

FGAM Global Cautious Fund IC Limited

quarter ended 30 June 2021

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	8,254,590.02	1.3882	\$11,458,626.00
Share Class B	10,187,054.74	1.2463	\$12,695,699.30

Source: Momentum Global Investment Management, 30 June 2021.

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 2021					
Returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
FGAM Global Cautious ¹	3.8%	11.5%	2.7%	4.0%	2.2%
Benchmark ²	3.3%	13.1%	6.8%	5.7%	4.5%

Performance to 30 June 2021					
Index returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
Global equity ³	7.4%	39.3%	14.6%	14.6%	7.4%
ICE BofAML Gbl Brd Mkt TR USD	1.3%	1.6%	4.0%	2.2%	2.1%

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%
2020	+3.9% (Apr 2020)	-9.2% (Mar 2020)	2.9%
Since inception	+5.1% (Oct 2015)	-9.2% (Mar 2020)	38.8%

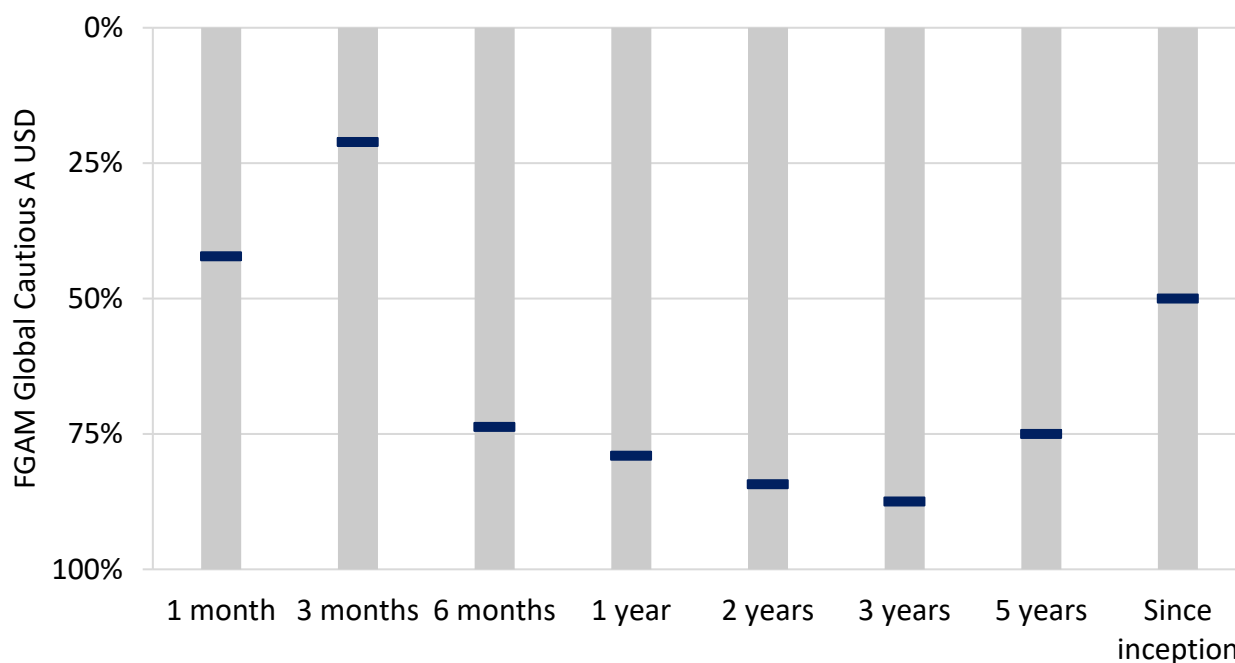
¹Inception date May 2006

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.

FGAM Global Cautious versus peers



	1 month	3 months	6 months	1 year	2 years	3 years	5 years	Since inception
FGAM Global Cautious A USD Peer Rank	9/20	5/20	15/20	16/20	17/20	15/17	13/17	3/5
Fund Performance	-0.3%	3.8%	2.3%	11.5%	4.1%	2.7%	4.0%	2.2%
Peer Max	0.6%	4.9%	9.3%	36.6%	10.8%	9.1%	9.0%	2.4%
Peer Min	-3.1%	0.4%	0.4%	7.1%	2.3%	1.9%	2.5%	-0.4%
Peer Median	-0.5%	3.1%	3.1%	14.3%	6.8%	5.4%	4.8%	2.2%
Quartile Rank	2	1	3	4	4	4	3	2

Source: Morningstar, Peer group median: Morningstar USD Cautious Allocation. **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*

1.49%

Share Class B**

1.29%

* TER: 1.49% - The FGAM Global Cautious Fund USD Class A has a Total Expense Ratio (TER) of 1.49%. The TER to 30 June 2021 is based on data for the period from 30 June 2020 to 30 June 2021, 1.49% 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: 1.29% - The FGAM Global Cautious Fund USD Class B has a Total Expense Ratio (TER) of 1.29%. As at 30 June 2021, 1.29% 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

Global equities enjoyed a strong second quarter, rising 7.4% in US dollar terms to add to the 4.6% gains they recorded in Q1. Emerging markets lagged developed markets for the second successive quarter, up 5.0%, due to stuttering vaccination programmes. Credit spreads tightened, resulting in reasonable returns for corporate credit, while global property securities outperformed, up 8.1%.

