

FGAM Global Growth Fund IC Limited

quarter ended 31 December 2021

Q4



FG ASSET MANAGEMENT

Issue date: 1/2/2022

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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	24,545,569.17	1.8470	\$ 45,334,933.08
Share Class B	21,011,469.09	1.6309	\$ 34,267,223.51

Source: Momentum Global Investment Management, 31 December 2021.

2. Investment policy & objective

Investment objective

The investment objective of the Fund is to achieve capital appreciation over capital preservation during the full investment cycle. The Fund is ideally suited to investors with a high risk tolerance and an investment horizon of 5 years or longer.

The Fund intends to achieve its investment objective through a diversified global portfolio primarily consisting of investments in participatory interests of portfolios of collective investment schemes or other similar schemes.

Investment policy

The Fund intends to achieve its investment objective through a diversified global portfolio primarily consisting of investments 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 a wide range of asset classes including but not limited to cash and/or money market instruments, bonds, international equities, property and commodities. 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 31 December 2021					
Returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
FGAM Global Growth ¹	2.55%	10.34%	11.59%	8.40%	4.02%
Benchmark ²	5.40%	14.16%	16.07%	11.59%	6.95%

Performance to 31 December 2021					
Index returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
Global equity ³	6.68%	18.54%	20.38%	14.40%	7.53%
ICE BofAML Gbl Brd Mkt TR USD	-0.80%	-5.24%	3.32%	3.13%	3.42%

Cumulative returns

	Highest performance	Lowest performance	Cumulative performance
2006	+2.8% (Nov 2006)	-2.8% (Jun 2006)	9.8%
2007	+3.4% (Sep 2007)	-2.3% (Nov 2007)	6.9%
2008	+3.0% (Dec 2008)	-16.4% (Oct 2008)	-35.7%
2009	+8.1% (May 2009)	-5.9% (Jan 2009)	22.6%
2010	+6.4% (Sep 2010)	-8.8% (May 2010)	4.6%
2011	+4.7% (Oct 2011)	-7.8% (Sep 2011)	-8.1%
2012	+6.1% (Jan 2012)	-6.7% (May 2012)	14.6%
2013	+4.5% (Sep 2013)	-5.7% (Jun 2013)	17.9%
2014	+4.0% (Feb 2014)	-2.9% (Sep 2014)	0.9%
2015	+9.2% (Oct 2015)	-6.5% (Aug 2015)	-4.9%
2016	+7.1% (Mar 2016)	-8.4% (Jan 2016)	7.1%
2017	+3.3% (Jan 2017)	0.1% (Aug 2017)	22.3%
2018	+4.2% (Jan 2018)	-8.6% (Oct 2018)	-11.9%
2019	+7.7% (Jan 2019)	-5.6% (May 2019)	18.8%
2020	+9.6% (Apr 2020)	-16.5% (Mar 2020)	6.0%
2021	+4.9% (Apr 2021)	-3.2% (Sep 2021)	10.3%
Since inception	+9.6% (Apr 2020)	-16.5% (Mar 2020)	84.7%

¹Inception date May 2006

²70% MSCI AC World, 15% Citigroup WorldBIG, 10% S&P Global Listed Property, 5% LIBOR USD 7 day

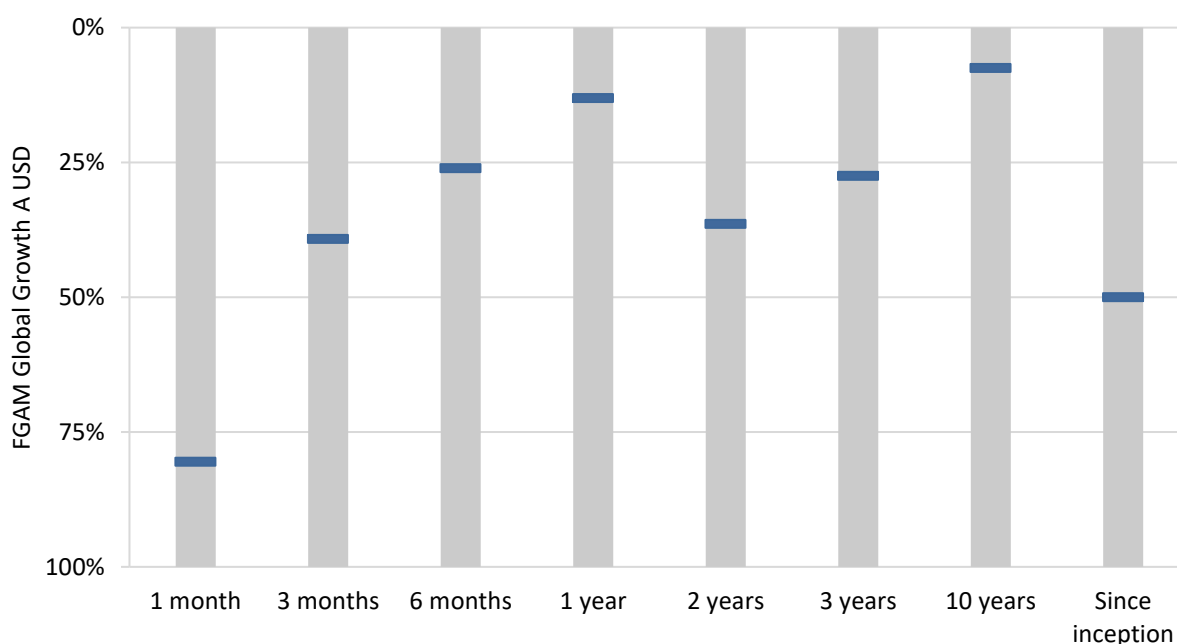
³The equity component of the fund benchmarks changed from the MSCI World Index to the MSCI AC World Index on 1 October 2011

⁴The cash component of the fund benchmarks changed from USD (EUR) LIBID to USD (EUR) LIBOR 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 Aggressive Allocation. **Past performance is not indicative of future returns.**

FGAM Global Growth versus peers



	1 month	3 months	6 months	1 year	2 years	3 years	10 years	Since inception
FGAM Global Growth A USD Peer Rank	38/47	19/47	13/47	7/47	17/45	12/41	3/28	7/13
Fund Performance	1.6%	2.6%	1.6%	10.3%	8.2%	11.6%	7.6%	4.0%
Peer Max	4.2%	4.6%	4.1%	13.6%	13.5%	16.7%	8.0%	5.5%
Peer Min	0.1%	-2.5%	-4.9%	-3.0%	0.6%	2.9%	-0.2%	1.4%
Peer Median	2.3%	2.3%	0.7%	6.7%	6.7%	10.0%	5.3%	4.0%
Quartile Rank	4	2	2	1	2	2	1	2

Source: Morningstar, Peer group median: Morningstar USD Moderate 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*

1.62%

Share Class B**

1.42%

* TER: 1.62% - The FGAM Global Growth Fund USD Class A has a Total Expense Ratio (TER) of 1.62%. The TER to 31 December 2021 is based on data for the period 31 December 2020 to 31 December 2021, 1.62% 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: 1.42% - The FGAM Global Growth Fund USD Class B has a Total Expense Ratio (TER) of 1.42%. As at 31 December 2021, 1.42% 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

Past performance is not indicative of future returns.

