI, 12% JPM EMBI+, 13% Lipper Property Peer Group, 24% EUR 7-Day LIBID. From January 2010 to August 2011 the benchmark comprised: 18% MSCI Europe ex UK, 12% MSCI World ex EMU, 35% Citigroup EUR WGBI, 10% JPM EMBI+, 10% FTSE EPRA/NAREIT Developed CR, 15% EUR 7-Day LIBID.

All holdings

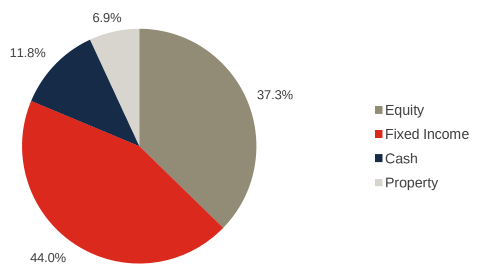
Holdings	Asset type	Weight
Jupiter European Special Situations Fund	Equity	15.8%
Henderson European Special Situations	Equity	13.9%
Cash	Cash	11.8%
Old Mutual Dublin Global Bond Fund I Acc EUR	Fixed Income	10.3%
RWC Global Convertibles Fund	Fixed Income	7.7%
Cohen & Steers Global Real Estate USD	Property	6.9%
Momentum IF Global Equity Fund	Equity	6.2%
BlackRock Euro Government Bond Index Fund	Fixed Income	6.1%
Muzinich EnhancedYield Short-Term Fund EUR	Fixed Income	6.1%
Threadneedle European High Yield Bond Fund	Fixed Income	6.0%
BlackRock European Corporate Bond Index Fund	Fixed Income	4.9%
iShares $ TIPS	Fixed Income	2.9%
Momentum IF Global Emerging Markets Fund	Equity	1.4%

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

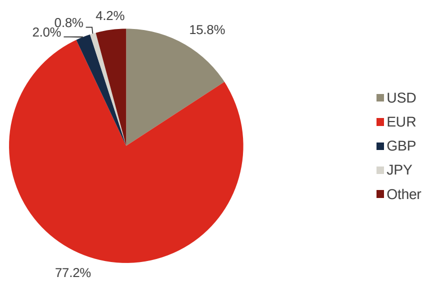
Investment statistics

Current month return:	0.9%
Cumulative return:	30.3%
Annualised return:	7.3%
Annualised volatility:	7.4%

Asset allocation



Currency allocation



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

Market commentary

Investor sentiment has steadily improved as a result of the positive steps taken by policymakers in recent months. At the start of September, the European Central Bank announced that it was prepared to buy bonds from peripheral Eurozone governments in the secondary market, that it would do so in unlimited quantities and that it would not subordinate existing bond holders through its actions, on the condition that the countries in question first applied for a bailout from the European Stability Mechanism (the Eurozone's new bailout facility). Towards the end of the month the US Federal Reserve announced a further round of Quantitative Easing (the third thus far) this time focussing on the purchase of mortgage backed securities at an initial rate of USD 40 billion per month, as well as other policy measures such as the extension of 'Operation Twist'. These huge injections of liquidity – with the pledge of more to come if needed – have provided significant support for asset prices in the past few weeks. However, the real economy has shown few signs of improvement, with the Eurozone in a mild recession (whilst peripheral members suffer a serious recession), Japan stagnating, China continuing to slow down, the UK flat to mildly positive and the US growing at an annualised rate of around 1.5%. Furthermore, significant macroeconomic and political risks, including the upcoming US elections, the so called 'fiscal cliff', the slowing Chinese economy and the ongoing issues in Europe, are likely to create fresh challenges for markets.

Markets continued to rally last month, capping a run of four consecutive positive months for equities. Against this backdrop the Harmony EUR Balanced fund returned 0.9% in euro terms, net of all fees, compared to a benchmark return of 0.5%. Over the month, the contribution from asset allocation to relative performance was mixed. The recent decision by the portfolio manager to reduce the equity holding to mildly underweight resulted in the fund having too little equity exposure in a strong month for the asset class. The fund's underweight to government bonds and overweight allocation to areas of the credit markets benefited relative performance, however. The valuation premise for the tactical underweight to equities has been strengthened by last month's strong market returns, and for that reason the position has been maintained in October. The portfolio manager does not consider equities to be especially expensive however, and if the market was to drop back it is likely that the equity allocation would be topped up. From a long term perspective, the fund remains underweight of government bonds, as we do not see compelling valuations available in this area of the fixed income markets. Indeed, barring significant global shocks the upside from sovereign debt is anticipated to be muted, making the risk-return trade off unattractive in anything but a significant 'double dip' scenario. In the event of a more moderate outcome, including gentle global GDP growth in coming years, we expect government bonds to underperform other asset classes.

From a manager selection perspective the Henderson European Special Situations fund, managed by Richard Pease from London, generated meaningful outperformance in September as well as over the third quarter, against a backdrop of strongly rising European markets. In euro terms, the fund returned 2.7% and 11.7% for September and Q3 2012 respectively, versus 1.2% and 8.1% for the MSCI Europe ex UK index. Global equities lagged the returns from European markets by almost 3% over the third quarter. The commitment by policymakers to doing "whatever it takes" to save the euro prompted a sharp rally by southern European debt, which in turn helped to propel equities – in particular bank stocks – higher. The fund's relative performance was held back by investors rotating out of more defensive stocks such as lift-maker Kone, and flavourings-maker Givaudan. This was offset, however, by the strong performance of the fund's more cyclical holdings. The manager remains cautious on the outlook for Europe, in the belief that bond purchases will only buy time and will not solve the underlying economic problems. He does, however, retain high confidence in the quality of the businesses within the portfolio.

Source: Lipper Hindsight, Momentum Global Investment Management Limited, September 2012

Risk warnings and important notes

Harmony Portfolios Euro Balanced Fund is a sub fund of the Momentum Global Funds SICAV which is domiciled in Luxembourg and is an "umbrella" fund which offers a wide range of single-priced, open-ended sub-funds. It is regulated by the Commission de Surveillance du Secteur Financier, the Luxembourg financial services regulator and conforms to the requirements of the European UCITS directive.

Past performance of any investment is not necessarily a guide to the future. All performance is calculated Total Return, Net of all fees and in Euro terms. The annualised return figure has been corrected from that shown when this factsheet was first issued.

Fluctuations in the value of the underlying funds and the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed. Deductions of charges and expenses mean that you may not get back the amount you invested.

The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.

The Fund may contain shares or units in underlying funds that invest internationally. The value of your investment and the income arising from it may therefore be subject to exchange rate fluctuations.

This report should not be construed as investment advice or guidance or a proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund and clients of the Distribution Partner.

The appointed Management Company for the Momentum Global Funds SICAV are RBS (Luxembourg) S.A. of 33 Rue de Gasperich, L-5826, Hesperange, Luxembourg.

The appointed Administrator of the Momentum Global Funds SICAV are JP Morgan Bank Luxembourg S.A. of 6 Route de Treves, L-2633 Senningerberg, Luxembourg. The latest copy of the Prospectus can be obtained from the appointed Administrator at this address.

Momentum Global Investment Management Limited (company registration no. 3733094) is the appointed Investment Manager, Promoter and Distributor of the Momentum Global Funds SICAV and are authorised and regulated by the UK Financial Services Authority, with registered address at 20 Gracechurch Street, London, EC3V 0BG. Momentum Global Investment management Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

The appointed Depositary of the Momentum Global Funds SICAV are JP Morgan Bank Luxembourg S.A. of, 6 Route de Treves, L-2633 Senningerberg, Luxembourg.