

FGAM Global Cautious Fund IC Limited

quarter ended 30 June 2020

Q2



FG ASSET MANAGEMENT

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1. Participatory interests and Net Asset Value



Class of Shares	Shares In Issue	Price Per Share	Total Net Asset Value
Share Class A	11,224,180.73	1.2451	US\$ 13,975,438.40
Share Class B	6,594,882.23	1.1156	US\$ 7,357,362.36

Source: Momentum Global Investment Management, 30 June 2020.

2. Investment Policy & Objective

Investment Objective

A conservative portfolio with an emphasis on capital preservation over capital appreciation during the full investment cycle with a significant proportion of the portfolio held in the Base Currency aiming to achieve a reduced level of volatility. The Fund is ideally suited to investors with an investment horizon of 3 years or longer.

Investment Policy

The Fund intends to achieve its investment objective through a diversified global portfolio that invests primarily in participatory interests of portfolios of collective investment schemes or other similar schemes. The Fund will invest in participatory interests of underlying portfolios which provide exposure to investments in a wide range of asset classes including but not limited to cash and/or money market instruments, bonds, property, commodities and international equities. The Fund may also invest in participatory interests of underlying asset allocation portfolios which provide exposure to a combination of the asset classes. The Fund may also invest in transferable securities. The portfolio has flexibility in terms of currencies and asset allocation both between and within asset classes, countries and regions.

The Fund may invest in the units of collective investment schemes which are also managed by the Manager or an associate of the Manager. Neither the Manager nor any such associated company shall be liable to account to investors for any profit, charges or remuneration made or received by the Manager or any such associated company and the Manager's fee shall not be abated thereby.

The Fund may invest in forward foreign currency exchange contracts for hedging purposes.

Portfolio Analysis

During the quarter, the fund manager has continued to manage the portfolio in accordance with the objective and policy stated above.

3. Fund and index performance Share Class A



Fund & Index returns

Performance to 30 June 2020					
Returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
FGAM Global Cautious ¹	7.4%	-2.8%	0.5%	1.2%	1.6%
Benchmark ²	7.4%	1.9%	3.9%	4.1%	4.0%

Performance to 30 June 2020					
Index returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
Global equity ³	19.2%	2.1%	6.1%	6.5%	5.4%
ICE BofAML Gbl Brd Mkt TR USD	3.2%	3.5%	4.0%	3.7%	2.2%

Cumulative returns

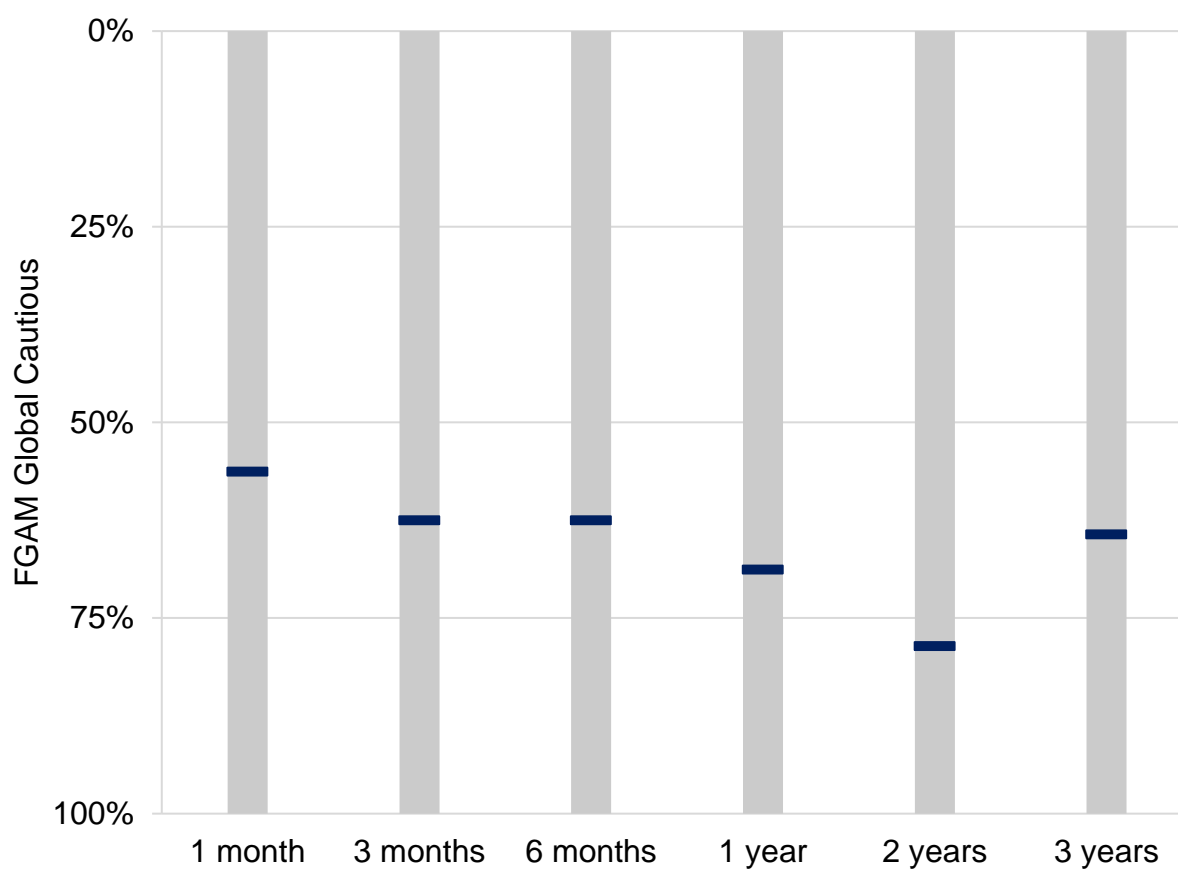
	Highest performance	Lowest performance	Cumulative performance
2006	+3.1% (Nov 2006)	-2.3% (Jun 2006)	7.3%
2007	+2.4% (Sep 2007)	-1.8% (Dec 2007)	6.3%
2008	+2.2% (Dec 2008)	-8.7% (Oct 2008)	-18.5%
2009	+3.6% (May 2009)	-3.5% (Jan 2009)	6.9%
2010	+3.2% (Jul 2010)	-3.7% (May 2010)	1.4%
2011	+3.3% (Oct 2011)	-6.4% (Sep 2011)	-2.6%
2012	+4.2% (Jan 2012)	-4.2% (May 2012)	10.6%
2013	+2.9% (Sep 2013)	-3.8% (Jun 2013)	6.4%
2014	+2.4% (Feb 2014)	-1.8% (Sep 2014)	1.5%
2015	+5.1% (Oct 2015)	-3.8% (Aug 2015)	-3.5%
2016	+4.1% (Mar 2016)	-4.8% (Jan 2016)	2.7%
2017	+1.9% (Jul 2017)	0.1% (Oct 2017)	11.0%
2018	+2.2% (Jan 2018)	-4.2% (Oct 2018)	-6.5%
2019	+4.1% (Jan 2019)	-2.4% (May 2019)	9.6%
Since inception	+5.1% (Oct 2015)	-9.2% (Mar 2020)	24.5%