5. Portfolio commentary

Global equities, measured by the MSCI All Countries World Index, added 6.7% in the fourth quarter in US dollar terms, to round off another impressive year, up 18.5%. Global bonds on the other hand continued to slide, falling -0.8% to finish the year down -5.2%. 2021 was the worst calendar year for bonds this century and demonstrates that they are not without risk.

US equities were the clear winner over the quarter and many investors seem to take the view that US leadership will go on indefinitely. We caution that US equities face dual headwinds from the normalisation of peak margins and peak valuations; events that could be closer at hand today given clear signs that the US economy is approaching capacity.

We added to our value exposure this quarter, taking the decision to marginally increase the weight of global equity managers Hotchkis and Wiley and Artisan. On a relative basis, value stocks are at attractive levels on a number of metrics, given the rally we have seen in a narrow cohort of large-cap US technology names. Hotchkis and Wiley have performed well this year due to overweights to sectors such as Financials and Industrials, but we think there is plenty more to come given the portfolio trades at a 50% discount to the MSCI World. There is also plenty of embedded value in Artisan's portfolio, including companies in Emerging Markets which lagged during 2021.

Elsewhere, the portfolio remains underweight duration with exposure to inflation hedges in the form of real assets and gold. We still see nominal developed market bonds as unattractive given the inflationary risks on the horizon from both demand and supply factors. On the policy front, central banks are finally taking steps to deal with the former, while the latter is likely to continue to be impacted by the omicron variant, particularly in China where the government continues to follow a zero covid policy. The US economy appears to be running at close to capacity, thus warranting tighter monetary policy, which is bad news for Treasuries as we've seen at the start of the new year.

We've had two years of exceptional returns from global equities and we don't expect markets to continue rising at the same pace from here. Not least of all because US equities look expensive, driven mainly by the biggest companies. Outside of the US, however, we see reasonable multiples and room for further progress in fundamentals. So there remain opportunities for investors in our view.

The outlook for inflation is the big question and certainly the clearest headwind to investment returns, and so we are watching closely for signs that inflation expectations and fears are taking off. At the same time one can never rule out a negative shock emanating from geopolitics, and it remains to be seen what will happen in Iran, the Ukraine and Taiwan over the coming 12 months.

We remain optimistic about the outlook for investment returns as we head into 2022. However, should some of these shocks materialise, we have defensive positions in the fund to help limit the downside.

Source: Momentum / Bloomberg. December 2021.

Past performance is not indicative of future returns.

6. Top ten holdings

FGAM Global Growth December 2021		
Security	Asset class	Weight
¹ Sands Capital Global Growth	Equity	12.10%
² Robeco Multi-Factor Global Equity	Equity	9.40%
¹ Artisan Global Value	Equity	8.50%
¹ Fundsmith Equity	Equity	6.80%
¹ Morgan Stanley Global Brands	Equity	6.80%
¹ Cash	Cash	6.30%
¹ Nedgroup Investments Global Equity	Equity	5.00%
¹ Maple-Brown Abbott Global Infrastructure	Infrastructure	4.80%
¹ Orbis Global Equity	Equity	4.70%
¹ iShares Physical Gold ETC	Commodities	4.50%
Total		68.9%

¹ Direct holding.

FGAM Global Growth September 2021		
Security	Asset class	Weight
¹ Sands Capital Global Growth	Equity	12.80%
¹ Robeco Multi-Factor Global Equity	Equity	8.90%
¹ Artisan Global Value	Equity	7.80%
¹ Fundsmith Equity	Equity	6.60%
¹ Nedgroup Investments Global Equity	Equity	6.50%
¹ Morgan Stanley Global Brands	Equity	6.30%
¹ Cash	Cash	6.30%
¹ Orbis Global Equity	Equity	4.80%
¹ Maple-Brown Abbott Global Infrastructure	Infrastructure	4.60%
¹ iShares Physical Gold ETC	Commodities	4.50%
Total		69.10%

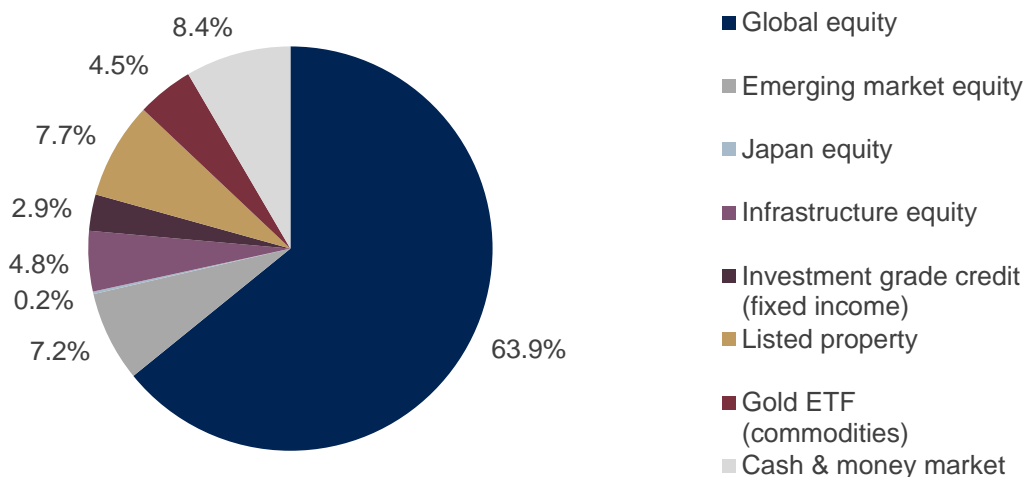
¹ Direct holding.

Source: Momentum Global Investment Management, September 2021. **Past performance is not indicative of future returns.**

