

Harmony Euro Balanced Fund

Fund details

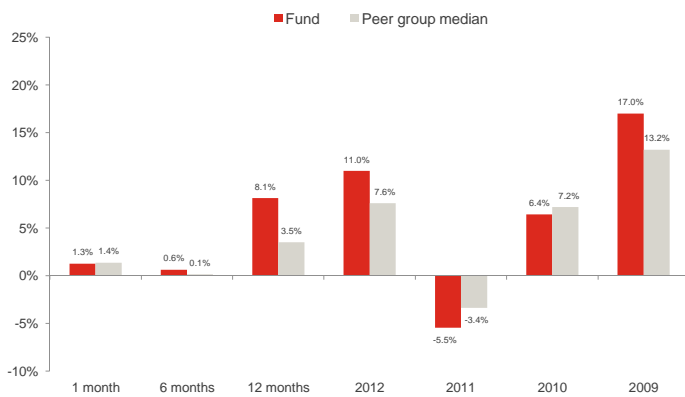
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984873	Price per share A Class: EUR 1.0418
Currency: EUR	ISIN B Class: not yet launched	Price per share B Class: not yet launched
Inception date (fund): 12 August 2011	ISIN C Class: LU0651985094	Price per share C Class: EUR 1.1189
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651985177	Price per share D Class: EUR 1.1544
Minimum investment Share Class A: USD 100,000; Classes B, C & D: USD 7,500 (EUR equivalent)	Subscriptions / redemptions: daily	
Peer group: Bloomberg Active Index for Funds - Global Balanced Offshore Funds (returns in EUR)	Investment timeframe: 3 years +	

Investment objective

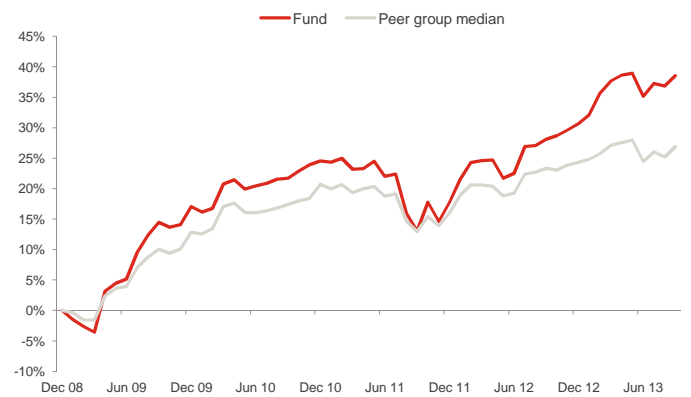
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance¹



Cumulative returns¹



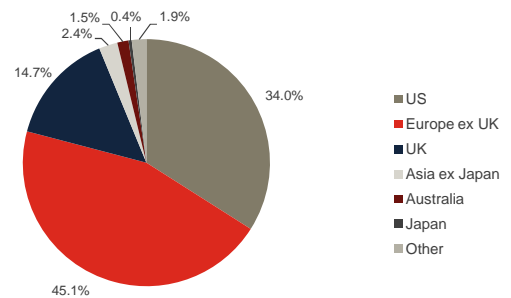
Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	15.5%
Henderson European Special Situations	Equity	13.9%
Cash	Cash	11.7%
Old Mutual Dublin Global Bond	Fixed Income	10.2%
Cohen & Steers Global Real Estate	Property	7.0%
RWC Global Convertibles	Fixed Income	5.9%
BlackRock European Corporate Bond Index	Fixed Income	5.4%
Jupiter Dynamic Bond	Fixed Income	5.2%
Muzinich EnhancedYield Short-Term	Fixed Income	4.9%
Momentum IF Global Equity	Equity	4.6%
Muzinich Short Duration High Yield (EUR hedged)	Fixed Income	4.0%
First State Global Listed Infrastructure	Equity	3.2%
iShares \$ TIPS	Fixed Income	2.4%
Dimensional Emerging Markets Value	Equity	2.2%
Morgan Stanley Global Brands	Equity	2.0%
Artisan Global Value	Equity	1.0%
iShares Gold Producers	Commodities	0.9%