¹Inception date May 2006

²25% MSCI AC World, 50% Citigroup WorldBIG, 10% S&P Global Property, 10% LIBOR USD 7 day, 5% LIBOR EUR 7 day

³The equity component of the fund benchmarks changed from the MSCI World Index to the MSCI AC World Index on 1 October 2011

Source: Morningstar, Lipper Hindsight, Northern Trust International Fund Administration Services (Guernsey) Limited. Past performance is not indicative of future returns. The fund performance is calculated on a total return basis, net of all fees and in US dollar terms. NAV to NAV figures have been used for the performance calculations. The performance is calculated for the Fund. The individual investor performance may differ, as a result of various factors, including the actual investment date. Investment performance calculations are available for verification upon request. Annualised returns are period returns re-scaled to a period of 1 year. This allows investors to compare returns of different assets that they have owned for different lengths of time. Actual annual figures are available to investors upon request. The global equity (MSCI AC World from 1 August 2011, MSCI World prior to 1 August 2011), global fixed income (Citi WorldBIG) and cash (LIBOR USD 7-Day from 1 August 2011, LIBID USD 7-Day prior to 1 August 2011) returns shown are those of the three components of the fund's benchmark. Peer group median: Morningstar USD Cautious Allocation.



	1 month	3 months	6 months	1 year	2 years	3 years
FGAM Global Cautious Peer Rank	10/17	11/17	11/17	12/17	12/15	10/15
Fund Performance	1.2%	7.4%	-5.6%	-2.8%	-1.4%	0.5%
Peer Max	3.3%	13.8%	0.5%	4.5%	5.2%	5.4%
Peer Min	0.4%	3.3%	-20.4%	-18.1%	-7.3%	-4.3%
Peer Median	1.2%	7.7%	-2.4%	0.0%	1.4%	1.3%
Quartile Rank	3	3	3	3	4	3

Source: Morningstar; Peer group: Europe OE Global Large-Cap Blend Equity. **Past performance is not indicative of future returns.**

4. Total Expense Ratio

The Total Expense Ratio (TER) is a measure of the total costs associated with managing and operating an investment fund. These costs consist primarily of management fees, custody fees, administration fees plus additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the Fund is divided by the Fund's total assets to arrive at a percentage amount, which represents the TER.

The size of the TER is important to investors, as the costs come out of the Fund, affecting investors' returns. For example, if a Fund generates a return of 5% for the year but has a TER of 2%, the 5% gain is diminished (to roughly 3%).

The TER of this Fund at the end of the quarter was;

Share Class A*

1.42%

Share Class B**

1.22%

* TER: 1.42% - The FGAM Global Cautious Fund USD Class A has a Total Expense Ratio (TER) of 1.42%. The TER to 30 June 2020 is based on data for the period from 30 June 2019 to 30 June 2020, 1.48% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include transaction costs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TERs.

** TER: 1.22% - The FGAM Global Cautious Fund USD Class B has a Total Expense Ratio (TER) of 1.22%. As at 30 June 2020, 1.22% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include transaction costs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TERs.

A schedule of fees can be found in the Fund's scheme particulars and Minimum Disclosure Document, which can be obtained from the Manger's website www.momentum.co.gg

The FGAM Global Cautious Fund rebounded sharply in the second quarter as risk assets rallied across the board. Returns were predominantly driven by our equity positions as the MSCI World index rose 19.4% in what has been one of the fastest recoveries on record. Within our equity allocation the standout performer was Sands, our global growth manager, who benefited from their higher exposure to technology, communications, healthcare and certain consumer areas.

We expect a long and bumpy recovery and hence we have reduced our exposure to cyclical companies following their strong rebound at the start of April. We increased our exposure to gold over the quarter and the precious metal delivered double digit returns as the asset has become a more attractive hedge as central bank policy has reduced government bond yields across the globe. Global property also partially recovered from the shock last quarter as the impact of support packages has become felt.

After such a spectacular run, we would not be too surprised to see equity markets pause for breath a little from here; there remains a lot of uncertainty around the pace of economies reopening, as well as concerns over a second wave of infections later in the year. Against this backdrop, the valuations of certain companies and sectors within equity markets look challenging: Tesla is now the world's largest car manufacturer on the basis of its share price, ahead of Toyota despite selling 10 million fewer cars in 2019.

As we enter another earnings season, we are likely to see corporates reporting some large losses as the full extent of economic shutdowns are laid bare. Analyst expectations are already factoring in ~45% declines however, so much of this is already in the price and the focus will be on business solvency and how companies are adapting to the new normal. Our managers are invested in well run businesses, some of which are likely to entrench their competitive advantages throughout this crisis, however we remain mindful of developing macro risks around the US and elsewhere. We will continue to monitor these developments closely while running a well diversified and resilient portfolio to withstand any future unexpected shocks.

Source: Morningstar / Bloomberg. June 2020.

Past performance is not indicative of future returns.

6. Top ten holdings

FGAM Global Cautious June 2020		
Security	Asset class	Weight
¹ BlackRock Euro Ultra Short Bond	Money Market	17.4%
¹ BlackRock US Dollar Ultra Short Bond	Money Market	14.7%
¹ Cash	Cash	12.1%
¹ iShares Physical Gold ETC	Commodities	8.2%
¹ iShares \$ Treasury Bond 1-3yr	Fixed Income	7.9%
¹ Sands Capital Global Growth	Equity	5.2%
¹ Nedgroup Investments Global Equity	Equity	4.3%
¹ Catalyst Global Real Estate	Property	3.7%
¹ Clearance Camino	Property	3.5%
¹ iShares \$ Treasury Bond 3-7yr	Fixed Income	3.4%
		80.4%

¹ Direct holding.

FGAM Global Cautious March 2020		
Security	Asset class	Weight
¹ BlackRock Euro Ultra Short Bond	Money Market	17.9%
¹ BlackRock US Dollar Ultra Short Bond	Money Market	14.3%
¹ iShares \$ Treasury Bond 1-3yr	Fixed Income	8.8%
¹ Cash	Cash	7.7%
¹ iShares Physical Gold ETC	Commodities	6.0%
¹ Sands Capital Global Growth	Equity	4.9%
¹ Morgan Stanley Global Brands	Equity	4.8%
¹ Orbis Global Equity	Equity	4.4%
¹ iShares \$ TIPS	Fixed Income	3.9%
¹ Clearance Camino	Property	3.8%
		76.5%