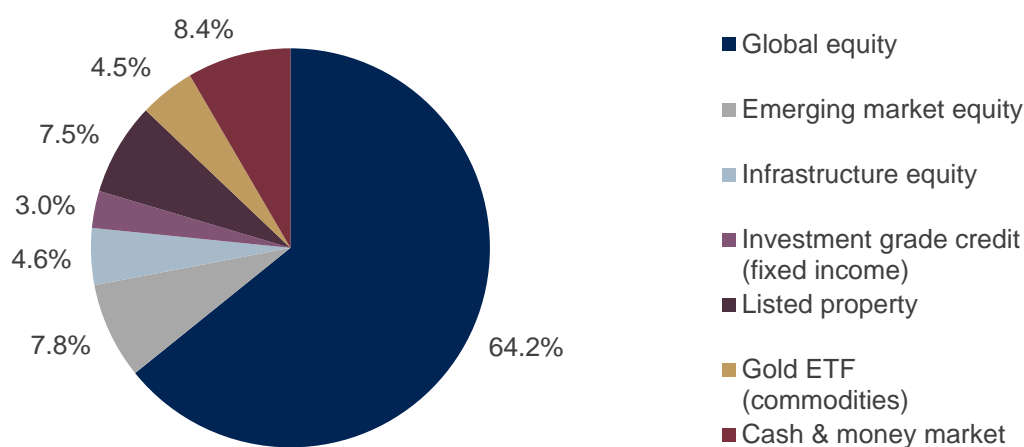
7. Fund exposures

Asset allocation*

December 2021



September 2021



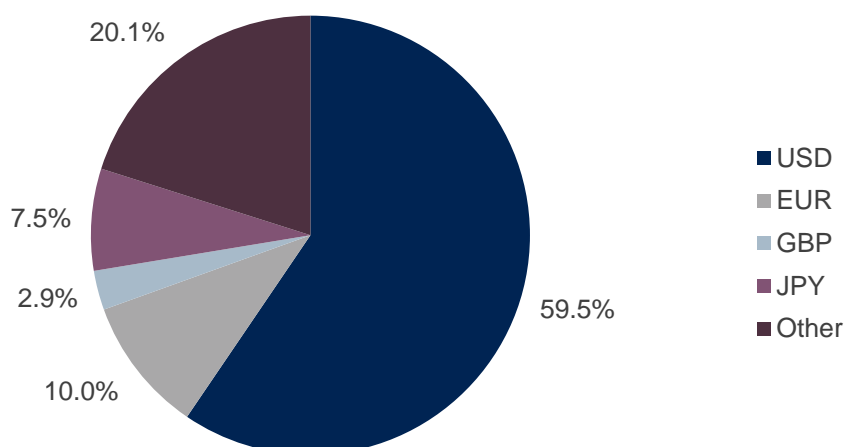
**Asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes.*

Source: Momentum Global Investment Management, December 2021.

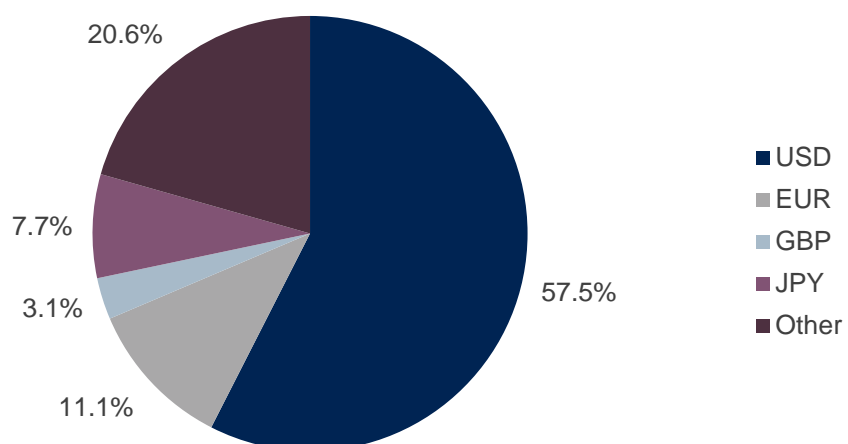
Past performance is not indicative of future returns.

