

Harmony Europe Diversified Fund

(Formerly known as the Harmony Euro Balanced Fund)

Fund details

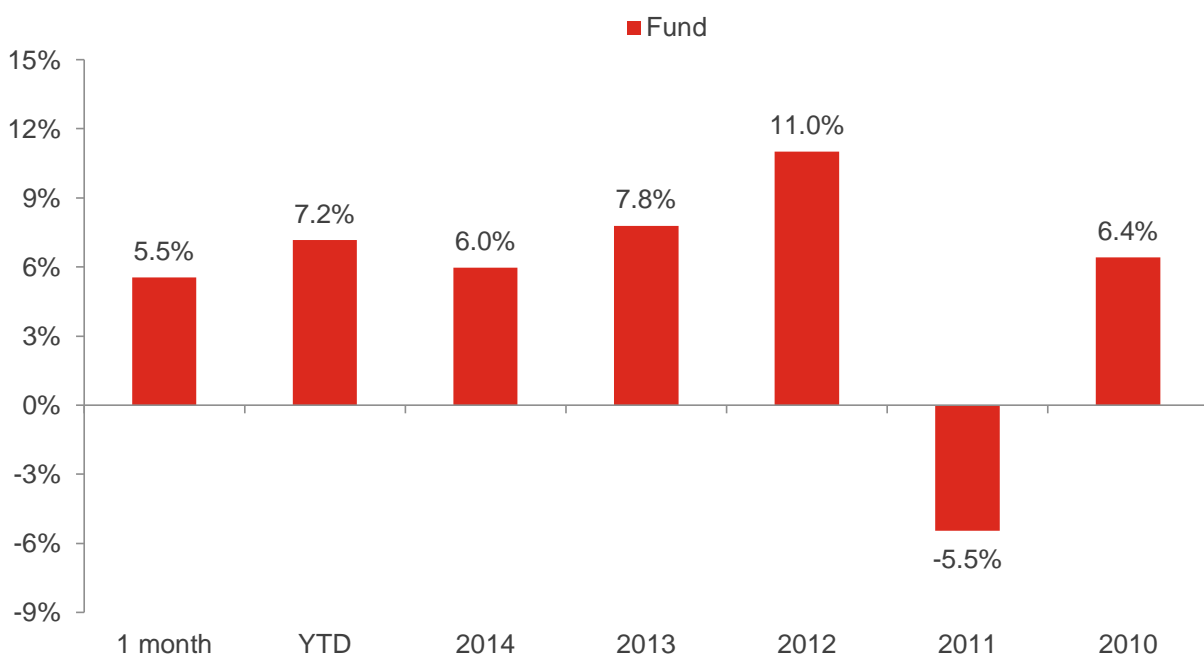
Investment manager: Momentum Global Investment Management	ISIN A Class: LU0651984873	Price per share A Class: EUR 1.2028
Currency: EUR	ISIN B Class: LU0651984956	Price per share B Class: EUR 1.1335
Inception date (fund): 12 August 2011	ISIN C Class: LU0651985094	Price per share C Class: EUR 1.2782
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	ISIN D Class: LU0651985177	Price per share D Class: EUR 1.3063
Minimum investment: Share classes A, B, C & D: USD 7,500 (EUR equivalent)	Subscriptions / redemptions: daily	Investment timeframe: 3 years +