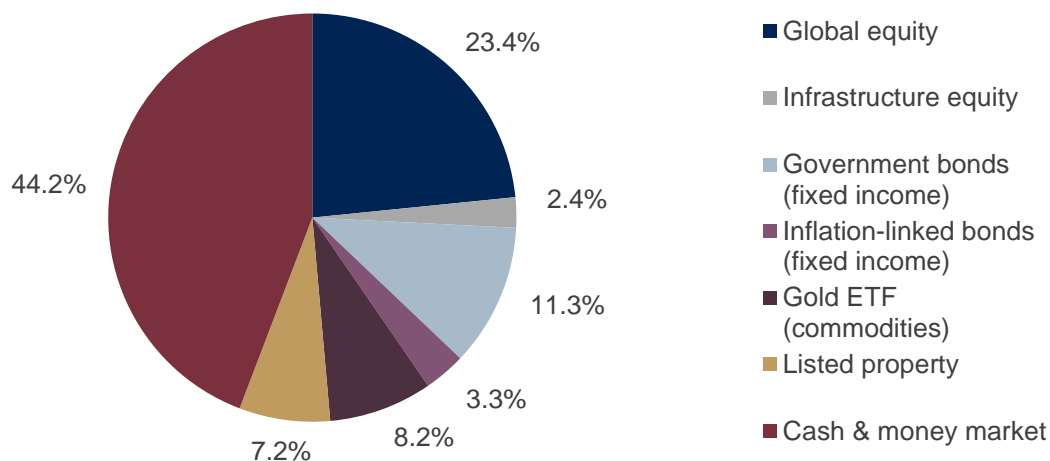
¹ Direct holding.

Source: Momentum Global Investment Management, June 2020.

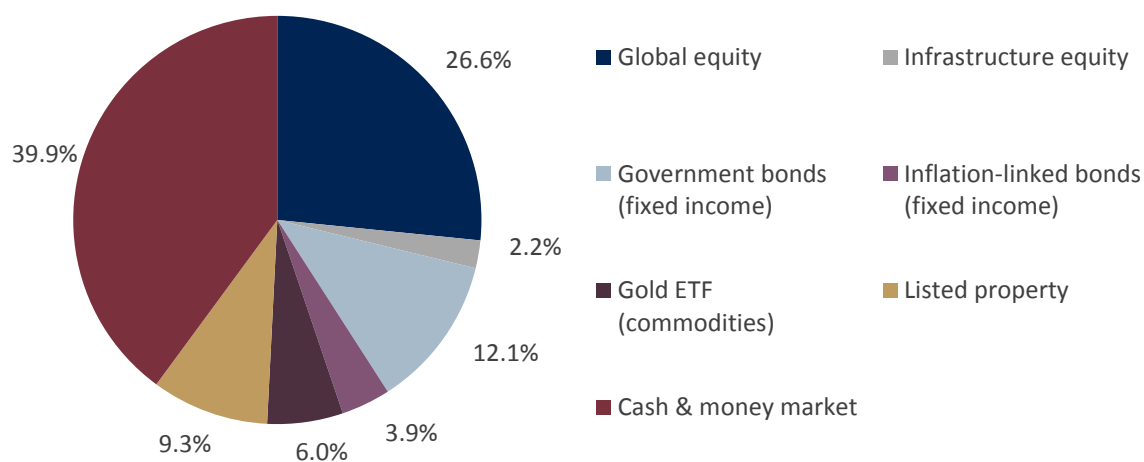
7. Fund exposures

Asset allocation*

June 2020



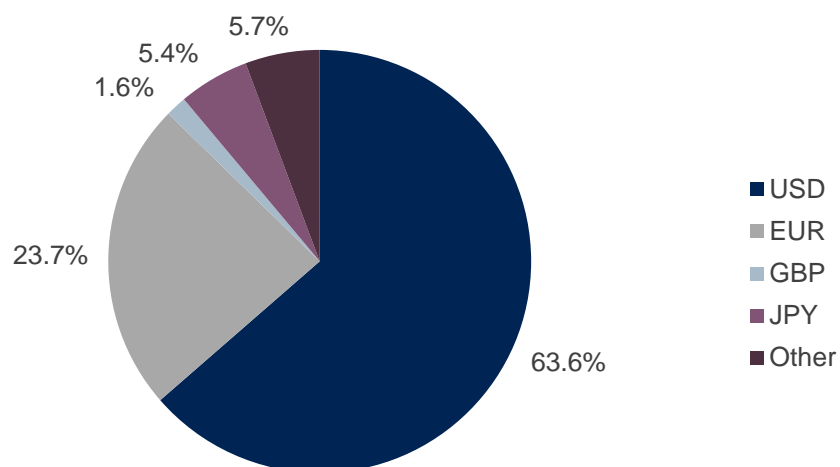
March 2020



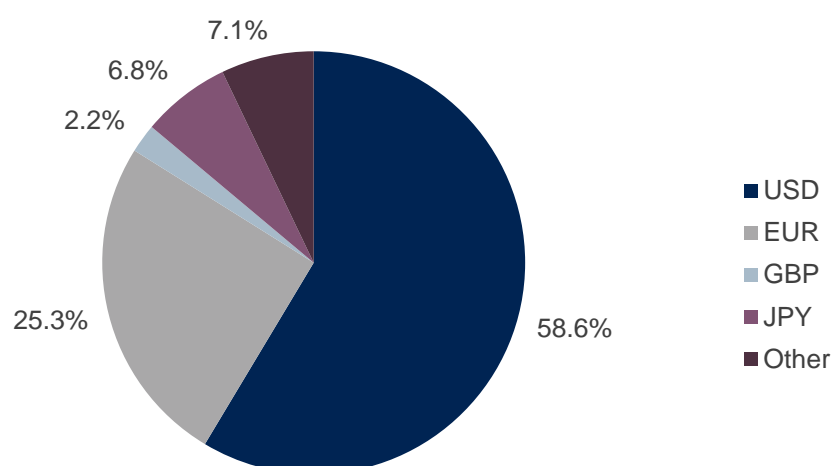
*Asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes.

Source: Momentum Global Investment Management, June 2020.

