

Harmony Euro Balanced Fund

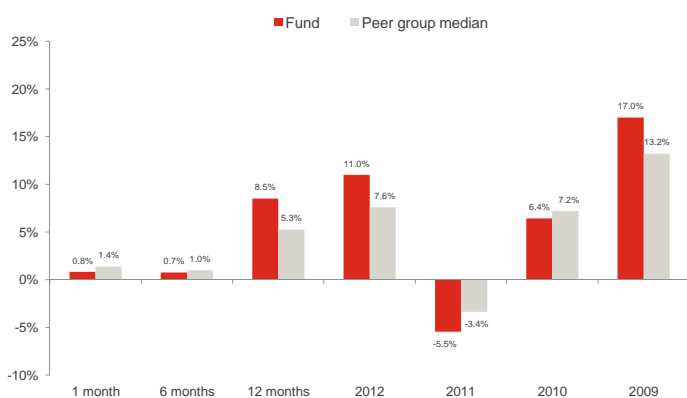
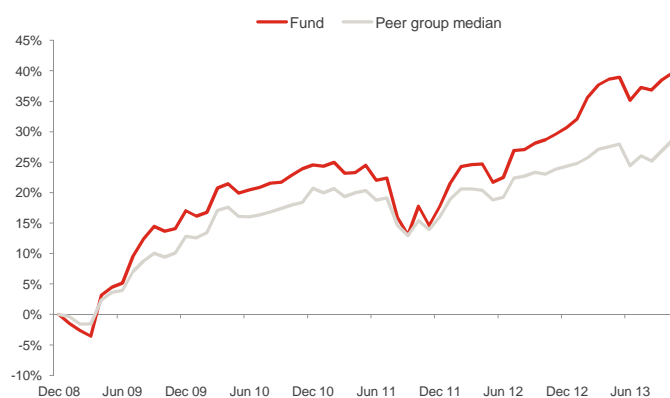
Fund details

| | | |
|--|---|--|
| Investment manager: Momentum Global Investment Management | ISIN A Class: LU0651984873 | Price per share A Class: EUR 1.0504 |
| 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 1.1276 |
| Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS) | ISIN D Class: LU0651985177 | Price per share D Class: EUR 1.1629 |
| 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 performance¹Cumulative returns¹

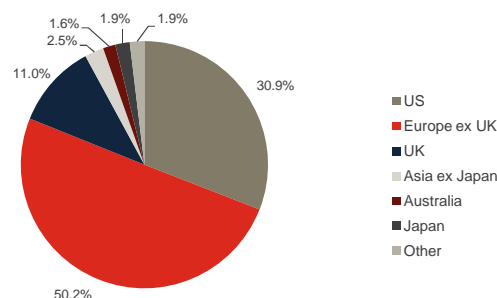
Holdings

| Holdings | Asset type | Weight |
|---|--------------|--------|
| Jupiter European Special Situations | Equity | 15.3% |
| Henderson European Special Situations | Equity | 14.6% |
| Cash | Cash | 10.3% |
| Old Mutual Dublin Global Bond | Fixed Income | 10.1% |
| Cohen & Steers Global Real Estate | Property | 7.0% |
| RWC Global Convertibles | Fixed Income | 6.4% |
| BlackRock European Corporate Bond Index | Fixed Income | 5.4% |
| Muzinich EnhancedYield Short-Term | Fixed Income | 5.3% |
| Jupiter Dynamic Bond | Fixed Income | 5.2% |
| Momentum IF Global Equity | Equity | 4.7% |
| Muzinich Short Duration High Yield (EUR hedged) | Fixed Income | 4.0% |
| First State Global Listed Infrastructure | Equity | 3.2% |
| iShares \$ TIPS | Fixed Income | 2.3% |
| Dimensional Emerging Markets Value | Equity | 2.3% |
| Morgan Stanley Global Brands | Equity | 2.0% |
| Artisan Global Value | Equity | 1.0% |
| iShares Gold Producers | Commodities | 0.9% |

