

FGAM Global Cautious Fund IC Limited

quarter ended 30 June 2023

Q2



FG ASSET MANAGEMENT

Issue date: 27/7/2023

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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	6,912,191.29	1.2236	\$ 8,457,843.68
Share Class B	8,200,123.37	1.1029	\$ 9,044,321.36

Source: Momentum Global Investment Management, 30 June 2023

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 a low risk tolerance with an investment horizon of 3 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 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 2023					
Returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
FGAM Global Cautious¹	-0.3%	1.0%	-0.6%	-0.9%	1.2%
Benchmark ²	1.7%	2.0%	-0.1%	1.4%	3.2%

Performance to 30 June 2023					
Index returns (USD)	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
Global equity ³	6.2%	16.5%	11.0%	8.1%	6.4%
Global fixed income	-0.3%	-3.8%	-6.3%	-1.8%	2.0%

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%
2021	+3.0%	(Apr 2021)	-2.3%	(Sep 2021)	2.5%
2022	+3.5%	(Nov 2022)	-6.3%	(Sep 2022)	-15.0%
Since inception	+5.1%	(Oct 2015)	-9.2%	(Mar 2020)	22.7%

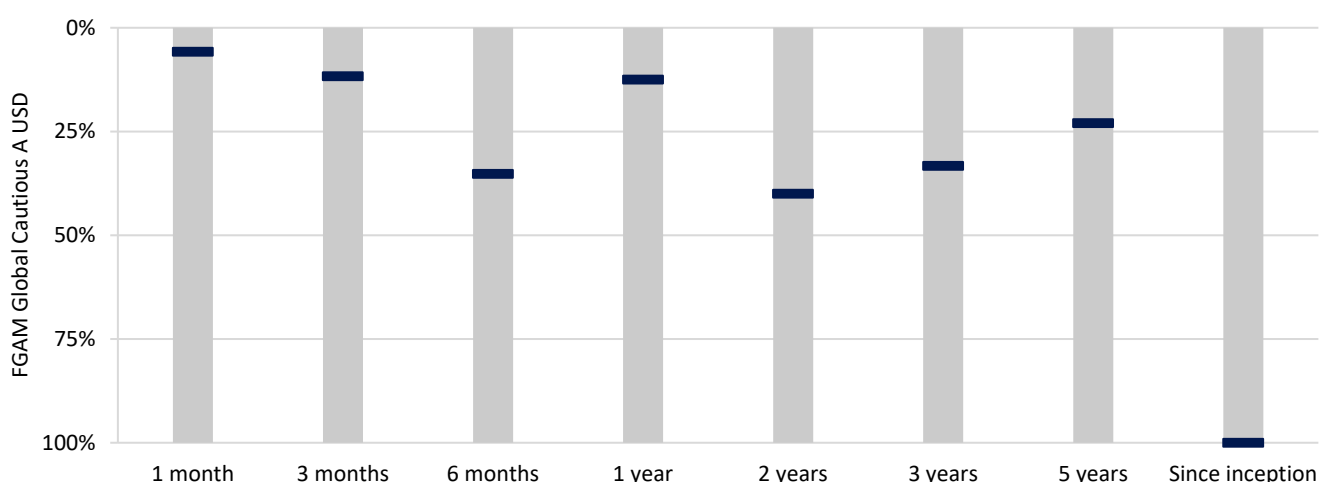
¹Inception date May 2006

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	17/18	16/18	12/18	15/17	10/16	11/16	11/14	1/4
Fund Performance	0.5%	-0.3%	3.5%	1.0%	-6.1%	-0.6%	-0.9%	1.2%
Peer Max	4.9%	2.4%	7.1%	9.8%	-1.2%	2.8%	2.8%	1.2%
Peer Min	0.2%	-0.7%	2.1%	-0.6%	-11.4%	-2.6%	-1.8%	-1.0%
Peer Median	1.5%	1.0%	4.1%	3.5%	-5.7%	0.3%	0.8%	0.4%
Quartile Rank	4	4	3	4	3	3	4	1

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*

1.32%

Share Class B**

1.12%

* The FGAM Global Cautious Fund USD Class A has a Total Expense Ratio (TER) of 1.32%. The TER to 30 June 2023 is based on data for the period from 30 June 2022 to 30 June 2023; 1.32% 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 cannot be regarded as an indication of future TERs.