Currency Allocation
June 2020



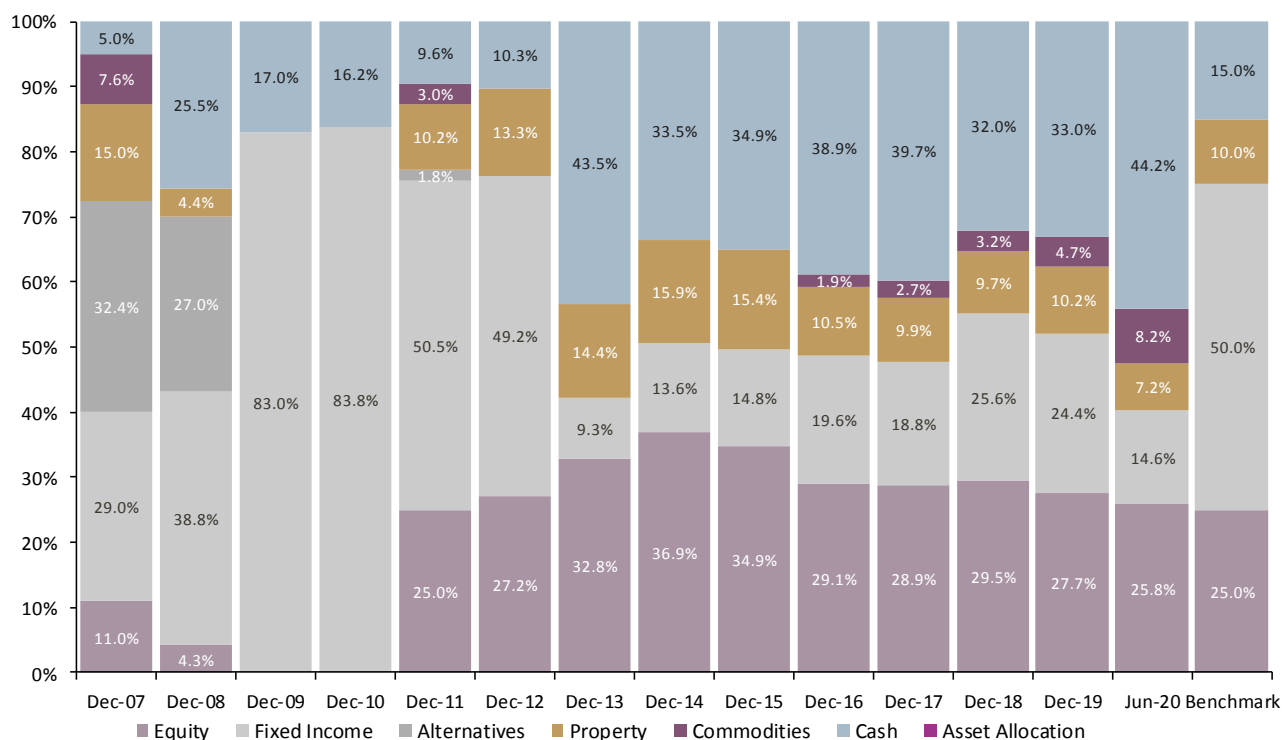
March 2020



Source: Momentum Global Investment Management, June 2020.