The Fund retains a meaningful allocation to equities (27%), listed property and infrastructure (together 10%) and corporate credit (5%) and therefore participated in these returns. Both asset allocation and manager selection were positive, with decisions taken in the fixed income component of the Fund delivering the most value over this latest quarter.

The long end of the yield curve (bonds with a longer time to maturity) outperformed the front end, where yields rose in response to the Federal Reserve's hawkish shift in June, as Fed governors acknowledged that inflation pressures may prompt them to raise interest rates sooner than they had expected. This favoured our positioning in longer maturity bonds.

One of the strongest performers this quarter was Sands Global Growth, which returned 10.7% over the period. The Fund is a concentrated growth fund with 36 holdings, and benefitted from overweights to Information Technology and Communication Services sectors. Fundsmith, another concentrated growth fund, also delivered strong returns as growth outperformed value by 6% over the period.

We added to the Fund's value exposure this quarter, introducing a 1% position in US based value specialist Hotchkis and Wiley. The team have been managing value funds since 1980, and follow a robust and disciplined process based on assessing normalised earnings over the next 5 years. They add greater exposure to sectors such as Financials and Industrials within the Fund, while remaining well diversified overall.

Global equities have added 12% over the first half of the year and within that we've seen a significant rotation into energy and financials, with the former up 30% and the latter up just less than 20%. The recent rise in covid cases around the world has been significant, prompting countries including the US, Japan, Australia and South Africa to introduce additional restrictions. However, the latest data from the UK, where the dominant strain is the more transmissible delta variant and where social restrictions are markedly relaxed compared to where they were at the start of the year, is promising, with declining ratios of hospitalisations and deaths to covid cases.

The latest data has not changed our view that vaccine programmes offer a credible path out of the pandemic for economies. We cannot rule out the chance that equity markets consolidate following their strong start to the year and hence we own protective assets in the form of Treasuries, precious metals and cash. However, when we look at what we expect to earn from companies in terms of their future earnings and cashflows, and compare that to prevailing share prices, we think equities and other economically sensitive assets continue to offer good returns from here, notwithstanding bouts of volatility.

Source: Morningstar / Bloomberg. June 2021.

Past performance is not indicative of future returns.

6. Top ten holdings

FGAM Global Cautious June 2021		
Security	Asset class	Weight
¹ BlackRock Euro Ultra Short Bond	Money Market	16.6%
¹ iShares \$ Treasury Bond 1-3yr	Fixed Income	9.7%
¹ iShares \$ TIPS	Fixed Income	9.3%
¹ BlackRock US Dollar Ultra Short Bond	Money Market	6.4%
¹ iShares Physical Gold ETC	Commodities	6.0%
¹ iShares US Corporate Bond Index	Fixed Income	5.2%
¹ iShares \$ Treasury Bond 3-7yr	Fixed Income	4.7%
¹ Sands Capital Global Growth	Equity	3.9%
¹ Catalyst Global Real Estate	Property	3.8%
¹ Artisan Global Value	Equity	3.4%
		69.0%

¹ Direct holding.

FGAM Global Cautious March 2021		
Security	Asset class	Weight
¹ BlackRock Euro Ultra Short Bond	Money Market	16.7%
¹ iShares \$ Treasury Bond 1-3yr	Fixed Income	10.0%
¹ iShares \$ TIPS	Fixed Income	9.7%
¹ BlackRock US Dollar Ultra Short Bond	Money Market	6.9%
¹ iShares Physical Gold ETC	Commodities	6.2%
¹ iShares US Corporate Bond Index	Fixed Income	5.0%
¹ iShares \$ Treasury Bond 3-7yr	Fixed Income	4.4%
¹ Catalyst Global Real Estate	Property	4.1%
¹ Robeco Multi-Factor Global Equity	Equity	3.8%
¹ Sands Capital Global Growth	Equity	3.7%
		70.5%

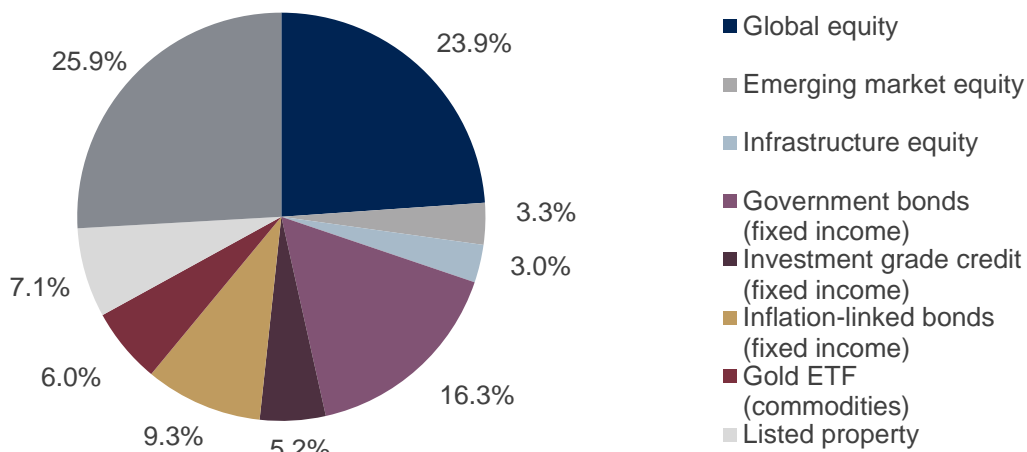
¹ Direct holding.