** The FGAM Global Cautious Fund USD Class B has a Total Expense Ratio (TER) of 1.12%. As at 30 June 2023, 1.12% 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 cannot 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

5. Portfolio commentary

Equity markets rallied during the second quarter as inflation eased, the Fed paused rate hikes, the banking sector stabilised and technology stocks rebounded strongly.

Developed markets generated strong performance whilst emerging markets lagged, particularly China. Japan was the strongest performing region in local currency terms (up 14%) due to ongoing expectations of corporate governance reforms and structural shifts in the economy, combined with a weakening currency. The US was the next top performer (up 9%) with the majority of these gains coming from just seven mega-cap technology stocks which disproportionately benefitted from the hype around artificial intelligence. Other factors driving positive returns in the region were the Fed's pause in June following ten consecutive interest rate hikes, and better than expected GDP growth.

Most sectors posted positive gains over the quarter but technology (14%) and consumer discretionary (10%) led the way. Utilities and energy (both down -1%) were the worst performing sectors and small-caps lagged large-caps which is unsurprising given the dominant performance of mega-cap technology.

Although LatAm posted strong gains during the period (14%), emerging market returns were muted (MSCI EM up just 1% in dollar terms) because China is a large constituent and the region underperformed significantly (-10%). Key factors were the tensions between the US and China and fading optimism regarding China's recovery following the initial post-lockdown boom.

Global government bonds underperformed during the second quarter (-2%). With the exception of the Bank of Japan, all major central banks continued to raise interest rates in the fight to tame inflation. The Bank of England had to act aggressively, raising rates by 50bps as inflation is proving to be particularly sticky in the UK. The Fed decided to pause in June, raising hopes of a soft landing, however additional hikes are still expected.

Global high yield outperformed global investment grade as near-term recessionary fears abated and corporate balance sheets proved resilient for the most part.

The fund was flat to slightly down in the second quarter, in line with global bonds hedged into dollars. Our outlook, which focused on rate hikes by central banks and tighter-for-longer monetary policy, largely played out and the fund's underweight to duration therefore contributed positively to returns. However, our allocations to gold and the Japanese yen were both detractors, and in general our active equity managers struggled to add value relative to their benchmarks. The global equity index is currently skewed towards a small number of stocks within a single sector and with increasingly rich valuations. In order to overweight these mega-cap technology stocks, our managers would need to be heavily concentrated in one sector, which comes with risks. We switched part of our equity exposure into passive replication strategies at the start of April in order to partly offset the risk that active managers continue to struggle in this environment. More recently we've taken some profits on equity and also gold (with the gold price then around \$2,000) and added to the fund's duration as the yield on the US 10 year Treasury briefly spiked above 4%.

The manager line-up in the fund and the asset class mix continues to offer a good level of diversification that should see us through various market environments and cycles.

Source: Morningstar / Bloomberg, June 2023. ***Past performance is not indicative of future returns.***

6. Top ten holdings

FGAM Global Cautious March 2023			
	Security	Asset class	Weight
1	iShares \$ TIPS	Fixed Income	16.3%
1	Xtrackers II US Treasuries ETF	Fixed Income	15.7%
1	iShares \$ Treasury Bond 1-3yr	Fixed Income	10.5%
1	iShares \$ Treasury Bond 3-7yr	Fixed Income	8.2%
1	iShares Physical Gold ETC	Commodities	7.3%
1	iShares US Corporate Bond Index	Fixed Income	5.9%
1	Maple-Brown Abbott Global Infrastructure	Infrastructure	3.7%
1	Artisan Global Value	Equity	3.6%
2	Robeco Multi-Factor Global Equity	Equity	3.1%
1	Fundsmith Equity	Equity	2.6%
	Total		77.0

¹ Direct holding.

² Indirect holding.