Currency Allocation

December 2021

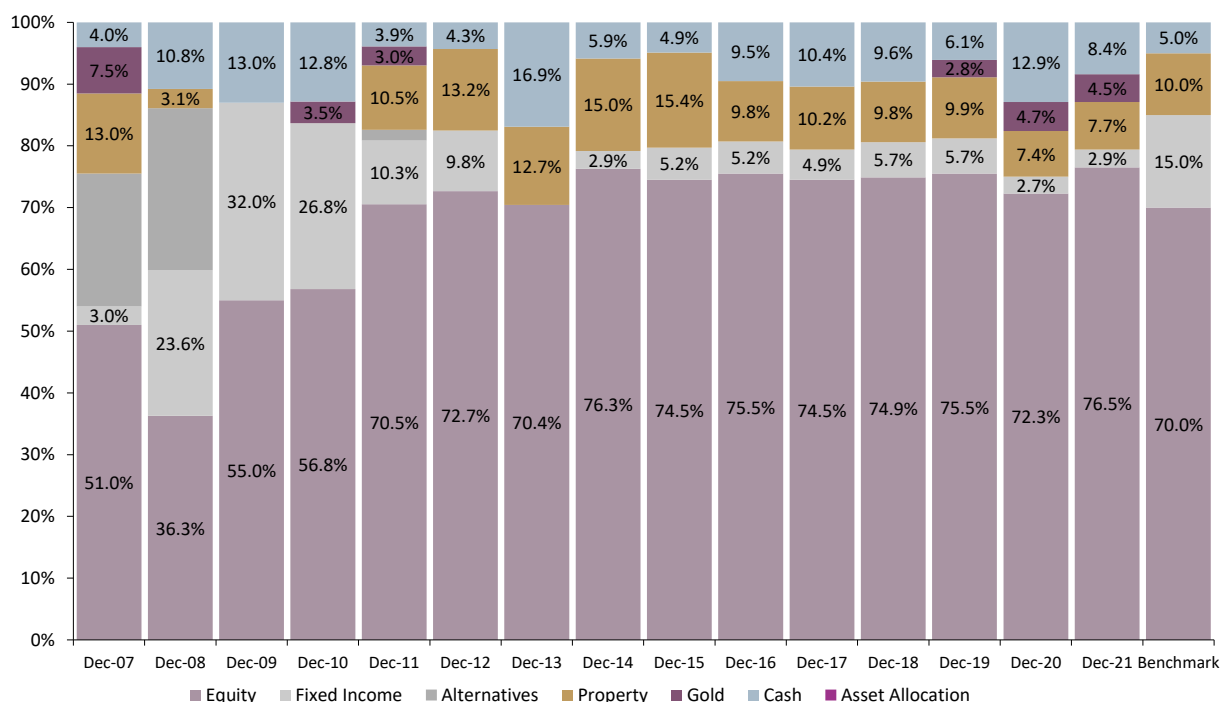


September 2021



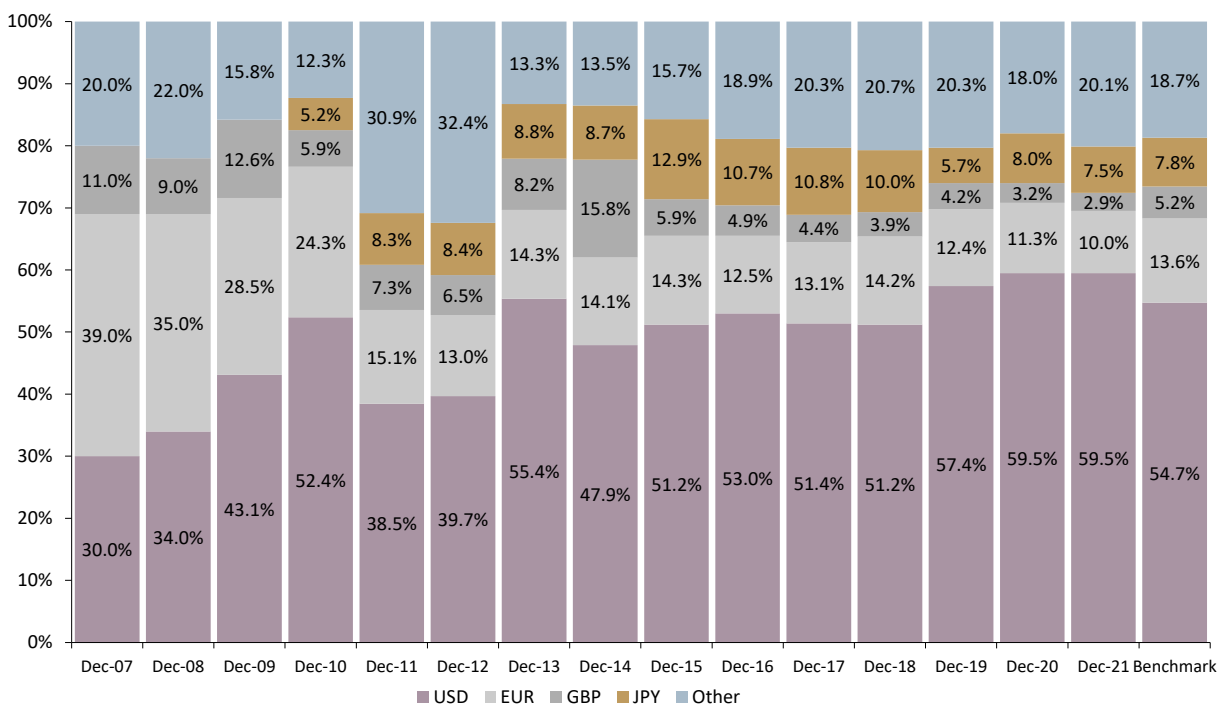
Source: Momentum Global Investment Management, December 2021.
Past performance is not indicative of future returns.

Asset allocation over time



Source: Momentum Global Investment Management, December 2021.

Currency allocation over time



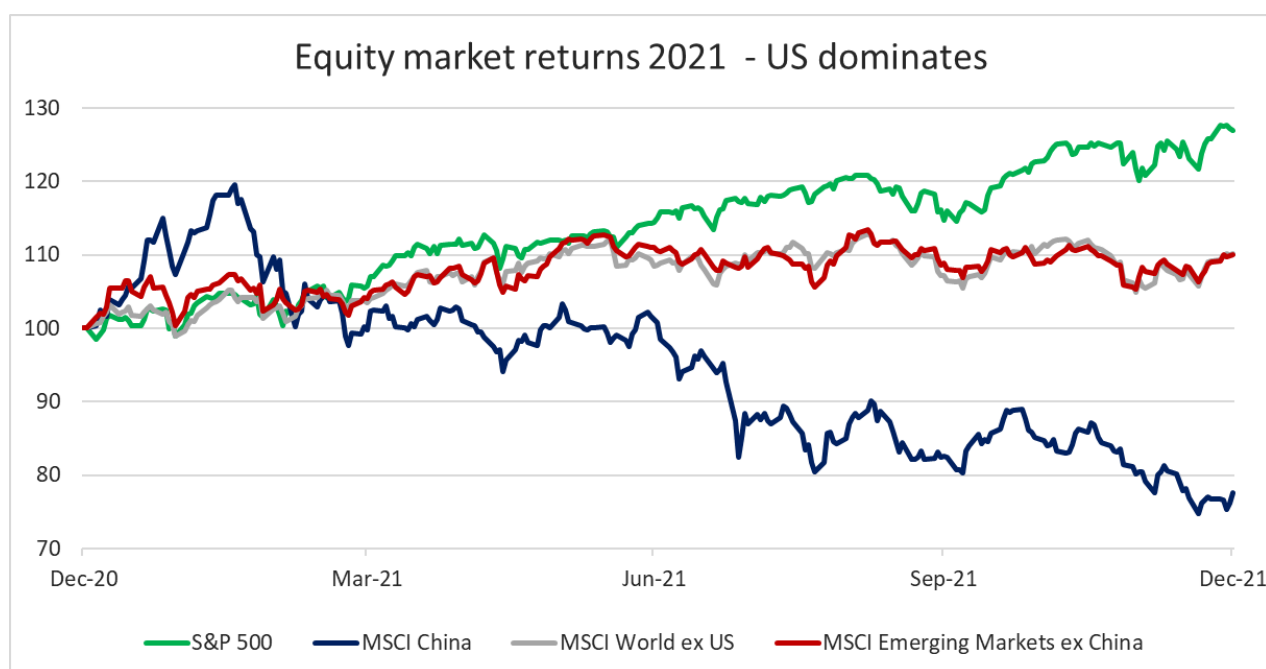
Source: Momentum Global Investment Management, December 2021. **Past performance is not indicative of future returns.**

8. Market commentary

Q4 2021 Review

Two years ago, news began to emerge of a cluster of pneumonia type sickness in China, soon to be identified as a novel coronavirus. In early January 2020 the WHO reported no evidence of significant human-to-human transmission. Within days it became clear that China saw things very differently, when it forced the 11 million people of Wuhan into a strict lockdown. The rest is history, but few of us then anticipated that as we entered 2022 the pandemic would still be raging, at record case numbers globally of over two million per day. Even fewer would have predicted that in those ensuing two years global equity markets, as measured by the MSCI World index, would return over 40%.