Source: Momentum Global Investment Management, June 2021.

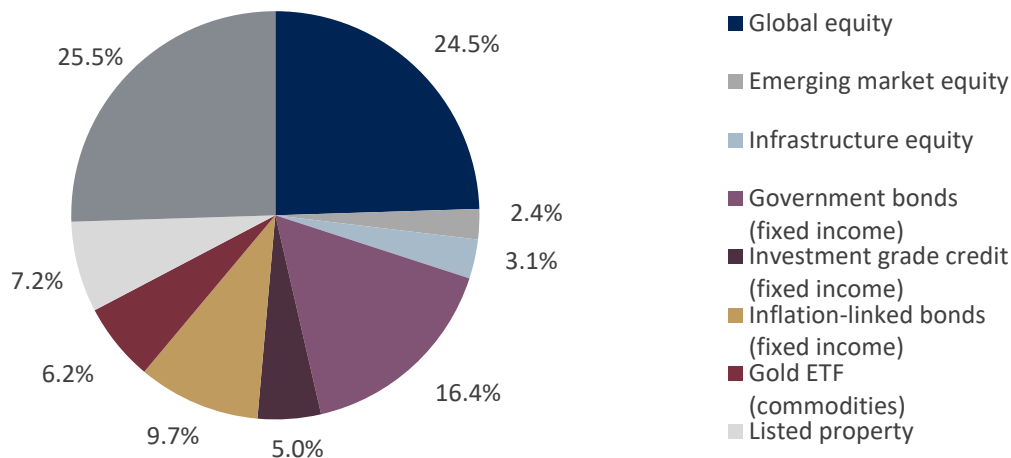
7. Fund exposures

Asset allocation*

June 2021



March 2021

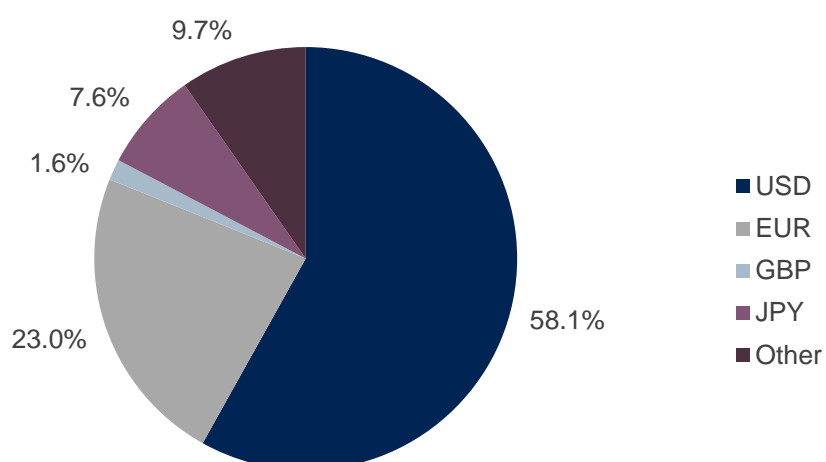


*Asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes.

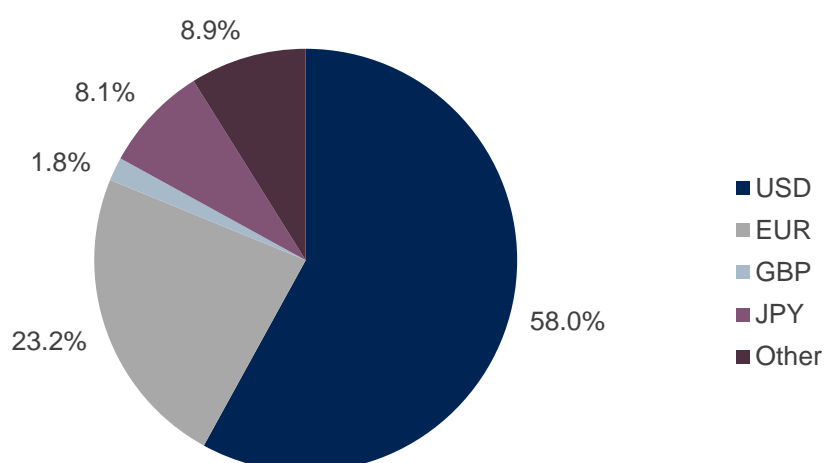
Source: Momentum Global Investment Management, June 2021.