FGAM Global Cautious June 2023			
	Security	Asset class	Weight
1	iShares \$ TIPS	Fixed Income	15.9%
1	Xtrackers II US Treasuries ETF	Fixed Income	15.3%
1	iShares \$ Treasury Bond 1-3yr	Fixed Income	10.4%
1	iShares \$ Treasury Bond 3-7yr	Fixed Income	8.9%
1	iShares US Corporate Bond Index	Fixed Income	5.9%
1	iShares Physical Gold ETC	Commodities	5.4%
1	Maple-Brown Abbott Global Infrastructure	Infrastructure	3.7%
1	Cash	Cash	3.7%
1	Artisan Global Value	Equity	2.9%
2	Robeco Multi-Factor Global Equity	Equity	2.4%
	Total		74.6%

¹ Direct holding.

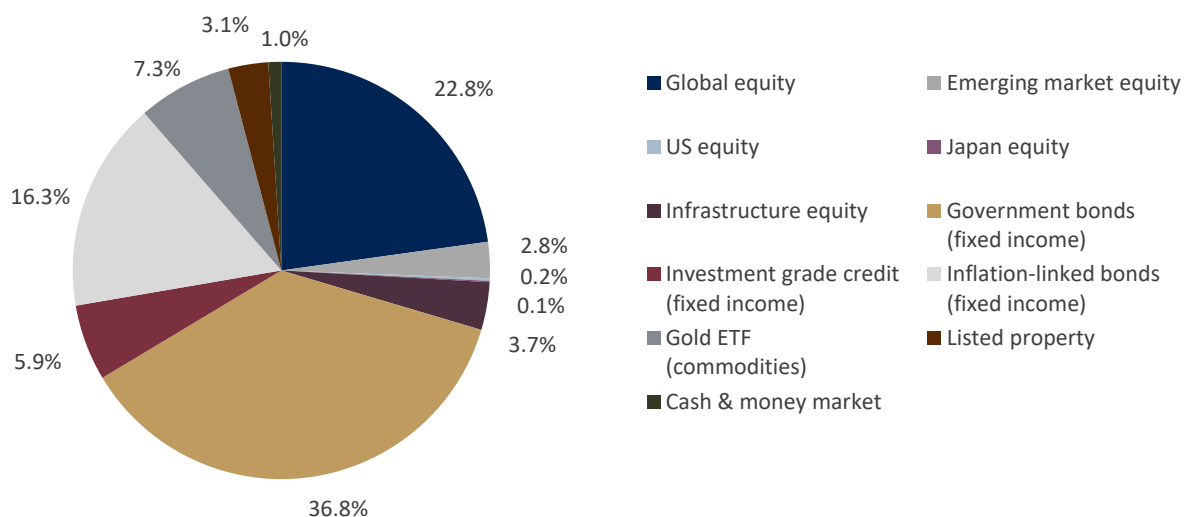
² Indirect holding.

Source: Momentum Global Investment Management, June 2023. ***Past performance is not indicative of future returns.***

