

Harmony Euro Balanced Fund (Class E)

Fund details

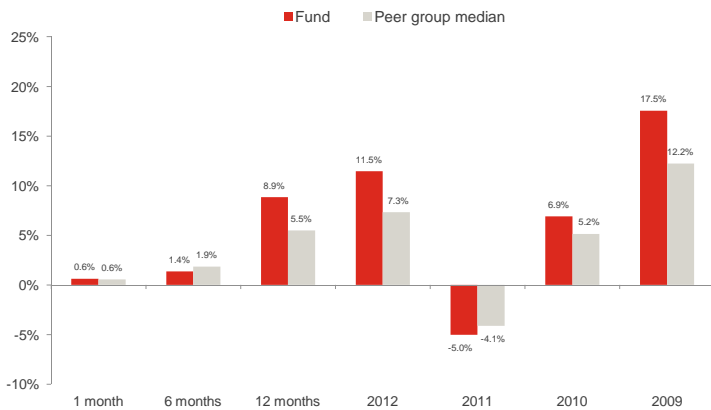
Investment manager: Momentum Global Investment Management	ISIN: LU0795380780
Currency: EUR	Price per share: EUR 1.1154
Inception date (fund): 12 August 2011	Minimum investment: USD 250,000 (EUR equivalent)
Structure: SICAV - Part 1 Luxembourg 2002 Law (UCITS)	Subscriptions / redemptions: daily
Peer group source: Bloomberg¹	Investment timeframe: 3 years +

Investment objective

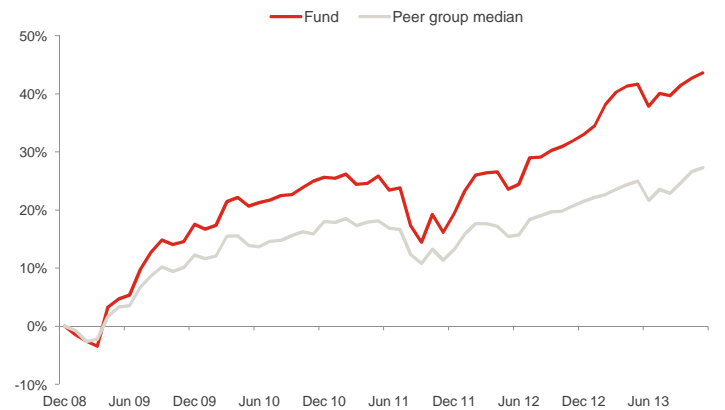
The portfolio will be biased to investments in Europe, but could also hold investments outside this region. The portfolio aims to provide a balance between capital preservation and capital growth in euros with a reduced level of volatility, via strategic exposures to a wide range of asset classes.

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

Fund performance



Cumulative returns



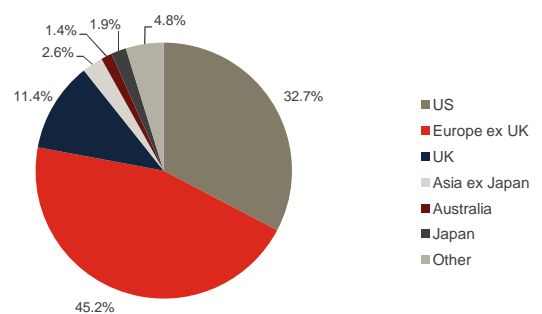
Holdings

Holdings	Asset type	Weight
Jupiter European Special Situations	Equity	15.6%
Henderson European Special Situations	Equity	14.3%
Old Mutual Dublin Global Bond	Fixed Income	10.0%
Cash	Cash	9.4%
Cohen & Steers Global Real Estate	Property	6.8%
RWC Global Convertibles	Fixed Income	6.3%
Muzinich Short Duration High Yield (EUR hedged)	Fixed Income	6.0%
Jupiter Dynamic Bond	Fixed Income	5.3%
Momentum IF Global Equity	Equity	4.7%
Threadneedle European High Yield Bond	Fixed Income	4.0%
BlackRock European Corporate Bond Index	Fixed Income	3.0%
Muzinich EnhancedYield Short-Term	Fixed Income	3.0%
iShares JP Morgan Emerging Markets Bond	Fixed Income	2.9%
First State Global Listed Infrastructure	Equity	2.7%
Dimensional Emerging Markets Value	Equity	2.2%
Morgan Stanley Global Brands	Equity	2.0%
Artisan Global Value	Equity	1.0%
iShares Gold Producers	Commodities	0.8%