Currency Allocation

June 2021

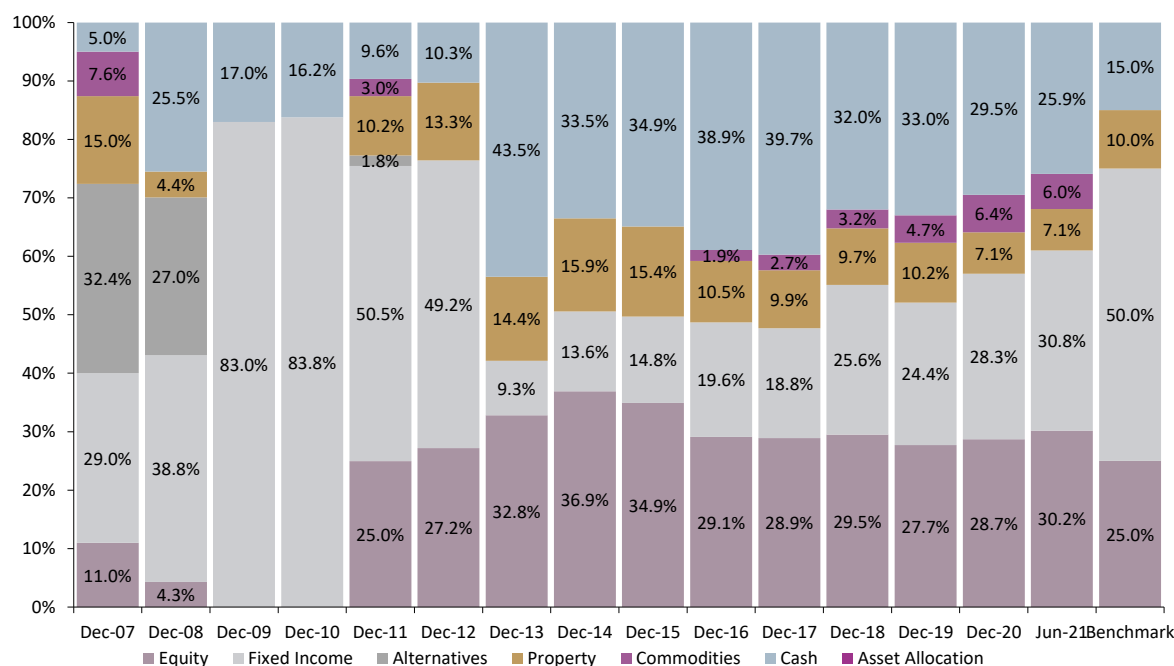


March 2021



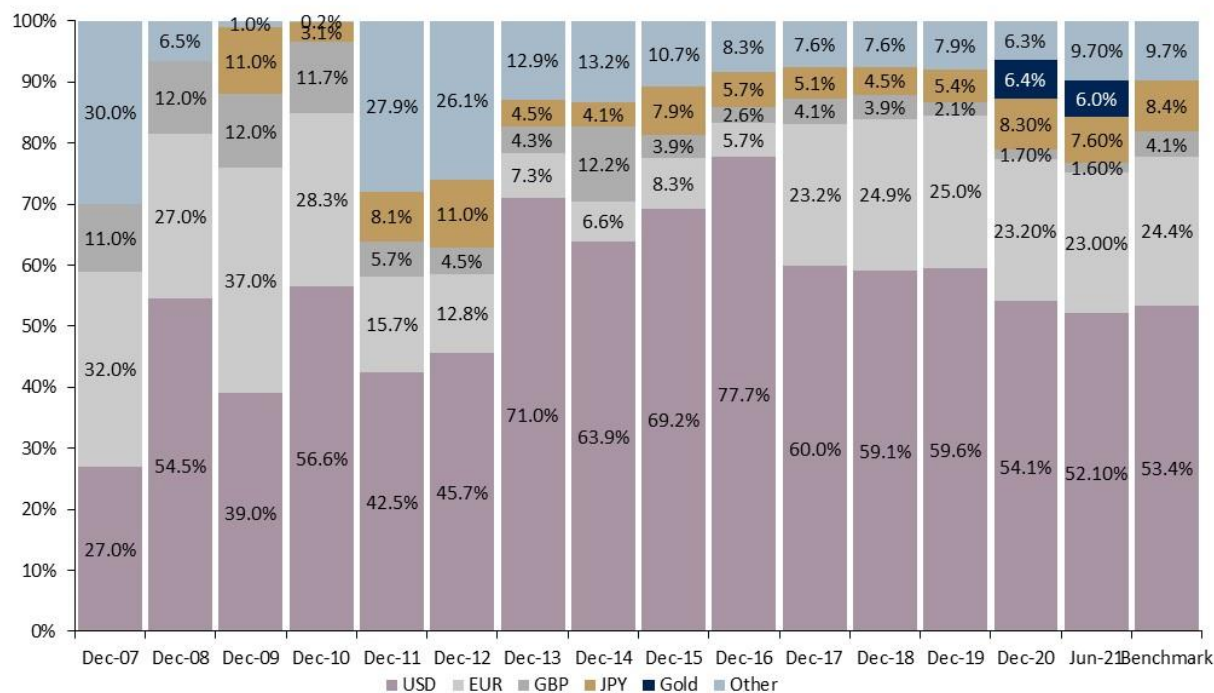
Source: Momentum Global Investment Management, June 2021.