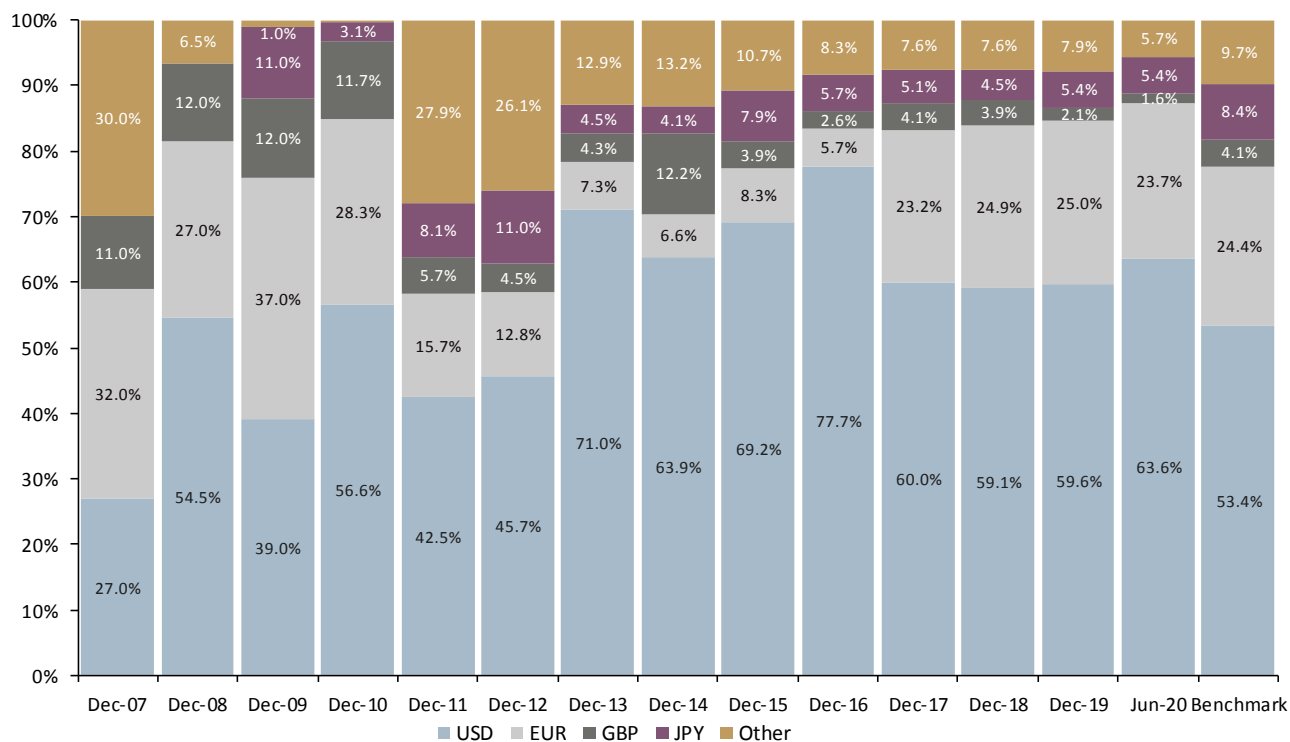
Asset allocation over time

3



Source: Momentum Global Investment Management, June 2020

Currency allocation over time

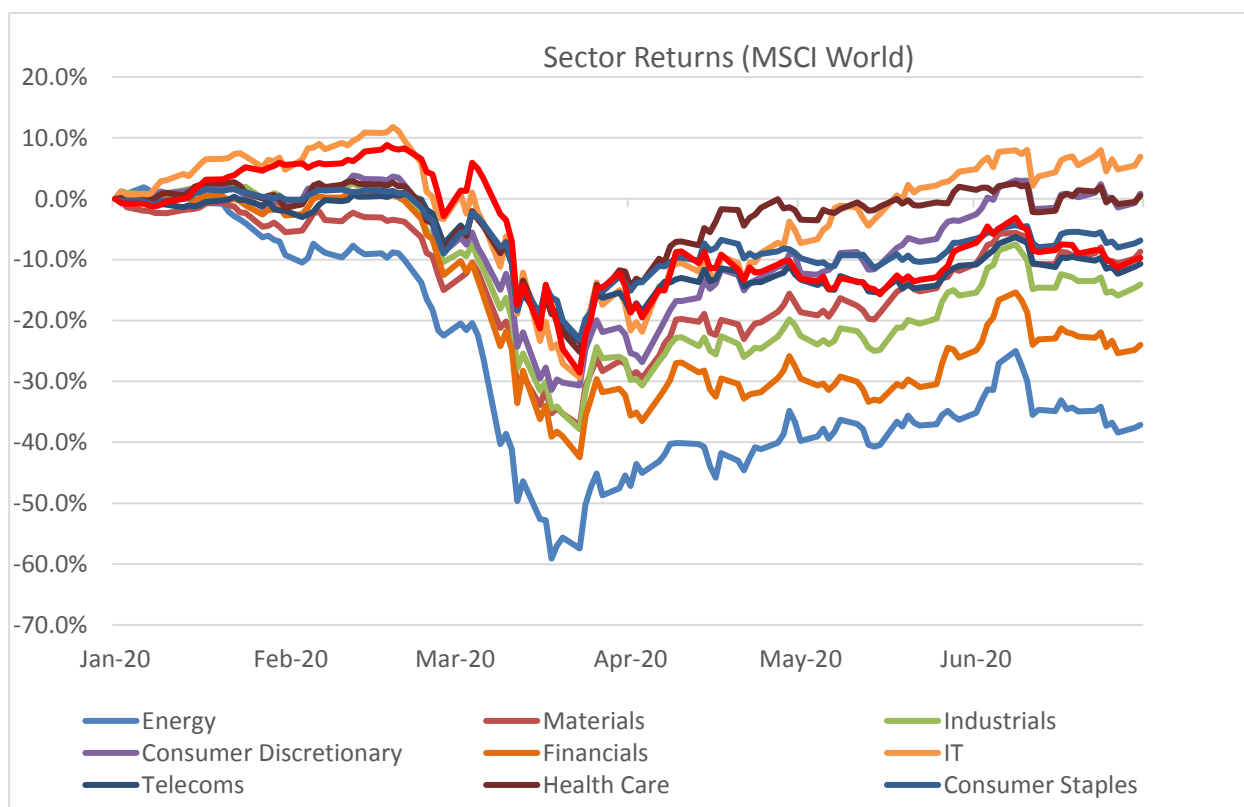


Source: Momentum Global Investment Management, June 2020.

8. Market Commentary

The disconnect that occurs from time to time between stock market performance and economic reality could not have been more stark than in the second quarter of 2020. Induced by pandemic, the world entered its steepest and deepest recession for almost 100 years, yet stock markets moved relentlessly higher, Wall Street leading the way with a return of 20% over the quarter, recovering much of the ground lost in the February and March sell-off. While few markets could match the return from the US, all risk assets moved sharply higher, whereas safe haven government bonds were flat over the quarter, the yield on 10 year US Treasuries ending the period unchanged at 0.65%. The appetite for risk was reflected in credit markets, arguably the most dislocated asset class in the March panic, which produced equity like returns in Q2, investment grade +9%, high yield +11% and convertible bonds +20%. Oil, which suffered the biggest fall in Q1, enjoyed the best recovery in Q2, +81%, as oil supply was curbed and demand began to recover as the global economy fired up, while gold again displayed its merits as a safe haven and store of value, returning 12.9% in Q2, leaving it as the best performing asset this year, +17.4%.

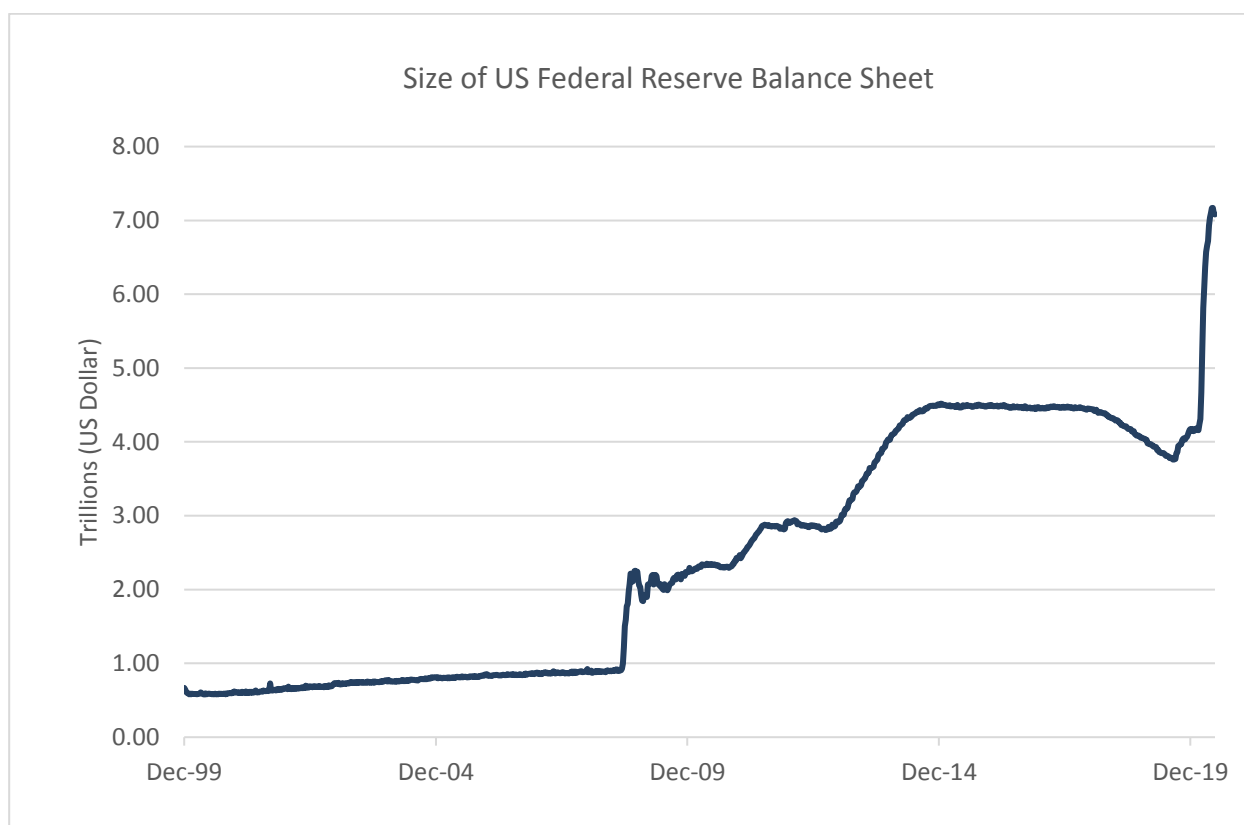
Within markets, the varying sensitivity of industries to Covid19 was clearly reflected in returns. Those sectors which are beneficiaries, notably in e-commerce, the digital economy and healthcare, outperformed as markets rallied, just as they had held up better when markets were falling sharply in Q1. In contrast, sectors most exposed to the structural changes unleashed or accelerated by the pandemic and by the challenges of social distancing, predominantly in leisure, hospitality, travel and other services, as well as parts of the real estate industry, generally lagged.