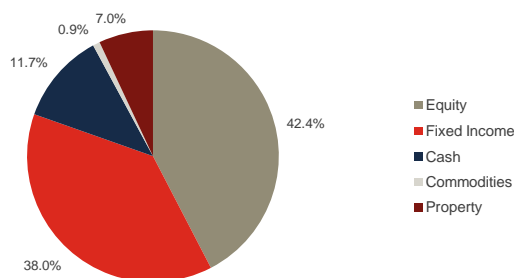
Investment statistics (since 1 January 2009)¹

Current month return:	1.3%
Cumulative return:	38.5%
Annualised return:	7.1%
Annualised volatility:	6.9%

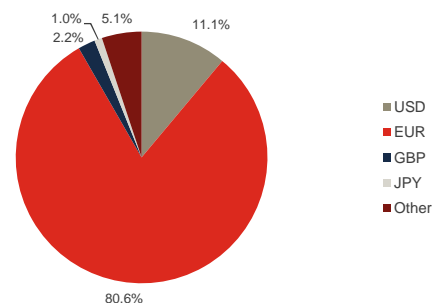
Regional allocation



Asset allocation



Currency allocation



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

¹As 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. Performance relates to Share Class A.

■ Manager commentary

September brought with it a return to form for global markets following a nervous August. The tension over possible military intervention in Syria largely dissipated in September, as a number of western states stepped back from earlier rhetoric. The market was surprised by the Federal Open Markets Committee's (the Fed's) decision to delay starting to taper its Quantitative Easing (QE) programme. From the moment the Fed proposed tapering QE it has clearly been contingent on the strength of US economic data. It is somewhat paradoxical to see a strong equity market performance in a month where the subtext suggests that the economic recovery of the world's largest economy is not quite as strong as had been hoped. Ultimately, however, market fundamentals and economics are not the same thing. We believe that, in a world where QE tapering becomes a reality, there will be a return to fundamentally driven markets with genuinely undervalued asset classes likely to be rewarded compared to those that are fair value or expensive.

The Harmony Euro Balanced fund returned 1.3% in September. Over the past twelve months the fund has returned 8.1% net of all fees. The global aggregate bond market returned -0.7% in September, while global stocks returned 2.4% in euro terms as a strong local currency provided a headwind to global investment returns. Whilst the fund's asset allocation policy displayed mixed results over the month, decisions to avoid government bonds in favour of various aspects of the credit markets and the choice to underweight global property securities in favour of global listed infrastructure benefitted as these assets outperformed. On the other hand, in a month where government bonds increased in value, the fund's overweight position in cash negatively impacted relative performance.

Going forward, with uncertainty remaining over the solidity and pace of the strength of developed world economic growth, combined with a potentially tightening credit conditions, investors should look to retain a prudent level of diversification in their portfolios. This is especially the case given the growing concern over certain parts of the global emerging markets and the impact that any QE tapering may have there. Further potential issues in the short term include the US sequestration and potential political intransigence over the debt ceiling.

From a manager selection perspective, Henderson European Special Situations gained 7.2% in euro terms during the third quarter, lagging the MSCI Europe ex UK index's return of 9.9%. Over twelve months, however, the fund has marginally outperformed its index, delivering a return of 22.7% in euro terms. The London based investment team, led by Richard Pease, maintain their long held bias towards high quality and well managed businesses with a high proportion of recurring earnings, from servicing for example, while avoiding higher risk cyclicals. Recently the manager has taken advantage of opportunities to initiate positions in Nestle, Zurich Financial and Nordea at attractive valuations, whilst selling down positions in outperforming holdings such as Kone and Fugro. The portfolio is managed in an entirely benchmark agnostic fashion and displays a strong bias towards small and mid cap stocks. From a sector allocation perspective the main concentrations are in the industrial, material and consumer service sectors, with underweight allocations towards banks, telecoms and utilities compared to the broader market. On a geographical basis the fund is overweight the Nordics and Switzerland with minimal direct exposure to southern Europe.

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