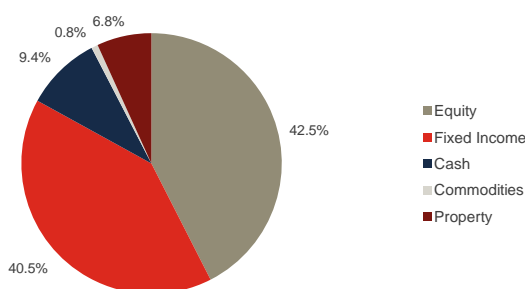
Investment statistics (since 1 January 2009)

Current month return:	0.6%
Cumulative return:	43.6%
Annualised return:	7.6%
Annualised volatility:	6.7%

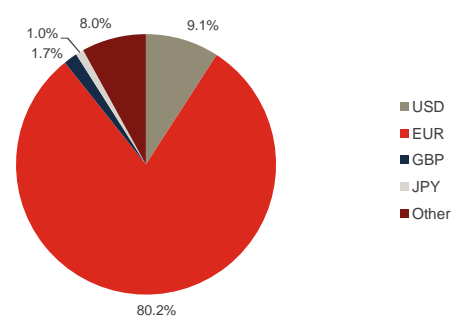
Regional allocation



Asset allocation



Currency allocation



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

¹ The peer group median is a composite of (i) global peers and (ii) local peers, in the ratio 1:2. The returns of the global peer group each month receives a weight of one-third, and this is added to the return of the local peer group which receives a weight of two-thirds; together these two numbers produce a single composite peer group return. This weighting methodology is consistent with the "normal" asset allocation of the Fund, with a two-thirds bias towards the "home" country assets and currencies.

■ Manager commentary

Markets in November continued to be dominated by events in the US, with short term sentiment heavily influenced by the latest economic data and 'Fed talk', which is believed to have a bearing on the timing of tapering (the much anticipated reduction of Quantitative Easing (QE) in the US). When the Fed will taper and by how much remain the key focus points for investors. Investors were reassured later in the month by Janet Yellen's comments at her Senate nomination hearing, in which she emphasised that the central bank would be slow to end QE and would err on the side of loose monetary policy. In other important news, the ECB surprised markets by cutting interest rates to 0.25%, in a sign that the central bank is becoming increasingly worried about deflationary forces at work in the eurozone. In contrast the UK, without the shackles of a fixed currency regime and with a considerably more flexible economy, showed signs of a more sustainable recovery, with most leading indicators pointing to robust growth. The big news in Asia was the outcome of China's Third Plenum, which sets the policy agenda for the new leadership. A far reaching reform package was introduced, including liberalisation of money markets and financial institutions and the opening up of certain industries. The reforms were seen as the most far reaching for at least a decade, but effective implementation will be a concern.

The Harmony Euro Balanced Fund returned 0.6% in November. Over the past twelve months the Fund has returned 8.9% net of all fees. The European government bond market returned 0.4% in November, while European (ex UK) stocks returned 1.2% in euro terms. The Fund's asset allocation policy had mixed results during the 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. While the Fund is neutral to global equity, positions in global emerging markets, infrastructure and gold mining shares detracted from performance.

Going forward, with uncertainty remaining over the strength 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 disappeared 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 Morgan Stanley Global Brands fund gained 1.1% in November compared to a 1.9% return for the MSCI World index, both in euro terms. Despite a strong gain of 6.0% over the last three months the fund has lagged the benchmark which has added just over 8% in euro terms. The manager's quality biased approach is inherently conservative and is likely to lag in such sharply rising markets. Underweight allocations to more cyclically sensitive sectors, such as industrials, banks and materials have detracted from relative performance, as has stock selection within the IT software and health care sectors. The fund is approximately 70% invested in the US and the UK. Fewer companies outside of the traditional market hubs of North America and Europe satisfy the team's strict stock selection criteria. Over two-thirds of the portfolio is allocated to stocks in the consumer staples sector, incorporating a significant overweight to tobacco stocks.

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.

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.