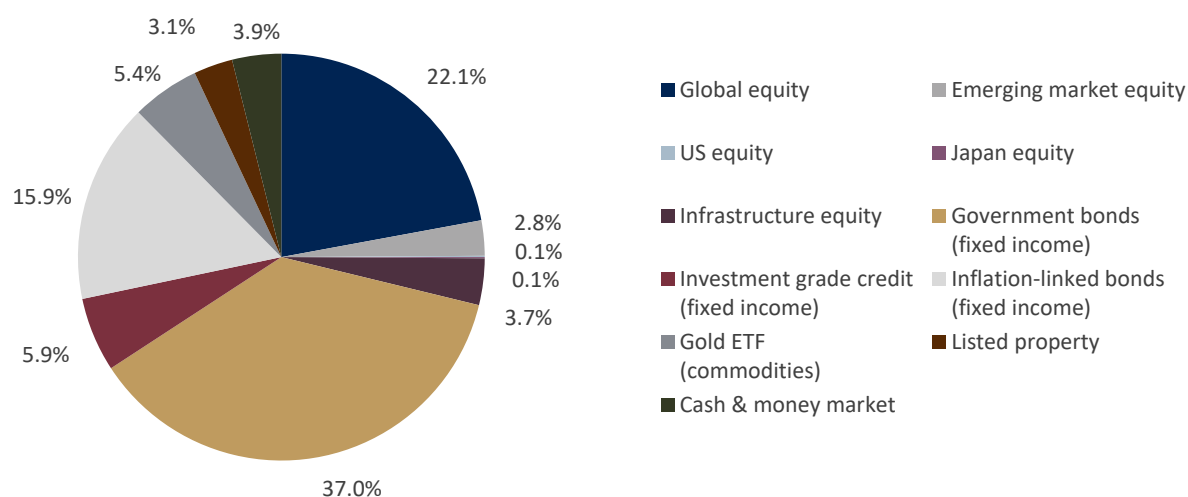
7. Fund exposures

Asset allocation

March 2023



June 2023

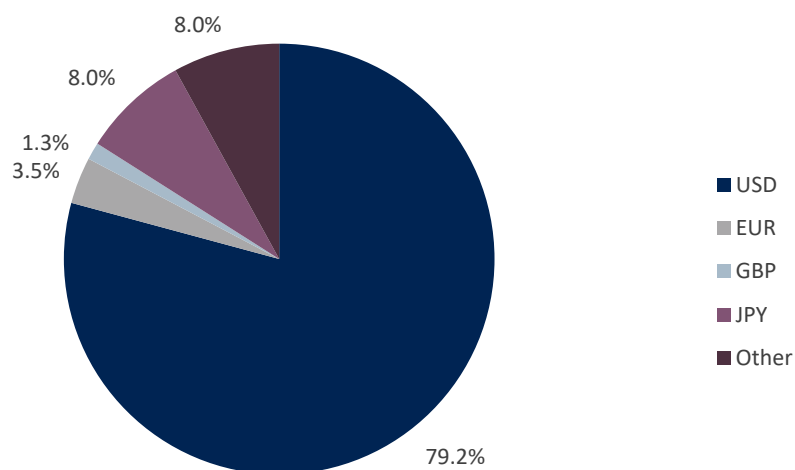


Asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes.

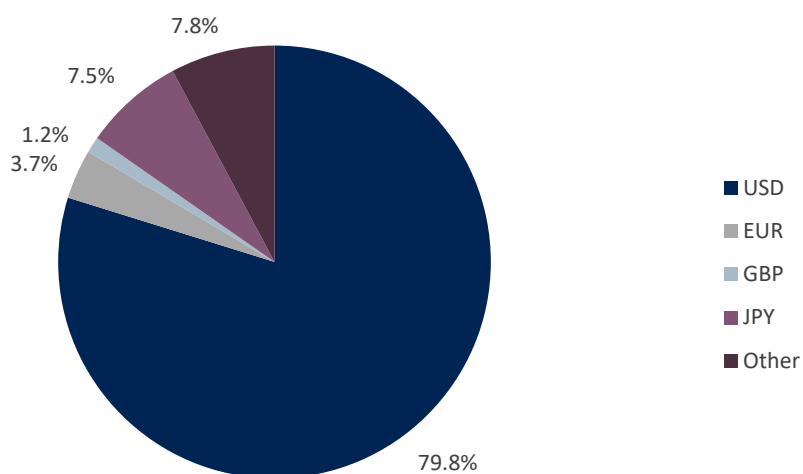
Source: Momentum Global Investment Management, June 2023