Investment objective

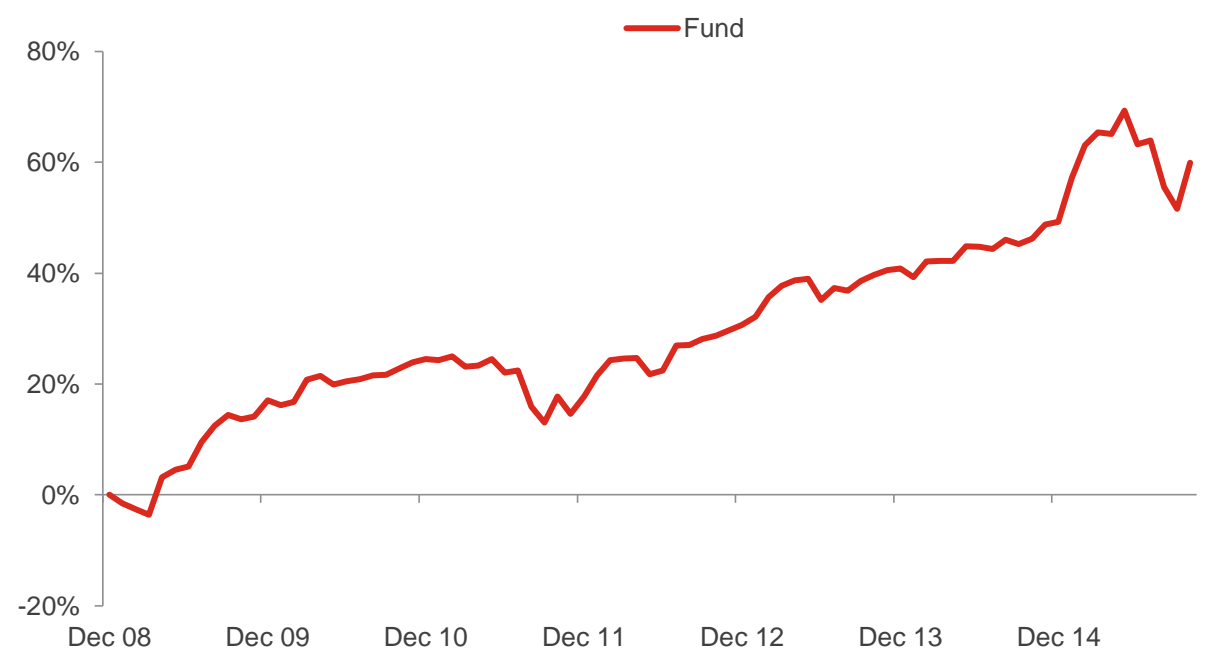
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance



Cumulative returns



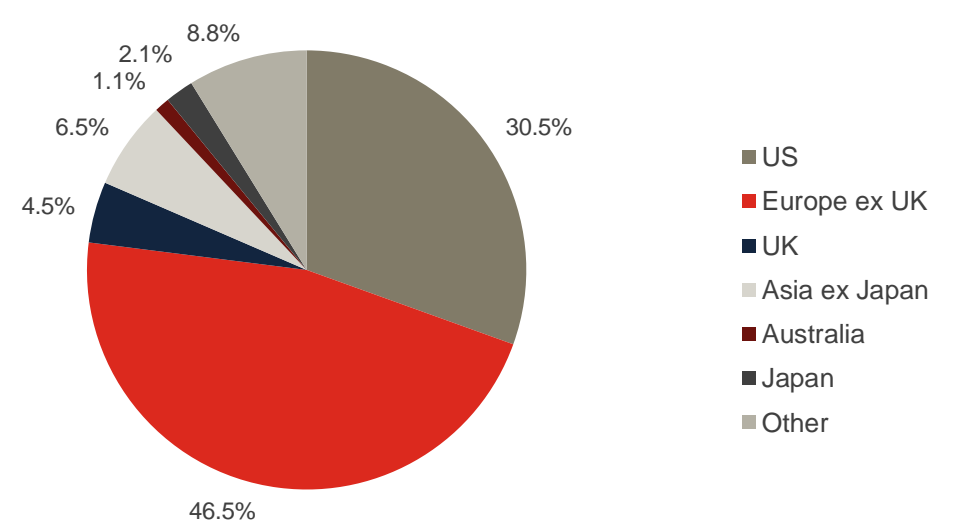
Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	19.3%
FP Crux European Special Situations	Equity	19.0%
Third Avenue Real Estate Value	Property	6.0%
PFS Twentyfour Dynamic Bond	Fixed Income	5.3%
AXA US High Yield (EUR hedged)	Fixed Income	5.2%
Artisan Global Value	Equity	4.7%
RWC Global Convertibles	Fixed Income	4.3%
Muzinich EM Short Duration (EUR hedged)	Fixed Income	3.9%
Dimensional Emerging Markets Value	Equity	3.8%
iShares JP Morgan Emerging Markets Bond	Fixed Income	3.4%
American Century Concentrated Global Growth	Equity	3.3%
Muzinich Enhanced Yield Short-Term (EUR hedged)	Fixed Income	3.2%
RWC Asia Convertibles	Fixed Income	3.1%
Cash	Cash	3.0%
Schroder UK Recovery	Equity	2.9%
AXA US Short Duration High Yield (EUR hedged)	Fixed Income	2.7%
Heptagon Kopernik Global All-Cap Equity	Equity	2.3%
First State Global Listed Infrastructure	Equity	2.3%
Morgan Stanley UK Global Brands	Equity	0.9%
Morgan Stanley Global Brands	Equity	0.8%
Westwood Strategic Global Convertibles (EUR hedged)	Fixed Income	0.4%
iShares Gold Producers	Commodities	0.2%