Source: Bloomberg

Driving markets was the huge monetary stimulus unleashed by the Federal Reserve on 23rd March, with asset purchases on a scale never before seen, unlimited in size and duration, and including for the first time corporate bonds with sub-investment grade credit ratings. It was the critical moment in this crisis, and no coincidence that markets bottomed on that day. The Fed followed up in the second quarter with a commitment to continue asset

purchases at the current monthly rate of \$120bn and guiding that interest rates will be near zero through 2022. These actions averted a liquidity crisis, pushed interest rates on bonds to record lows, thereby supporting riskier and duration proxy assets, and ensured the smooth functioning of credit and money markets. Other major central banks have also taken drastic action, with extensions of stimulus programmes announced by the ECB, Bank of Japan and Bank of England, and all effectively committing to near zero interest rates for years ahead. These extraordinary policy measures ensured that a financial crisis was avoided, despite the depth of recession globally, and are fuelling sharp rises in money supply which is assisting recovery from the economic slump (and potentially triggering higher rates of inflation down the line). This is in contrast to the global financial crisis when banks were crippled and unable to lend and the huge injections of liquidity from central banks offset a sharp contraction in money supply.

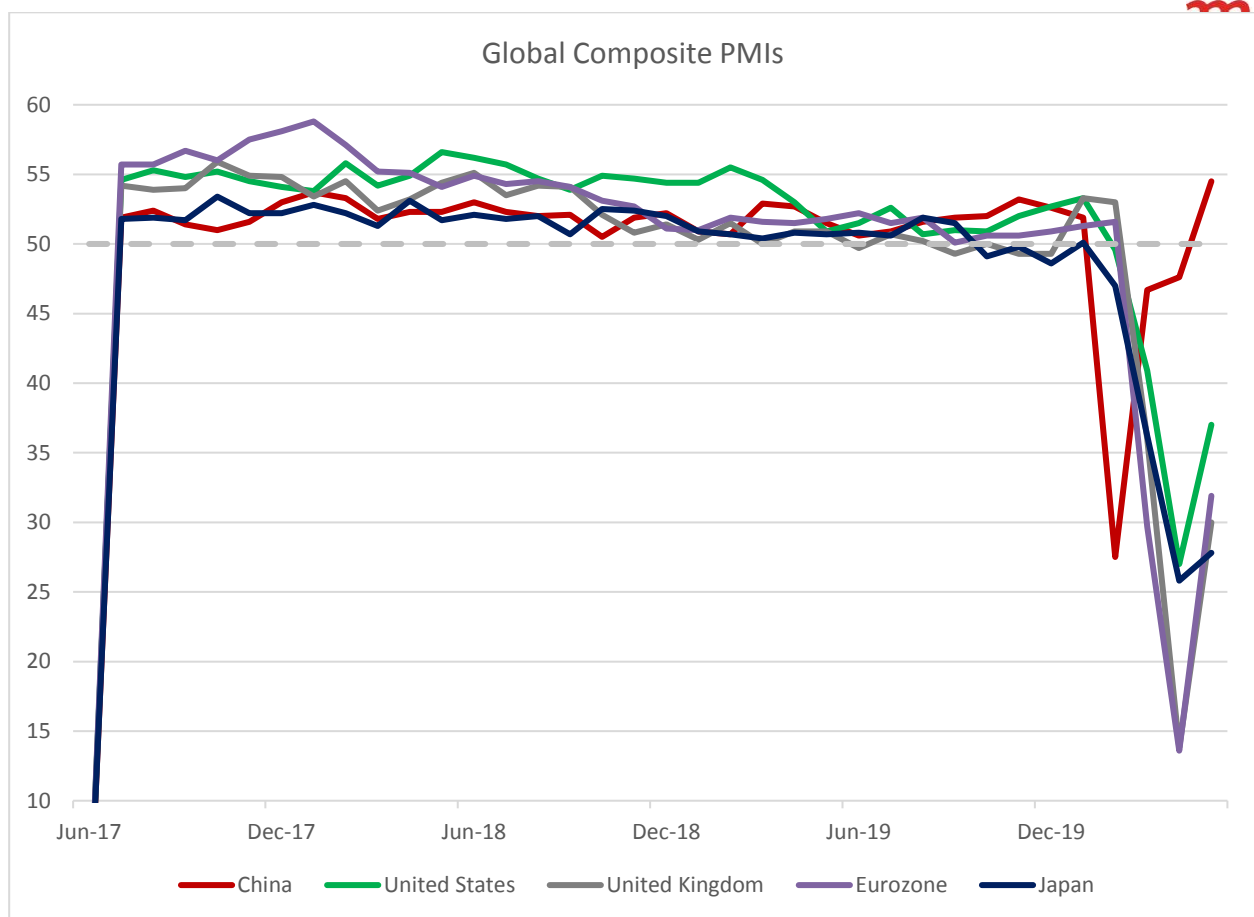


Source: Bloomberg

The other key to the market's rapid recovery has been the timely and substantial emergency fiscal support provided by governments, especially those in the developed world, which have greater policy flexibility than many developing countries. Extensions to these packages were made by all major countries during Q2, bringing support to well over 10% of GDP in many cases, and for the first time the European Commission introduced an EU wide Recovery Plan, totalling EUR750bn, to be paid out mainly in the form of grants, and funded by debt issued by the EU: potentially the first step towards much closer fiscal union. These huge packages have been successful in protecting productive potential and facilitating a rapid recovery as lockdowns end.

With the peak of the virus having passed in most of Asia and Europe, and lockdowns being eased across most of the world, early signs point to a more rapid recovery than initially hoped for. Leading indicators almost everywhere point to a very substantial recovery in the third quarter of the year, following the unprecedented collapse in

activity in March and April. It is yet to be seen whether this is sustainable or largely reflects release of pent up demand, but the structural damage inflicted on many businesses and uncertainty created by looming unemployment as furlough schemes are phased out and companies cut costs to ensure sustainability, would suggest that activity levels will not return to levels prevailing before the virus and growth will be subdued for some time ahead. Under these circumstances governments would be expected to continue to provide support, moving from the immediate protection of jobs and businesses to stimulating growth longer term through spending on infrastructure, health, education and job creation programmes. Equally, notwithstanding a more than temporary surge in inflation, central banks will likely persist with ultra loose policy for years, keeping interest rates across the developed world close to zero and maintaining or expanding asset purchase programmes; in effect, moving closer to financing government debt directly.