Currency Allocation

March 2023

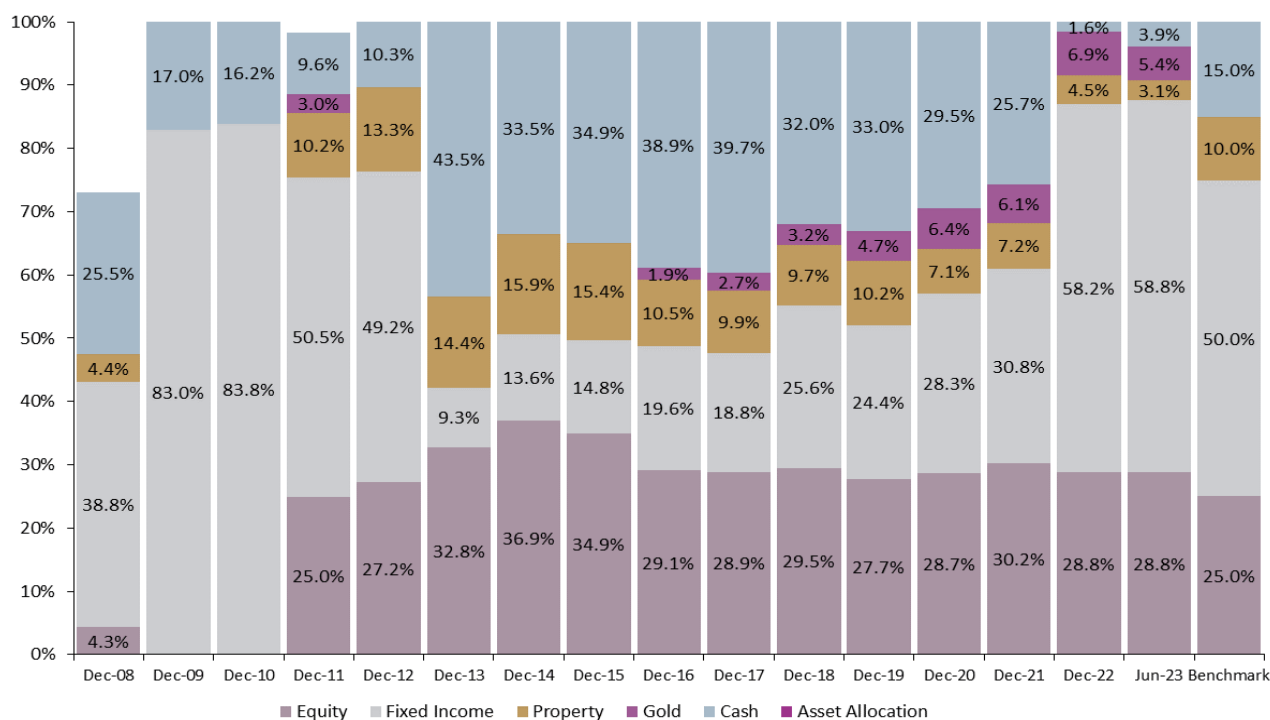


June 2023



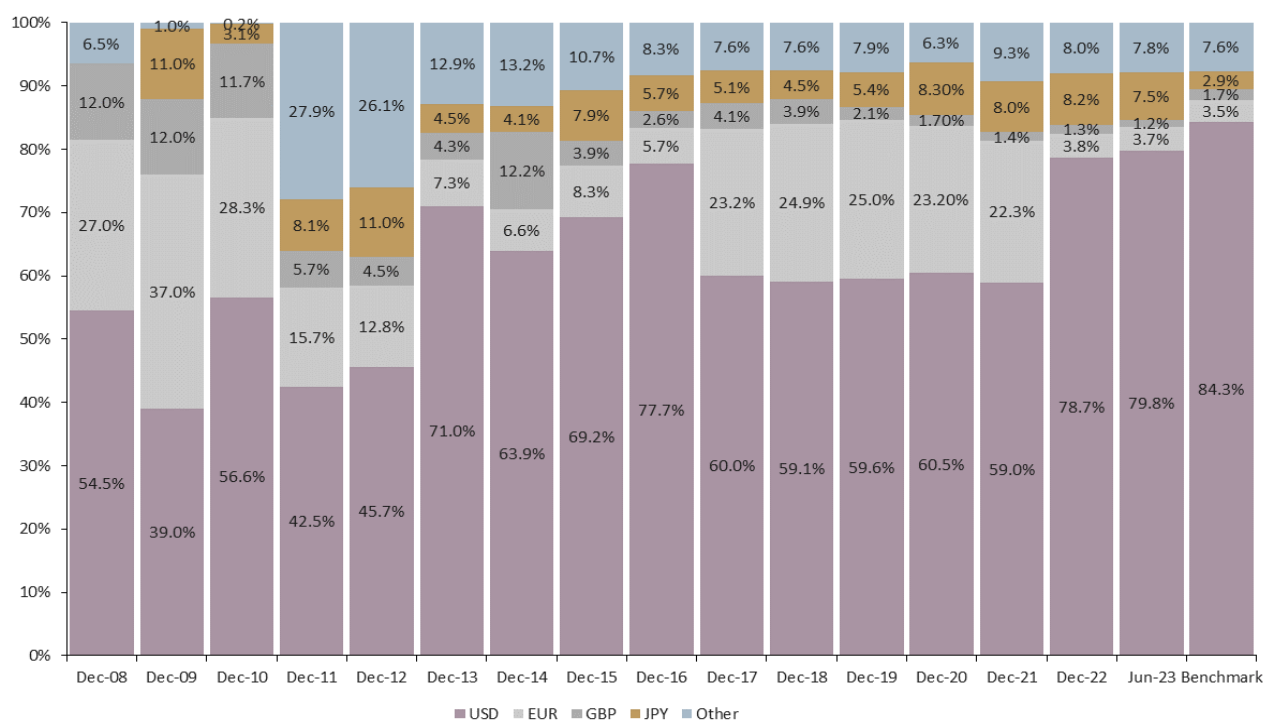
Source: Momentum Global Investment Management, June 2023