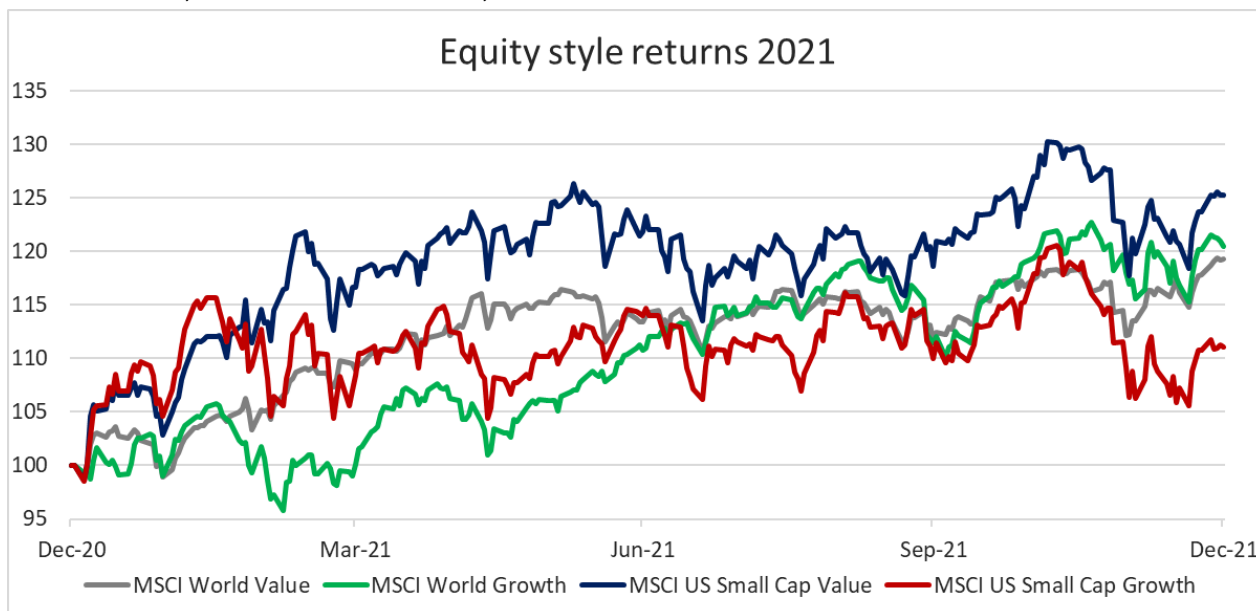
Whereas 2020 had been a year of dramatic collapse in the global economy and financial markets, followed by equally dramatic recovery, with nearly all asset classes producing strong returns, accompanied by a weak dollar, 2021 saw the dollar strengthen across the board and only developed equity markets and some commodities produced sizeable positive returns. The MSCI World index returned 22% in 2021, the US again leading the way, +28%, while emerging markets returned -2.5%, led by China, -22%. So dominant has the US become that it now represents 69% of the market capitalisation of the MSCI World index, while China, despite its sharp fall, accounts for 30% of the MSCI Emerging Markets index. Stripping out the contribution of these two markets from the respective global indices shows very similar returns, around 10% in USD, from MSCI World ex-US and MSCI Emerging Markets ex-China.



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

The 'reflation trade', which took hold in late 2020 on the Pfizer vaccine news, continued into the early months of 2021 with economically sensitive stocks substantially outperforming the 'pandemic winners'. However, it faded as the year progressed and new variants of Covid triggered renewed mobility restrictions, casting doubt over the sustainability of the economic recovery. By year end, MSCI Value stocks and Growth stocks had performed broadly in line over the course of the year. Perhaps the most notable feature of equity markets, however, was the narrowing of breadth in growth stocks, and the extraordinary dominance of a small number of highly rated mega-cap stocks.

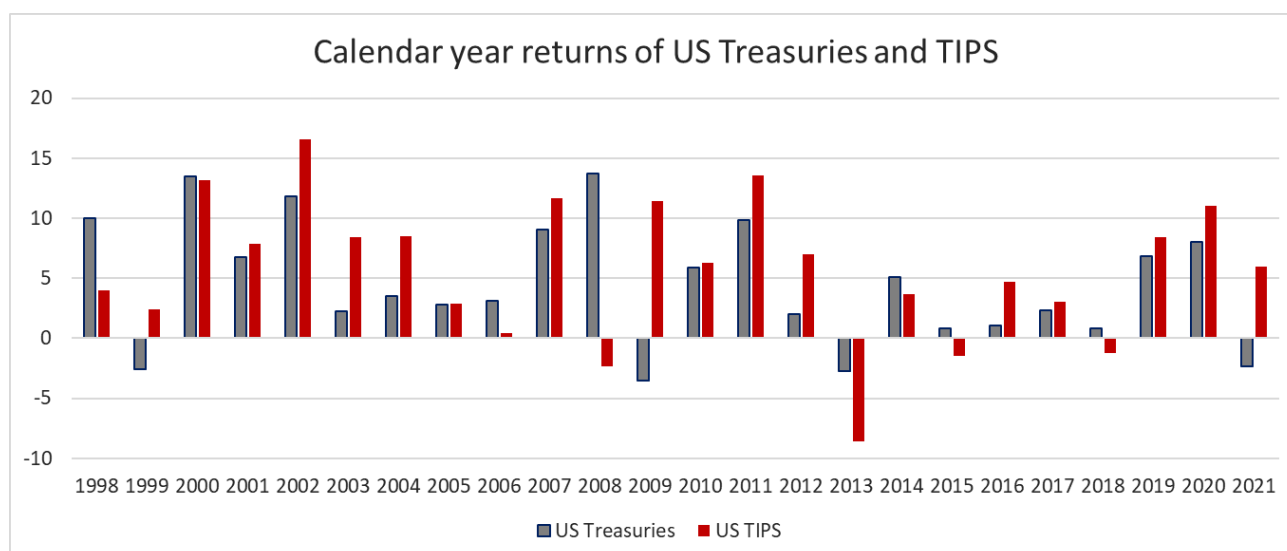
In the US, five stocks, Apple, Microsoft, Nvidia, Alphabet and Tesla, contributed one third of the market's return, and there was a similar picture in Europe, with ASML, Novo Nordisk, Nestle, Roche and LVMH making up 30% of the market's return. In contrast, aggressive growth stocks further down the market cap scale suffered. Small cap growth underperformed materially and one of the market traders' favourite funds of 2020, the Ark Innovation fund, suffered a 25% fall in 2021.



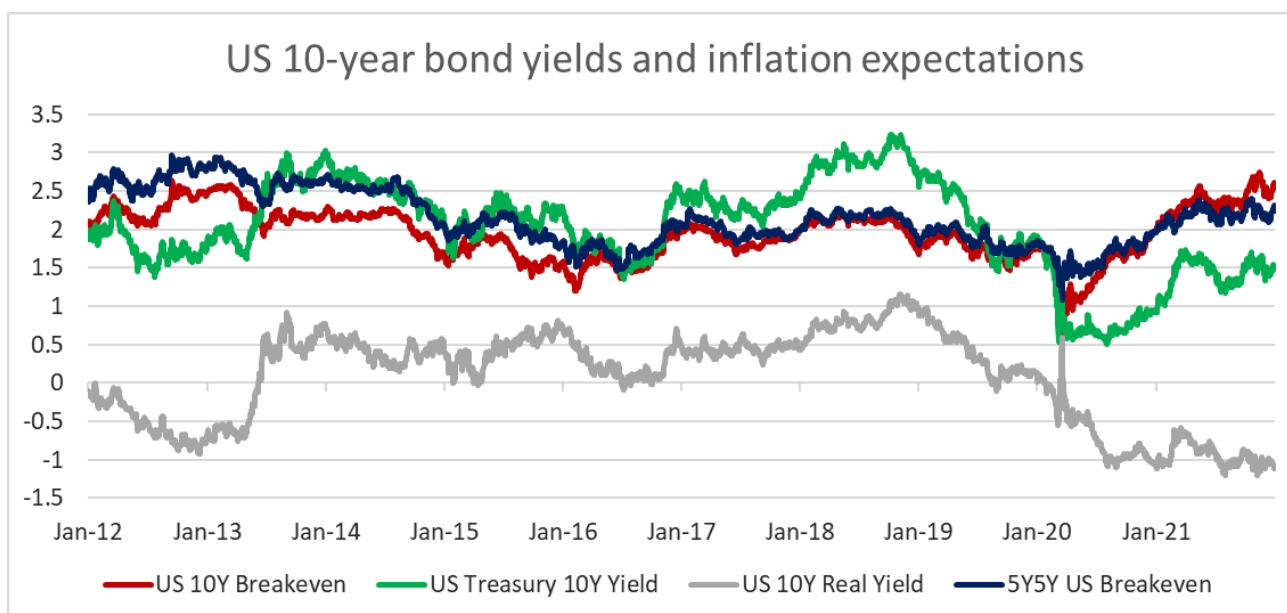
Source: Bloomberg Finance L.P., Momentum Global Investment Management

Commodity markets were dominated by the recovery in the oil price from 2020's collapse, Brent crude gaining 50% to take it back to pre-pandemic prices. Industrial metals were mixed, generally benefiting from the strong recovery in the global economy, with copper up 25% after a similar gain in 2020, although the iron ore price suffered from a sharp slowdown in the Chinese economy and fell 26% following a 78% rise in 2020. Precious metals were held back by the strong dollar, gold falling by 4% over the year.