Source: Bloomberg

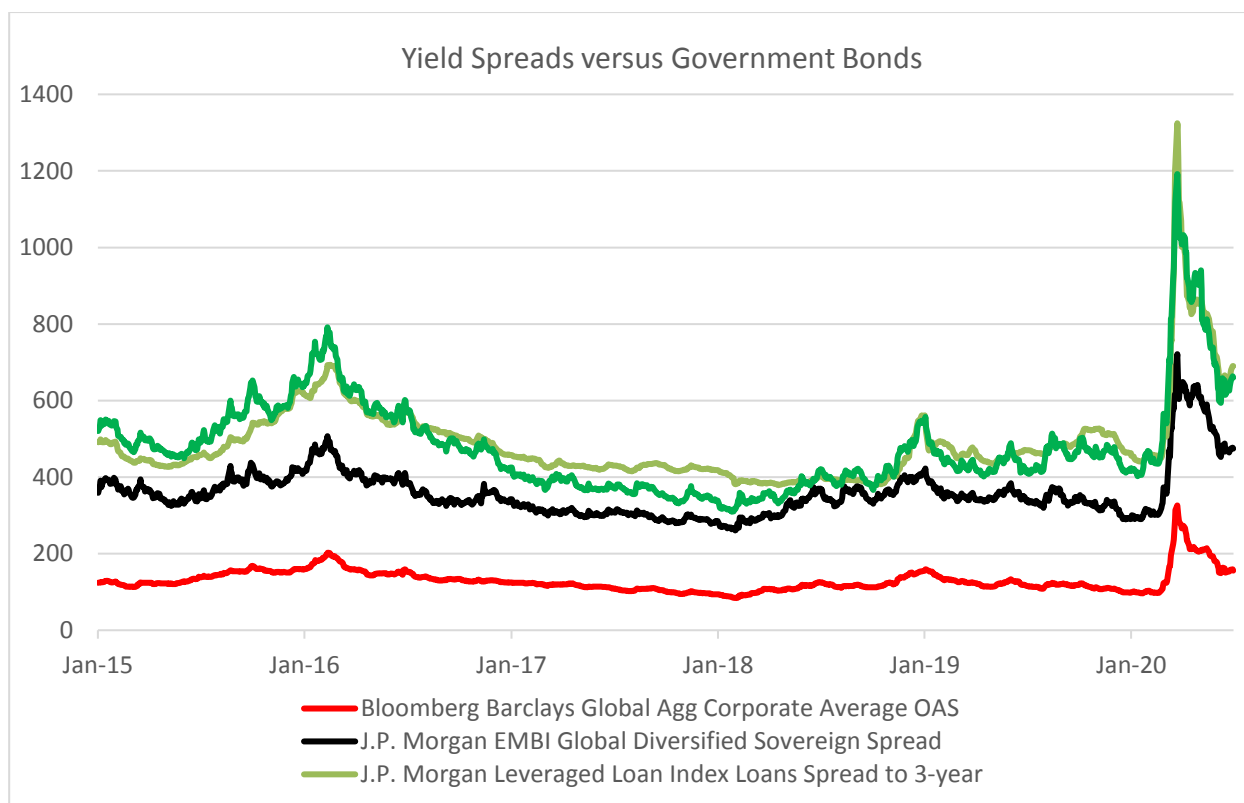
The ramifications of the pandemic and resultant policy actions will reverberate for years ahead. Some trends established before the crisis have accelerated, the digital economy being a clear winner. Other industries will be permanently scarred and suffer over-capacity, including parts of travel, leisure and hospitality as well as high street retail and real estate. Supply chains will be moved and diversified to reduce critical dependency on China and to increase security of supply, potentially at the cost of higher prices. Inflation has fallen sharply as economic activity and commodity prices collapsed and we remain in a disinflationary environment for now, but the continuation of extraordinary policy action and structural changes to some significant industries have the potential to push inflation higher in due course.

We are encouraged by the success of many countries in controlling the virus and by evidence of a strong recovery underway in economic activity, and we are confident that monetary and fiscal policy will provide ongoing support

to economies and underpin asset markets. But there are hurdles ahead, notably the recent rise in virus cases in parts of the US and the developing world, especially Brazil and India. Broadly based second waves and renewed lockdowns would be damaging, although the world is now better prepared in terms of understanding the virus, capacity of health care systems, and shielding of the most vulnerable. There is also a potential fiscal cliff ahead as spending to support businesses and employees tapers off, leading to much higher levels of unemployment and a period of weak growth.

These risks and uncertainties are likely to lead to periods of volatility in markets, especially in view of the near straight-line recovery in the past 3 months, which has left some valuations at extended levels, notably in the technology/digital sectors. Away from the pandemic, the deterioration in US-China relations, further inflamed by China's imposition of new security laws in HK, the US election, and the looming Brexit deadline, add to the uncertainty. Some caution is therefore warranted, and we believe that diversification will be more important than ever, both across and within asset classes.

We expect equities to provide the bulk of returns in the year ahead, and continue to hold a blend of equity styles to take advantage of the recovery potential in value stocks and the long term opportunities in growth stocks, with an overall bias towards higher quality companies that have the resilience and balance sheet strength to ride through this challenging period. The credit sectors of fixed income offer less compelling value after the sharp rally in the past 3 months but still provide reasonable yields and the prospect of further spread compression as the recovery unfolds and liquidity premia reset. Safe haven government bonds are very poor value, with yields at or close to all-time lows and 90% of the universe now at yields below 1%, but we retain some US Treasury exposure as the ultimate safe haven. We also retain holdings in inflation protected bonds and gold, both of which have proved to be excellent diversifiers and stores of value, while providing protection from inflation longer term: not today's problem but not to be dismissed as a longer term risk.



Source: Bloomberg

After the sharpest and fastest bear market in history in the first quarter and the steepest and fastest recovery in the following 3 months, a period of consolidation is overdue. Markets face headwinds and great uncertainties resulting from Covid19 but are supported by huge central bank liquidity and the prospect of a big recovery in economies in coming months. We believe it is therefore appropriate to remain invested, broadly diversified, and prepared to take advantage of short term dips to add to risk assets.



Source: Bloomberg, June 2020.

Returns in US dollars unless otherwise stated.

Past performance is not indicative of future returns.

9. Market performance

		To 30 June 2020			
Asset class/region	Index	Local currency	Quarter	Year-to-date	12 months
Developed markets equities					
United States	S&P 500 NR	USD	20.4%	-3.4%	6.9%
United Kingdom	MSCI UK NR	GBP	8.2%	-17.7%	-15.3%
Continental Europe	MSCI Europe ex UK NR	EUR	14.9%	-9.2%	-1.6%
Japan	Topix TR	JPY	11.2%	-8.2% ^e	3.1%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	18.4%	-6.1%	-0.3%
Global	MSCI World NR	USD	19.4%	-5.8%	2.8%
Emerging markets equities					
Emerging Europe	MSCI EM Europe NR	USD	18.6%	-24.6%	-17.0%
Emerging Asia	MSCI EM Asia NR	USD	17.8%	-3.5%	4.9%
Emerging Latin America	MSCI EM Latin America NR	USD	19.1%	-35.2%	-32.5%
BRICs	MSCI BRIC NR	USD	16.9%	-7.6%	-0.2%
China	MSCI China NR	USD	15.3%	3.5%	13.1%
Global emerging markets	MSCI Emerging Markets NR	USD	18.1%	-9.8%	-3.4%
Bonds					
US Treasuries	JP Morgan United States Government Bond TR	USD	0.2%	9.2%	11.0%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	4.4%	6.4%	8.7%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	9.0%	5.0%	9.5%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	10.1%	-3.8%	0.0%
UK Gilts	JP Morgan UK Government Bond TR	GBP	2.6%	9.8%	12.2%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	6.8%	3.4%	6.5%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	1.7%	1.9%	2.7%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	5.3%	-1.2%	-0.4%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	11.3%	-5.2%	-2.2%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-0.7%	-1.1%	-1.9%
Australian Government	JP Morgan Australia GBI TR	AUD	-0.2%	4.1%	4.4%
Global Government Bonds	JP Morgan Global GBI	USD	1.5%	4.6%	5.2%
Global Bonds	ICE BofAML Global Broad Market	USD	3.2%	3.5%	4.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	20.0%	5.1%	10.6%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	9.1%	-0.4%	1.2%

Source: Bloomberg. June 2020.