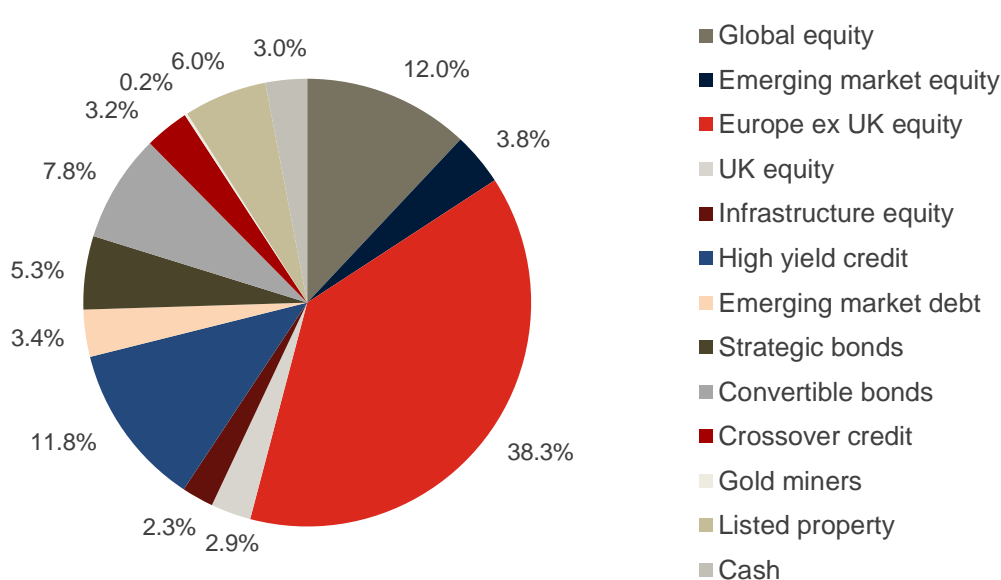
Investment statistics (since 1 January 2009)

Current month return:	5.5%
Cumulative return:	60.0%
Annualised return:	7.1%
Annualised volatility:	7.2%