As the global economy recovered sharply from 2020's crash, and inflation began to pick up in the face of surging demand meeting supply chain constraints, bond markets suffered. Unusually, all major government bond markets produced negative returns, the -2.6% return from US Treasuries being the first calendar year to show a negative return since 2013. The yield on the 10 year US Treasury rose from 0.9% at the end of 2020 to 1.5% by the end of 2021, having reached a high in March of 1.7%, when the reflation trade was at its peak. In credit, high yield bonds benefited from low defaults and easy financing conditions, returning 5.3% over the year, but the best performance in fixed income came from inflation-linked bonds, with US TIPs returning 6.0%. Moves in yields were driven primarily by a significant rise in inflation expectations, with the 10 year breakeven inflation rate in the US rising 60bps over the year to 2.6%. Real yields, in contrast, remained remarkably low and well into negative territory, at around -1% in the US 10-year bond.



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



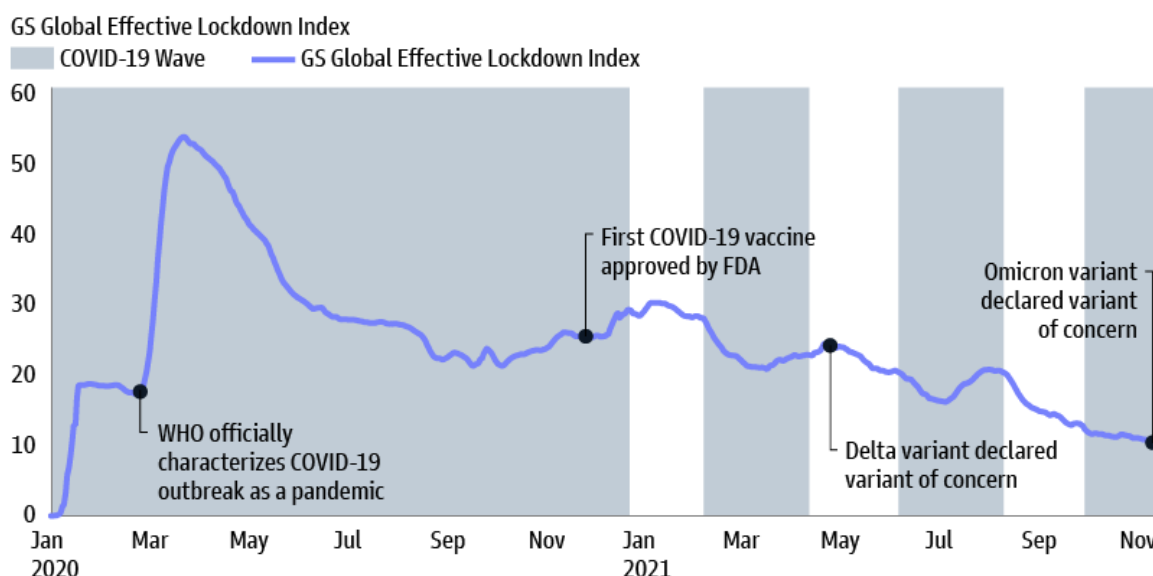
Source: Bloomberg Finance L.P., Momentum Global Investment Management

The pandemic has dominated the narrative underpinning the global economy and financial markets for the past two years, and has resulted in levels of policy support previously considered unimaginable in peace time. The emergence of the highly transmissible omicron variant in late 2021 means that we enter the new year in much the same way as the beginning of 2021, with lockdowns and mobility restrictions restraining growth and casting considerable uncertainty. Recent data shows a marked slowdown in the pace of growth in recent weeks; the widely followed Atlanta Fed GDPNow tracker, a running estimate of GDP growth in the US, has slowed from over 9% at the beginning of December to 6.7% now, and forward indicators point to the deceleration continuing into Q1 2022, in the US and elsewhere. However, the driving forces for markets will be very different in 2022, a year in which we expect the pandemic to transition to endemic status.

2022 Outlook

The factors which drove growth in 2021, recovery from enforced inactivity and the release of post-lockdown pent-up demand, will continue into 2022 but not to the same extent: the peak rate of growth for the global economy in this cycle has passed. Omicron is dampening activity in the short term and consumers will feel the pinch of higher inflation; discretionary spending is likely to slow during the year. We are also past the peak of policy accommodation. The pandemic-induced emergency fiscal spending for businesses and individuals will fade, and the extraordinary levels of monetary policy support will be progressively withdrawn. That will make for a more challenging backdrop for markets. However, it does not mean an end to the bull market; after a year of low volatility, and the lowest hanging fruit of the re-opening trade having been harvested, we should expect lower returns and a bumpier ride; nor can we rely on the leadership among asset classes and styles of the past two years to be sustained; but we do not see the conditions for a substantial and sustained fall in markets. The key factors underpinning our cautious optimism are:

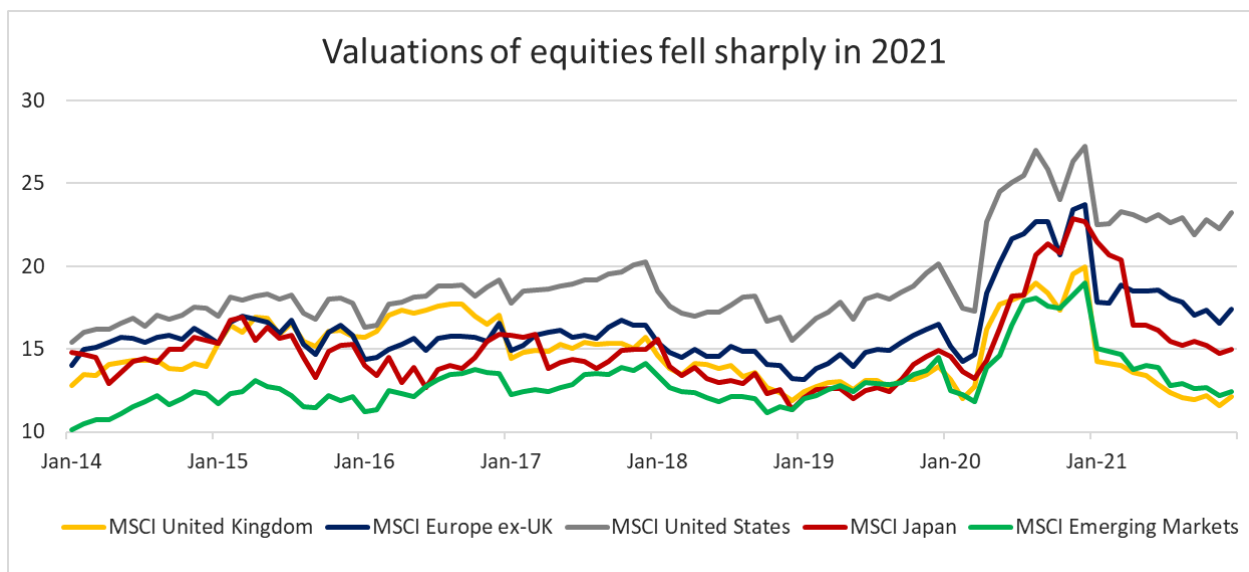
1. The extraordinary success of the vaccination programme, the development and approval of anti-viral drugs, and extended natural immunity, aided by the rapid spread of the mild variant, omicron, mean that we are well over the worst of the pandemic. We are learning to live with the virus, and despite the surge in cases from the delta variant, then omicron, the impact of the pandemic on economic activity has continued to fall throughout 2021, as illustrated by the Goldman Sachs Global Effective Lockdown index, and is now insignificant in comparison to 2020 and early 2021.



Source: GS Global Investment Research and GS Asset Management

2. We enter 2022 with households and corporations in aggregate in a strong financial condition. Companies enjoyed an exceptional year for profits in 2021, recovering from the collapse in 2020 and from the extraordinary surge in demand as lockdown savings were released. A combination of forced savings, strong house prices and sharp rises in equity markets have driven growth in US household wealth to 70-year highs. With employment also strong, consumer spending is underpinned and likely to drive growth this year, lower than the extraordinary levels of 2021, but well above the long-term trend rate. After suspending investment during the pandemic, corporations will respond with increased capital investment, further driving economic expansion.

3. Although emergency fiscal support is being withdrawn, there is no prospect of a return to fiscal austerity. Higher spending on healthcare, infrastructure, climate change, and addressing inequality, will support growth. In the US, Biden is struggling to get approval from the Senate for the full extent of his massive 'Build Back Better' fiscal plan, but even at a watered-down level, currently \$1.7tn, it would be a significant addition to growth when finally approved, and comes on top of the \$1bn infrastructure bill already approved. The EU is drawing down its EUR800bn Recovery Plan, which, together with its long-term budget of EUR1.2tn, will be the largest stimulus package ever financed in Europe, and China is expected to step up fiscal spending in 2022 to support flagging growth.
4. While tightening is underway, monetary policy will remain accommodating. While several central banks across the developing world have led the move towards higher rates and started to rein in their asset purchase programmes, and the Federal Reserve in the US has started to normalise policy, the Fed Funds rate is expected to be only around 1% by the end of the year, extremely low by any historical measure and well below the expected level of inflation. A similar picture emerges with the ECB and Bank of Japan, where interest rate rises are still a distant prospect, and China has recently started to ease policy in response to its slowdown. We are at an important inflection point in global monetary policy, and with it comes heightened uncertainty, but financial conditions will remain loose globally throughout 2022, and most likely for some time beyond.
5. The biggest risk to financial markets to emerge from the carnage of the pandemic is inflation, but we do not see convincing evidence that inflation is moving structurally higher. We take comfort from the transitory nature of a significant part of the inflation rise: some due to base effects, especially of oil prices, which fell dramatically in the early stages of the pandemic but recovered sharply so that the year-on-year comparisons will be much more favourable as we move into the second quarter of the year; and some one-off price rises such as those for second-hand cars, which have risen steeply in price due to the shortage of new cars, and are not repeatable. Already car manufacturers are pointing to signs of easing in semiconductor shortages which have been holding back production. In the same way, other supply chain distortions and disruptions will be corrected in the course of 2022, easing the inflationary impact, helped also by a sharp fall in shipping costs in recent months, albeit from exceptionally high levels. We believe that inflation, while remaining above central bank targets, will move down materially in the second half of 2022 and this change in direction will be an important support to markets.
6. China's difficulties in 2021 are well documented: an abrupt tightening of the regulatory noose, deleveraging focussed on the huge property development industry, the zero-Covid policy creating supply difficulties and a sharp slowdown in economic activity, leading to the worst performance among large equity markets in 2021 and some investors to conclude that China will continue to be a headwind at best, and at worst uninvestable. There is no question that China faces a long-term structural deceleration in growth but even at the 4-5% anticipated in the medium term its growth will exceed that of most other large countries and there is a strong likelihood that China will loosen policy to stimulate growth this year when other countries are tightening. The worst of the regulatory crackdown is probably behind us, and the debt problems in the property sector are manageable, with limited contagion risk in China and none outside. After disappointing in the past 18 months, China could well provide an upside surprise in 2022.



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

The prospects for 2022, then, are for continued above-trend but decelerating growth in economies, inflation at multi-decade highs but peaking in the first half of the year, the gradual withdrawal of policy support but continuing low interest rates and accommodative financial conditions. In this environment, corporate profits should build on the growth in 2021, albeit at a much lower pace. As in 2021, equity markets will be driven by growth in earnings – we see little possibility of a re-rating in a period of rising policy interest rates and higher bond yields. Despite the generally strong equity markets last year, valuations start 2022 significantly lower than a year ago, thanks to the exceptional profit growth in 2021. We therefore believe that equities will make further progress and, as in 2021, provide the bulk of returns in 2022.

It would be highly unusual for bond markets to produce negative returns for two consecutive years, but we find little value in safe-haven government markets, where real yields are well into negative territory and cash yields will be rising. We are also mindful of very tight spreads in credit markets so will be highly selective in finding opportunities elsewhere, in asset-backed and emerging market debt, as well as Chinese government bonds, which offer higher yields than safe-haven bonds with no credit risk and good diversification characteristics. Shorter duration and floating rate instruments make sense at a time when policy rates will be increasing, but we will be looking for opportunities later in the year, when inflation has peaked and central banks are well into the policy tightening cycle, to add to duration.

The intensity of focus on one key theme, climate change, took a further leap forward with COP 26, and will continue in 2022 and for many years beyond. It has profound investment implications, and the pace of change could well accelerate. We continue to build our portfolios with sustainability at the centre of our process.