Asset allocation over time



Source: Momentum Global Investment Management, June 2021

Currency allocation over time

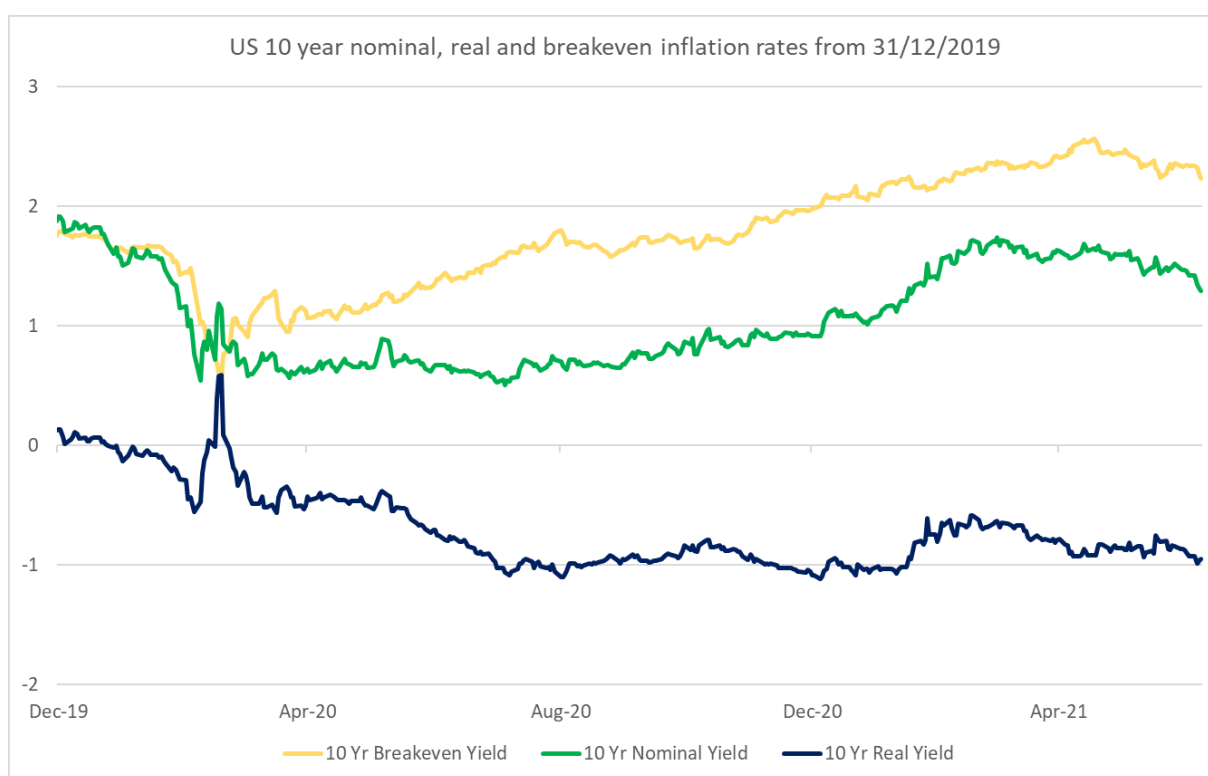


Source: Momentum Global Investment Management, June 2021.

8. Market Commentary

Q2 2021 Review

The global recovery continued to build momentum during the second quarter, driven by developed markets, where vaccine rollout is proving to be decisive in lifting pandemic restrictions. Forecasts for growth this year and next were revised up materially: the IMF is now forecasting global GDP to expand by 6% in 2021, up from its previous forecast of 5.2%; the OECD raised its growth expectation to 5.8% from 4.2%, the Federal Reserve upped its 2021 forecast for US growth to 7% (6 months earlier it was predicting 4.2%), while the ECB is now expecting growth in the Euro Area of 4.6% in 2021, compared with its March forecast of 4%. At the same time, inflation has been much higher than earlier expectations: CPI reached 5% in the US in May, while the Fed's preferred measure of inflation, core Personal Consumption Expenditure, reached 3.4%, its highest for almost three decades and well above the Fed's 2% target. Yet despite this extraordinary reflationary environment, government bond yields fell sharply over the quarter, with the yield on 10-year US Treasuries down from 1.74% at the end of March to 1.46% by the end of June. Notably, almost the entire drop in yields was a result of falling real yields, which ended the quarter at -0.87%; 10 year inflation expectations peaked at 2.56% in mid-May but by the end of June had returned to 2.34%, little changed from levels at the end of March, and still within the range of the last decade.



Source: Bloomberg Finance L.P., Momentum Global Investment Management

The combination of strong growth, feeding through to big increases in corporate earnings, and falling bond yields underpinned risk assets. Global equities returned 7.7% in Q2, led by the US, up 8.4%, corporate credit and high yield bonds returned 3.5% and 2.7% respectively, and commodities were up 15%, with sharp increases in oil, metals and agricultural areas.