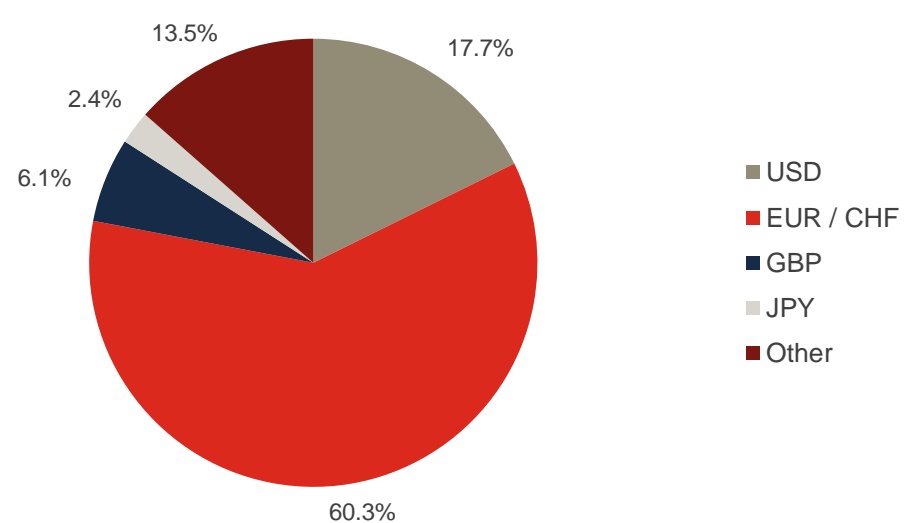
Regional allocation



Strategy allocation



Currency allocation



■ Manager commentary

During October markets reversed a large part of the steep falls that have taken place in recent months. This recovery was supported by further dovish comments from the European Central Bank as well as the combination of an unexpected rate cut and a lowering of the required reserve ratio in China. Equities outperformed other asset classes with the MSCI World index gaining 7.9% in local currency terms. In the US, the 8.4% return for the S&P 500 index represented its largest gain since October 2011 and brought the index to within just 2% of its all-time high. In local currency terms, Continental European equities delivered a similar return of 8.2%, while Japan outperformed with a 10.9% gain and the UK lagged with a rise of 5.2%. Global emerging market equities gained 5.4% in local currency terms but a rebound in emerging market currencies led to a return of 7.1% in US dollar terms.

The Harmony Europe Diversified Fund returned 5.5% in October net of all fees, increasing the year to date return to 7.2%. In comparison the MSCI Europe ex UK equity index gained 8.2% over the month and is 12.9% higher year to date. We were rewarded for maintaining our positions through the volatility in recent months as the Fund's various equity holdings rebounded to drive performance in October. Several of the more defensive holdings, which had performed well in relative terms as markets fell in the third quarter, continued to perform well in October. Although it is a small holding, the Morgan Stanley Global Brands strategy was the best example of this, outperformed the MSCI World index by over 2% in October after having provided significant downside protection over the previous three months. Stock selection drove the outcome in October, driven by strong performance from the manager's large holding in Microsoft Corp. The Harmony Europe Diversified Fund's top two holdings also performed relatively well in the third quarter and went on to gain 7.3% and 6.6% in euro terms in October, for Jupiter and Crux respectively.

The fixed income portion of the Fund was another strong contributor to returns, with upside of as much as 4.9% from global convertible bonds and 4.3% from hard currency emerging market debt. The Fund's other fixed income holdings all posted positive returns and outperformed the 1.1% return of the European government bond index. We continue to have no holdings in global (developed) government bonds: they are extremely expensive and over a reasonable time horizon we do not expect them to generate attractive risk adjusted returns. Instead the Fund has allocations to high yield, convertible and emerging market debt securities. While these assets are less protective in periods of acute market stress (such as the previous quarter) we believe that they offer a more attractive potential risk adjusted return in a modestly positive economic scenario.

While stability has returned to markets in October, the past few months are a reminder of the sorts of price moves that investment in securities markets provide from time to time. This volatility will continue along with sharp divergence of performance between countries, sectors and companies depending on fundamentals. We remain constructive on equity markets from here given the prospect of a continued, albeit subdued, recovery across the developed world together with interest rates at historically low levels; this provides a sound basis for growth in corporate earnings and support for equity markets. Nevertheless, in this uncertain world, prudent diversification and a focus on quality stocks, cash generation and strong balance sheets will continue to reward investors.

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