We recognise the risks going into 2022. Chief among these is inflation and the possibility that it becomes persistent and entrenched, leading to much more aggressive tightening by central banks. The uncertainties created by the pandemic make the risk of a policy error especially high. We are optimistic that we are on our way out of the pandemic but could still face some significant setbacks on the way, just as now with omicron. The critical question is ‘can inflation be brought under control through monetary tightening without triggering a crack in markets?’, and the key metrics to monitor will be wages and inflation expectations. Wage growth in the US has moved up from around 3% six months ago to over 4%

by year end, the highest since before the global financial crisis, and with unemployment having fallen to 3.9%, close to the level regarded as full employment, and with well-publicised labour shortages in the US and other developed countries, there is a risk of a further acceleration in 2022. Inflation expectations have also moved up, but, as with wages, have not moved out of the longer run range of the past two decades. While alarm bells are not currently being rung, complacency about the risks would be dangerous at this stage of the cycle, and we are mindful that the transition to a carbon-neutral economy might well be inflationary, at least in the short to medium term.

Building investment decisions around political risks is unlikely to be a consistently successful approach, but the geopolitical situation we face today is as worrying as it has been for years, perhaps since the end of the Cold War. President Putin presents a threat to stability on Europe's eastern flank, currently with 100,000 troops on the Ukraine border, and with control over some 40% of Europe's gas supplies; a political mis-step is not difficult to imagine. China's ambition to extend its global reach, and in particular its intent to reunite Taiwan, is a threat to US hegemony and arguably the issue to define the next generation. It is unlikely to flare up in the short term, but given the size and importance of the Chinese economy, managing that relationship and avoiding a complete breakdown is critical for stability. The Middle East remains a perennial concern, most importantly, from the perspective of investors, Iran's ambition to become a nuclear armed state, something that Israel in particular would be unlikely to accept.

All of this comes at a time when leadership in the US and Europe is weakening. Biden looks likely to lose his slim majority after the mid-term elections in November, and the Republican party has been engulfed by a bellicose wave of populism. In Europe, the end of the Merkel era in Germany leaves a vacuum, while Macron faces a tough Presidential election in May. What better time for enemies of the West to create difficulties?

In a year during which we expect markets to be more volatile as monetary tightening gets into full swing, it is vital to retain protection against these risks and uncertainties. True portfolio diversification will be more important than ever. Equities will be the core of our portfolios to participate in the growth ahead and provide protection against inflation risks, but it will be vital to invest across a range of styles. Some of the corporate winners of the pandemic and a range of growth stocks are highly rated and vulnerable to rising rates, while value stocks on lower multiples should offer better protection, both against inflation and tighter monetary policy, with commodity stocks and financials among the clear beneficiaries. It will also be important to include defensive assets to protect against periods of volatility and the risk of a sharper slowdown in the economy. Gold has disappointed in the past year but continues to play a role as a proven store of value, while inflation protected bonds remain an important safe haven asset and portfolio diversifier. Alternative income-producing assets will also feature more prominently in our portfolios as reliable sources of income, especially those which have a degree of inflation protection.

A more challenging year in markets is likely, then, and returns will be harder to come by than in the past 18 months, but we expect further gains in equities, and with patience, diversification and resolve to stay invested during periods of volatility, investors will be rewarded in 2022.

Source: Bloomberg Finance L.P., December 2021. Returns in US dollars unless otherwise stated.

Past performance is not indicative of future returns.

9. Market performance

		To 31 December 2021			
Asset class/region	Index	Local currency	1 month	Quarter	12 months
Developed markets equities					
United States	S&P 500 NR	USD	4.4%	10.9%	28.2%
United Kingdom	MSCI UK NR	GBP	5.2%	5.0%	19.5%
Continental Europe	MSCI Europe ex UK NR	EUR	5.3%	7.7%	24.4%
Japan	Topix TR	JPY	3.4%	-1.7%	12.7%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	1.9%	-0.8%	-2.9%
Global	MSCI World NR	USD	4.3%	7.8%	21.8%
Emerging markets equities					
Emerging Europe	MSCI EM Europe NR	USD	-0.4%	-7.7%	13.8%
Emerging Asia	MSCI EM Asia NR	USD	1.5%	-1.0%	-5.1%
Emerging Latin America	MSCI EM Latin America NR	USD	5.9%	-2.7%	-8.1%
BRICs	MSCI BRIC NR	USD	-1.0%	-5.0%	-11.3%
China	MSCI China NR	USD	-3.2%	-6.1%	-21.7%
Global emerging markets	MSCI Emerging Markets NR	USD	1.9%	-1.3%	-2.5%
Bonds					
US Treasuries	JP Morgan United States Government Bond TR	USD	-0.6%	0.2%	-2.6%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	0.3%	2.5%	6.0%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	-0.1%	0.2%	-1.0%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	1.9%	0.7%	5.3%
UK Gilts	JP Morgan UK Government Bond TR	GBP	-2.7%	2.5%	-5.3%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	-1.2%	0.4%	-3.0%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-1.6%	-0.5%	-3.4%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	-0.1%	-0.7%	-1.0%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	0.9%	-0.3%	3.4%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-0.2%	-0.1%	-0.2%
Australian Government	JP Morgan Australia GBI TR	AUD	0.0%	-1.5%	-3.4%
Global Government Bonds	JP Morgan Global GBI	USD	-0.7%	-0.9%	-6.5%
Global Bonds	ICE BofAML Global Broad Market	USD	-0.3%	-0.8%	-5.2%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	-0.3%	-1.3%	2.3%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	1.8%	-0.3%	-4.5%

Source: Bloomberg. December 2021. **Past performance is not indicative of future returns.**

		To 31 December 2021			
Asset class/region	Index	Local currency	1 month	Quarter	12 months
Property					
US Property Securities	MSCI US REIT NR	USD	8.6%	16.0%	41.7%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	3.8%	8.9%	21.6%
Asia Property Securities	S&P Asia Property 40 Index NR	USD	0.4%	-4.8%	-3.1%
Global Property Securities	S&P Global Property USD TR	USD	5.9%	8.5%	22.6%
Currencies					
Euro		USD	0.3%	-1.8%	-6.9%
UK Pound Sterling		USD	1.8%	0.4%	-1.0%
Japanese Yen		USD	-1.7%	-3.3%	-10.2%
Australian Dollar		USD	1.9%	0.5%	-5.6%
South African Rand		USD	-0.4%	-5.5%	-7.9%
Commodities & Alternatives					
Commodities	RICI TR	USD	6.7%	3.6%	41.1%
Agricultural Commodities	RICI Agriculture TR	USD	5.1%	8.2%	34.7%
Oil	Brent Crude Oil	USD	10.2%	-0.9%	50.2%
Gold	Gold Spot	USD	3.1%	4.1%	-3.6%
Hedge funds	HFRX Global Hedge Fund	USD	0.5%	0.1%	3.7%

Source: Bloomberg. December 2021.

Past performance is not indicative of future returns.

10. Directory

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Administrator, Secretary & Registrar:

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Auditor:

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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



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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, 2020 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 Growth Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 46254.

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

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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 (MGIM) is authorised and regulated by the Financial Conduct Authority in the United Kingdom, and is exempt from the requirements of section 7(1) of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS) in South Africa, in terms of the FSCA FAIS Notice 141 of 2021 (published 15 December 2021). For complaints relating to MGIM's financial services, please contact DistributionServices@momentum.co.uk.

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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