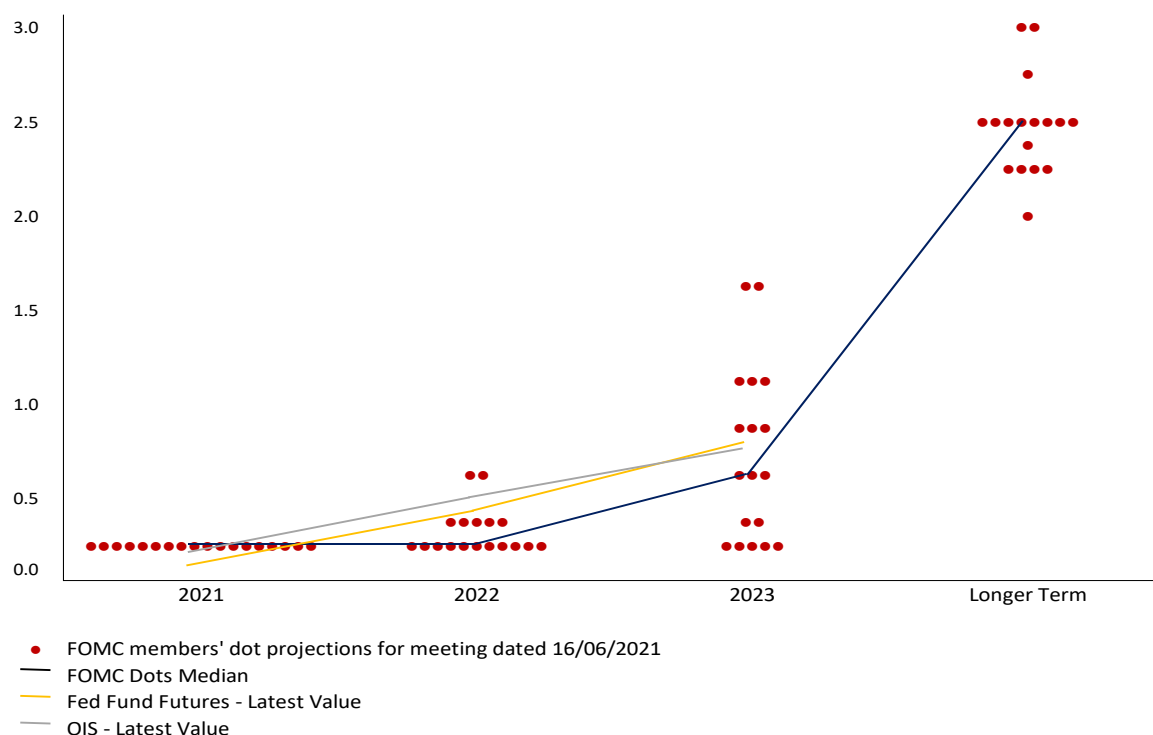
Growth is being driven by the release of pent-up demand as covid restrictions are eased and consumers begin to draw down on their huge excess savings built up over the past 18 months, estimated to amount to \$2.6tn, 12% of GDP, in the US. The reality is that the vast majority of people across the developed world have been largely protected from the extraordinary recession of 2020, both in terms of income and wealth, with many stock markets at all-time highs and house prices, the cornerstone of household assets, up sharply - in the case of the US by 15% over the past year.

The policy response has been on a scale never seen before in peace time. The huge fiscal spending packages to support people and businesses through the pandemic will fade as economies emerge from the recession but it is clear that there will be no return to fiscal austerity. President Biden's spending plans, on top of his \$1.9tn pandemic relief programme, call for over \$6tn of spending in infrastructure, healthcare, education, clean energy and the environment, while extending the social safety net and

supporting jobs. If enacted in full, it would result in annual fiscal deficits averaging more than \$1tn, 5% of GDP, over the next decade, the highest sustained levels of spending since WWII. The EU's Next Generation recovery plan is also moving to implementation, with EU bonds now being issued to finance EUR750bn of grants and loans to support regions most affected by the pandemic. On top of this, central banks have persisted with extraordinarily loose monetary policy, underpinning vast amounts of liquidity and the easiest financial conditions of the past 20 years.