Past performance is not indicative of future returns.

		To 30 June 2020			
Asset class/region	Index	Local currency	Quarter	Year-to-date	12 months
Property					
US Property Securities	MSCI US REIT NR	USD	11.4%	-19.0%	-13.9%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	18.3%	-22.9%	-24.6%
Asia Property Securities	S&P Asia Property 40 Index NR	USD	4.1%	-18.6%	-17.2%
Global Property Securities	S&P Global Property USD TR	USD	10.4%	-19.8%	-14.2%
Currencies					
Euro		USD	1.8%	0.2%	-1.2%
UK Pound Sterling		USD	-0.2%	-6.5%	-2.3%
Japanese Yen		USD	-0.4%	0.7%	0.0%
Australian Dollar		USD	12.6%	-1.7%	-1.7%
South African Rand		USD	2.8%	-19.3%	-18.8%
Commodities & Alternatives					
Commodities	RICI TR	USD	9.6%	-25.6%	-22.9%
Agricultural Commodities	RICI Agriculture TR	USD	2.0%	-11.0%	-10.1%
Oil	Brent Crude Oil	USD	81.0%	-37.7%	-38.2%
Gold	Gold Spot	USD	12.9%	17.4%	26.3%
Hedge funds	HFRX Global Hedge Fund	USD	6.2%	-1.1%	3.1%

Source: Bloomberg. June 2020.

Past performance is not indicative of future returns.

10. Directory

Registered Office:

PO Box 255, Trafalgar Court,
Les Banques, St Peter Port,
Guernsey, GY1 3QL
Channel Islands

Manager:

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La Plaiderie House, La Plaiderie,
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GY1 1WF
Channel Islands

Investment Manager:

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The Rex Building, 62 Queen Street,
London, EC4R 1EB
United Kingdom

Custodian: Northern Trust (Guernsey) Limited
PO Box 71, Trafalgar Court
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Guernsey GY1 3DA
Channel Islands

Administrator, Secretary & Registrar:

Northern Trust International Fund Administration
Services (Guernsey) Limited
Po Box 255, Trafalgar Court,
Les Banques, St Peter Port,
Guernsey, GY1 3QL
Channel Islands

Auditor:

Ernst & Young LLP, PO Box 9, Royal Chambers, St
Julian's Avenue, St Peter Port, Guernsey, GY1 4AF

Important notes

Collective investments are generally medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future.

Collective investments are traded at ruling prices. Commission and incentives may be paid and, if so, would be included in the overall costs. All performance is calculated on a total return basis, after deduction of all fees and commissions and in US dollar terms. Forward pricing is used.

The Fund invests in other collective investments, which levy their own charges. This could result in a higher fee structure for the Fund.

Fluctuations in the value of the underlying funds, 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.

Higher risk investments may be subject to sudden and larger falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies, even in developed markets, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.

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 will contain shares or units in underlying funds that invest internationally. The value of an investor's investment and the income arising from it will therefore be subject to exchange rate fluctuations.

Foreign securities may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments other than on the fund's dealing days.

No borrowing will be undertaken by the Fund except for the purpose of meeting short term liquidity requirements. Borrowings will not exceed 10% of the net asset value of the Fund. For such purpose, the securities of the Fund may be pledged. No scrip borrowing will be allowed.

While derivative instruments may be used for hedging purposes, the risk remains that the relevant instrument may not necessarily fully correlate to the investments in the Fund and accordingly not fully reflect changes in the value of the investment, giving rise to potential net losses.

Forward contracts are neither traded on exchanges nor standardised. Principals dealing in these markets are also not required to make markets in the currencies they trade, with the result that these markets may experience periods of illiquidity. Banks and dealers will normally act as principals and usually each transaction is negotiated on an individual basis.

The Manager has the right to close the Fund to new investors, in order to manage it more efficiently, in accordance with its mandate.

Investment in the Fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.

Investors are reminded that any forecasts and/or commentary included in this MDD are not guaranteed to occur, and merely reflect the interpretation of the public information and propriety research available to the Investment Manager at a particular point in time.

This report should be read in conjunction with the prospectus of Momentum Mutual Fund ICC Limited and the supplement, in which all the current fees and fund facts are disclosed.

Copies of these scheme particulars, including the Prospectus, Fund Supplement, and the annual accounts of the Scheme, which provide additional information, are available, free of charge, upon request from Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF, Telephone 0044 1481 735480, or from our website www.momentum.co.gg.

This report should not be construed as an investment advertisement, or investment advice or guidance or 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.

While all care has been taken by the Investment Manager in the preparation of the information contained in this report, neither the Manager nor Investment Manager make any representations



or give any warranties as to the correctness, accuracy or completeness of the information, nor does either the Manager or Investment Manager assume liability or responsibility for any losses arising from errors or omissions in the information.

Momentum Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised, as an open-ended collective investment scheme of Class B by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

FGAM Global Cautious Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 46258.

FGAM Global Cautious Fund IC Limited is approved under the South African Collective investment Schemes Control Act (No. 45 of 2002).

Momentum Wealth International Limited is the Fund Manager, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF. Momentum Wealth International Limited is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa. Momentum Wealth International Limited is a full member of the Association for Savings and Investments SA (ASISA).

Momentum Collective Investments (RF) (Pty) Ltd a South African company Registration No. 1987/004287/07, with its registered office at 268 West Avenue, Centurion, 0157, South Africa, has been appointed by the Manager as the Representative Office for the fund. Share call number 0860 111 899 Telephone +27 (0) 12 675 3002 Facsimile +27 (0) 12 675 3889.

Momentum Collective Investments (RF) (Pty) Ltd is an authorised manager of collective investment schemes in terms of the Collective Investment Schemes Control Act, No 45 of 2002.

Northern Trust International Fund Administration Services (Guernsey) Limited is the Fund Administrator, licensed by the Guernsey Financial Services Commission, with its registered office at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

Momentum Global Investment Management Limited is the appointed Investment Manager of the fund and is authorised and regulated by the UK Financial Conduct Authority, with its registered address at The Rex Building, 62 Queen Street, London EC4R 1EB. Momentum Global Investment Management Limited is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

FGAM (Pty) Limited, a South African registered company, is the appointed Sub-Investment Manager of the fund, with its registered office at 299 Dey Street, New Muckleneuk, Pretoria, 0181, South Africa.

Northern Trust (Guernsey) Limited is the Custodian, licensed by the Guernsey Financial Services Commission, with its registered office at PO Box 71, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DA.

Momentum Wealth International Limited retains full legal responsibility for the Fund.

Momentum Wealth International Limited does not provide any guarantee, either with respect to the capital or the return of the Fund.

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