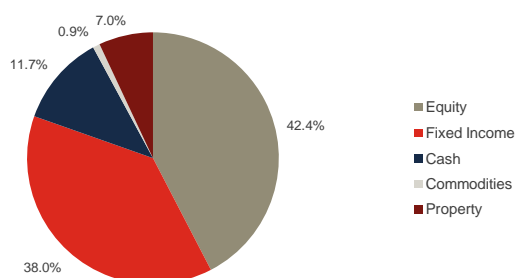
Investment statistics (since 1 January 2009)¹

| | |
|------------------------|-------|
| Current month return: | 0.8% |
| Cumulative return: | 39.7% |
| Annualised return: | 7.2% |
| Annualised volatility: | 6.8% |

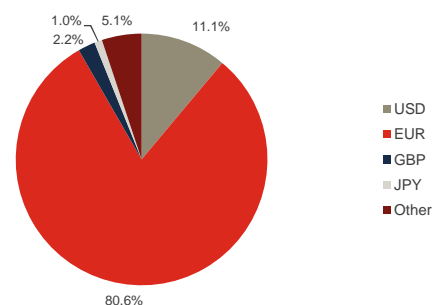
Regional allocation



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

Markets in October were dominated by events in the US. In the first half of the month the focus was entirely on the political impasse on the Federal budget negotiations; the gulf between Republican and Democrat politicians leading to a failure to agree on a budget deal for the new fiscal year starting on October 1 and a resultant shutdown of non essential Government functions. The US debt ceiling then needed to be raised by midmonth to prevent it being breached, which could have caused a technical default by the Government. While only a very small risk, markets were worried about the negotiations because of the increasingly extreme and intransigent views and the resultant dysfunctional state of US politics, as well as the massive impact globally that an event of this magnitude would have. In the event the politicians agreed on a last minute deal, enabling the government to reopen for business on October 17 although it was only a short term compromise, with the Government funded until January 15 and the debt ceiling raised until February 7 2014.

After sharp falls early in the month, the market became more confident that a deal would be struck and rallied strongly from the second week. Investors concluded that the negative impact to GDP growth as a result of the 17 day Government shutdown, together with the potential hit to business and consumer confidence, would delay the Fed's tapering decision. Many investors also concluded that the Fed would not risk tapering ahead of the next round of budget and debt ceiling negotiations which will conclude only in early February, so no tapering until March has almost become the market consensus. This view was strengthened with Obama's nomination of Janet Yellen as the next Fed Chair, to succeed Bernanke in January 2014. While widely expected, the appointment confirms a continuation of a dovish approach in the Fed to monetary policy, with Yellen the most dovish of the likely candidates for the position.

The Harmony Euro Balanced Fund returned 0.8% in October. Over the past twelve months the Fund has returned 8.5% net of all fees. The global aggregate bond market returned 0.5% in October, while global stocks returned 3.4% in Euro terms. The Fund's asset allocation policy had mixed results last month, with our decision to avoid government bonds in favour of various aspects of the credit markets benefitting performance as these assets in aggregate outperformed sovereign paper. However, the Fund is overweight cash, and in a month where government bonds increase in value an overweight cash holding negatively impacts relative performance. The Fund is neutral to global equity and while this aided absolute performance it did not provide return enhancement. Finally the Fund is underweight to global property securities which enjoyed a strong month, but this underweight was mitigated by the exposure to global listed infrastructure.

Going forward, with uncertainty remaining over the solidity and pace of developed world economic growth, combined with the potential for tightening credit conditions, investors should look to retain a prudent level of diversification in their portfolios. While political issues in the US and Europe have fallen from the headlines for now, there remain significant risks – especially in the latter region – that remain unresolved. Overall, we believe that the Fund is well positioned to take advantage of future opportunities in the markets as they present themselves.

From a manager selection perspective, the Momentum IF Global Equity Fund advanced by 2.7% for the month and underperformed the index by 0.7%, both in Euro terms. Year to date the Fund has risen by 22.3%, outpacing the 18.3% gain of the benchmark by a significant margin. Manager returns were mixed for the month. In aggregate the deep value blend was marginally ahead of the index; Pzena were the largest contributor as the manager benefitted from strong stock selection within the energy and consumer related sectors. The quality-orientated blend of managers performed broadly in line with the benchmark, whilst the momentum blend detracted. The largest detractor from performance was the US small cap manager Driehaus, who suffered as a result of poor stock selection within the healthcare and IT sectors.

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.