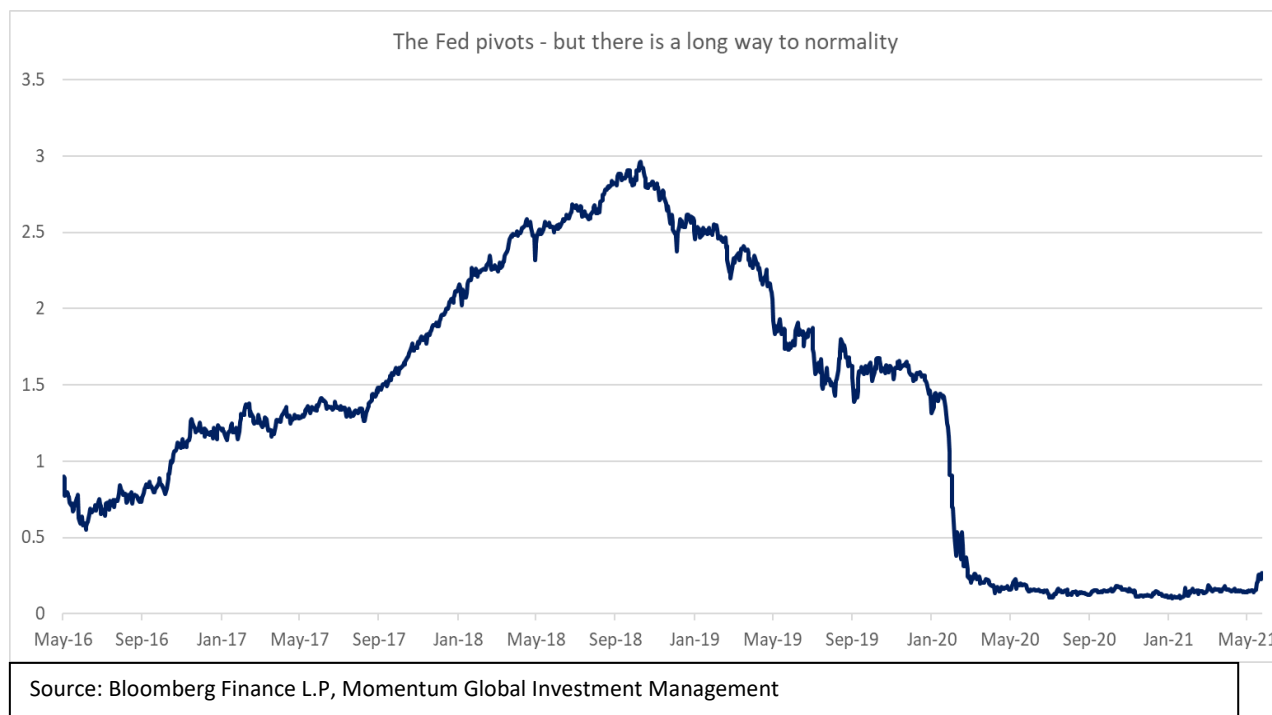
The challenge for policy makers now, however, is that the surge in demand underway is being met with supply constraints, in part a consequence of the disruption to supply chains resulting from the pandemic. The ensuing inflation is far exceeding expectations and is much more than simply the base effect of very low inflation during last year's collapse in activity levels. To date, central banks have been resolute in their belief that the inflation surge will be transitory and have stuck to their ultra-loose policies, but in its latest policy review meeting the Fed has wavered, Chairman Powell recognising that 'inflation could turn out to be higher and more persistent than we expect'. The Fed brought forward expectations for a reduction in its QE programme, with current asset purchases of \$120bn per month likely to be reduced in coming months, and for interest rate rises. The Fed 'dot plot', which shows where each governor thinks interest rates will be at future dates, now indicates two rate rises of 0.25% each before the end of 2023, while previously no rate rises were expected before 2024. But it is noticeable that the 'dot plot' has a very wide range of predicted outcomes for 2023, reflecting a great deal of uncertainty around the way both growth and inflation will play out in these unprecedented times.

Fed's Dot Plot



Source: Bloomberg Finance L.P, Momentum Global Investment Management

This more hawkish tilt by the Fed in June signalled the beginnings of a monetary policy tightening cycle and triggered an immediate, but very short lived, alarm in markets. The subsequent comments from Fed governors, reaffirming their view that the inflation rise will be temporary, and the reality that the tightening will be very slow and gradual, with interest rates no more than 0.5% or thereabouts for at least the next 18 months, helped to push down yields on longer dated bonds and supported equity markets. This will be a very long cycle, the Fed will not tighten policy pre-emptively, it and other central banks continue to err on the side of caution with respect to the state of the economic recovery, and policy is likely to remain supportive for a considerable time ahead.



The pace of recovery and ensuing inflation have become the dominant narrative in markets in recent months. Will the rise in inflation be transitory as central banks believe, or will it be persistent, which could trigger an unwelcome early tightening in policy? And will the pace of recovery be sustained, or will it fade if covid variants spread rapidly and trigger renewed restrictions?

Covid concerns resurfaced in June as the delta variant spread rapidly across the world to become the dominant form of the virus. In the UK, where the vaccine rollout is well ahead of other major countries, evidence suggests that the vaccines provide good immunity and dramatically weaken the link between infection and hospitalisation. But this is not preventing a surge in cases, and makes those countries where the vaccine rollout is much slower vulnerable to a setback to full reopening of their economies. It is casting doubt over the sustainability of recovery and has been a factor in pushing bond yields lower and undermining the recovery trade - value stocks have underperformed growth stocks in recent weeks, following their surge of outperformance after the initial news of the vaccine success in November last year.



Source: Bloomberg Finance L.P, Momentum Global Investment Management

While clearly a concern, we view any setback to recovery as temporary: it is delayed and slowed but not reversed, and the combination of vaccine rollout and broadening immunity will ultimately keep the virus at bay. We will learn to live with it much as we do with other deadly viruses such as influenza: the WHO estimates that seasonal flu kills up to 650,000 each year. The peak of the covid crisis in terms of number of cases might still be ahead but the height of its impact on global activity levels has passed.

We therefore remain broadly constructive about risk assets. This will be a long cycle, with growth at exceptionally high rates in 2021 and 2022, underpinned by continuing loose monetary and fiscal policies – below the crisis levels of support but remaining at historically very high levels. We remain alert, however, to the risks ahead. The uncertainty around the extent of virus mutations remains a concern, as does potential long-term scarring. The huge public debt overhang arising from the pandemic is a longer term drag on growth and could become a more urgent problem if bond yields rise meaningfully. The US-China relationship is problematic, as is China's increasingly strident approach towards Hong Kong and Taiwan, and the clampdown on its digital giants, at a time when growth in China is slowing. Most importantly, if the rise in inflation becomes persistent, markets, having performed well over the past year and with stretched valuations in some areas, could be vulnerable, with a jump in bond yields and a sharp sell-off in risk assets. The risks around inflation and policy moves are likely to remain at the forefront of investor concerns.

After a strong quarter and half year for markets, returns are likely to be harder to come by in the months ahead. Recovery is being discounted, at least in part. Nearly all safe haven bonds offer negative real returns and in the absence of deflation are deeply unattractive, even more so if inflation takes hold. The uncertainty and risks surrounding this exceptional economic cycle point to periods of volatility ahead. However, the risks should be kept in perspective. Inflation expectations remain reasonably well anchored. Financial conditions are very easy, and liquidity is abundant. Short term setbacks are likely but the conditions for a sustained fall in risk assets are not currently evident. Further progress in equity markets and other risk assets is therefore likely.

We will stay invested to participate in the recovery but believe that it is vital to keep broadly diversified, blending defensive assets with a range of equity styles and specialist income producing areas. This is likely to be a long market cycle and we believe that patience and true diversification will be well rewarded in the year ahead.

*Source: Bloomberg, June 2021. Returns in US dollars unless otherwise stated. **Past performance is not indicative of future returns.***

9. Market performance

		To 30 June 2021			
Asset class/region	Index	Local currency	Quarter	Year-to-date	12 months
Developed markets equities					
United States	S&P 500 NR	USD	8.4%	15.0%	40.1%
United Kingdom	MSCI UK NR	GBP	6.0%	11.3%	17.8%
Continental Europe	MSCI Europe ex UK NR	EUR	6.9%	15.1%	29.0%
Japan	Topix TR	JPY	-0.3%	8.9%	27.3%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	4.0%	6.8%	39.3%
Global	MSCI World NR	USD	7.7%	13.0%	39.0%
Emerging markets equities					
Emerging Europe	MSCI EM Europe NR	USD	13.7%	14.5%	32.9%
Emerging Asia	MSCI EM Asia NR	USD	3.8%	6.0%	41.0%
Emerging Latin America	MSCI EM Latin America NR	USD	15.0%	8.9%	44.9%
BRICs	MSCI BRIC NR	USD	5.4%	5.3%	34.0%
China	MSCI China NR	USD	2.3%	1.8%	27.4%
Global emerging markets	MSCI Emerging Markets NR	USD	5.0%	7.4%	40.9%
Bonds					
US Treasuries	JP Morgan United States Government Bond TR	USD	1.9%	-2.8%	-3.5%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	3.5%	1.6%	6.5%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	3.5%	-1.3%	3.3%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	2.7%	3.6%	15.3%
UK Gilts	JP Morgan UK Government Bond TR	GBP	1.7%	-5.8%	-6.5%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	1.7%	-2.5%	1.8%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-0.7%	-3.0%	-0.1%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	0.3%	-0.4%	3.6%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	1.4%	3.1%	11.2%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	0.3%	-0.2%	-0.1%
Australian Government	JP Morgan Australia GBI TR	AUD	1.9%	-2.3%	-2.0%
Global Government Bonds	JP Morgan Global GBI	USD	1.1%	-4.6%	0.0%
Global Bonds	ICE BofAML Global Broad Market	USD	1.3%	-3.5%	1.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	3.5%	5.5%	39.7%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	4.4%	-3.1%	4.1%

Source: Bloomberg. June 2021.

Past performance is not indicative of future returns.

		To 30 June 2021			
Asset class/region	Index	Local currency	Quarter	Year-to-date	12 months
Property					
US Property Securities	MSCI US REIT NR	USD	11.7%	21.2%	36.6%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	8.9%	7.7%	28.5%
Asia Property Securities	S&P Asia Property 40 Index NR	USD	-0.7%	7.1%	16.2%
Global Property Securities	S&P Global Property USD TR	USD	8.1%	13.9%	31.8%
Currencies					
Euro		USD	1.1%	-2.9%	5.6%
UK Pound Sterling		USD	0.3%	1.2%	11.5%
Japanese Yen		USD	-0.4%	-7.0%	-2.9%
Australian Dollar		USD	-1.3%	-2.5%	8.6%
South African Rand		USD	3.4%	2.9%	21.5%
Commodities & Alternatives					
Commodities	RICI TR	USD	15.5%	28.3%	59.2%
Agricultural Commodities	RICI Agriculture TR	USD	11.5%	19.9%	57.3%
Oil	Brent Crude Oil	USD	18.2%	45.0%	82.6%
Gold	Gold Spot	USD	3.7%	-6.8%	-0.6%
Hedge funds	HFRX Global Hedge Fund	USD	2.4%	3.8%	12.1%

Source: Bloomberg. June 2021.

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:

Momentum Wealth International Limited
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,
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United Kingdom

Custodian: Northern Trust (Guernsey) Limited
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Les Banques, St Peter Port
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:

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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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