Asset allocation over time



Source: Momentum Global Investment Management, June 2023

Currency allocation over time

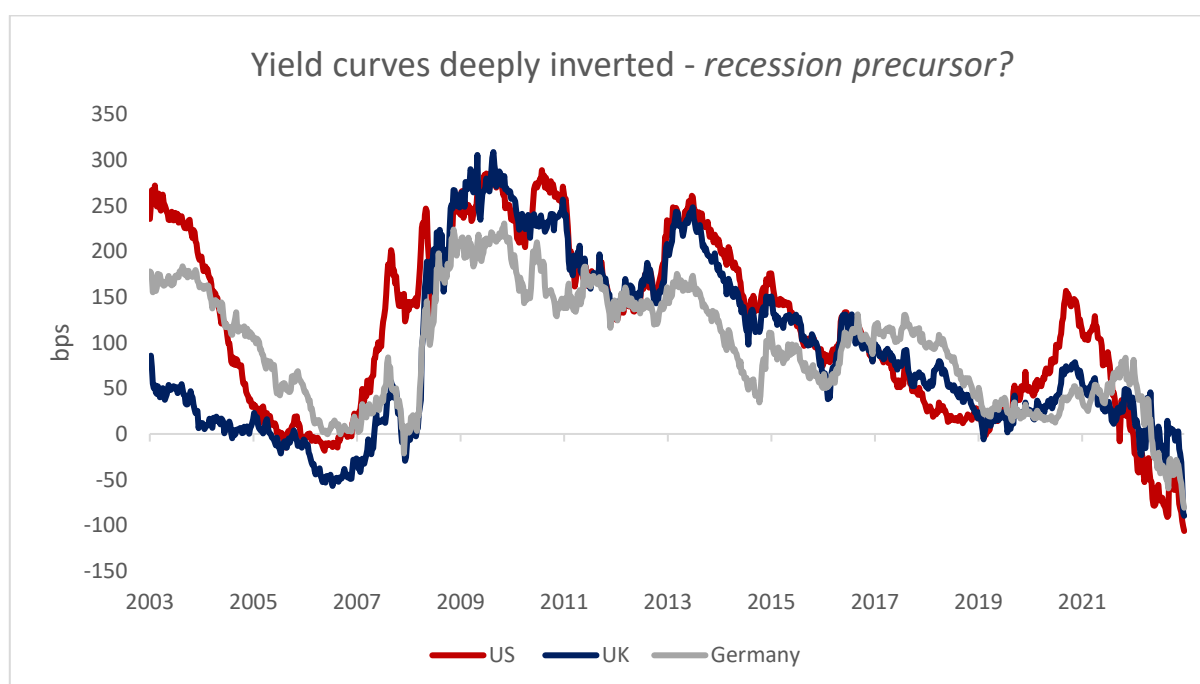


Source: Momentum Global Investment Management, June 2023. **Past performance is not indicative of future returns.**

8. Market commentary

Q2 2023

The persistence of core inflation across the developed world at well above central bank targets remained the driving narrative for global markets in Q2, leading to further rises in policy rates and significant shifts in market expectations for peak rates and their time at terminal levels. Over the quarter, expectations for the policy rate at the end of 2023 in the US rose by 100bps to 5.4%, in the Eurozone by close to 50bps to 3.9%, and in the UK by almost 170bps to 6.1%. In turn this pushed bond yields higher, especially at shorter durations, with 2Y bond yields up by 88bps in the US to 4.9%, 52bps in the Eurozone to 3.2%, and by an extraordinary 182bps in the UK to 5.2%. Yield curves have moved to extreme levels of inversion, with shorter maturity yields much higher than longer dated yields, often a precursor to recession.

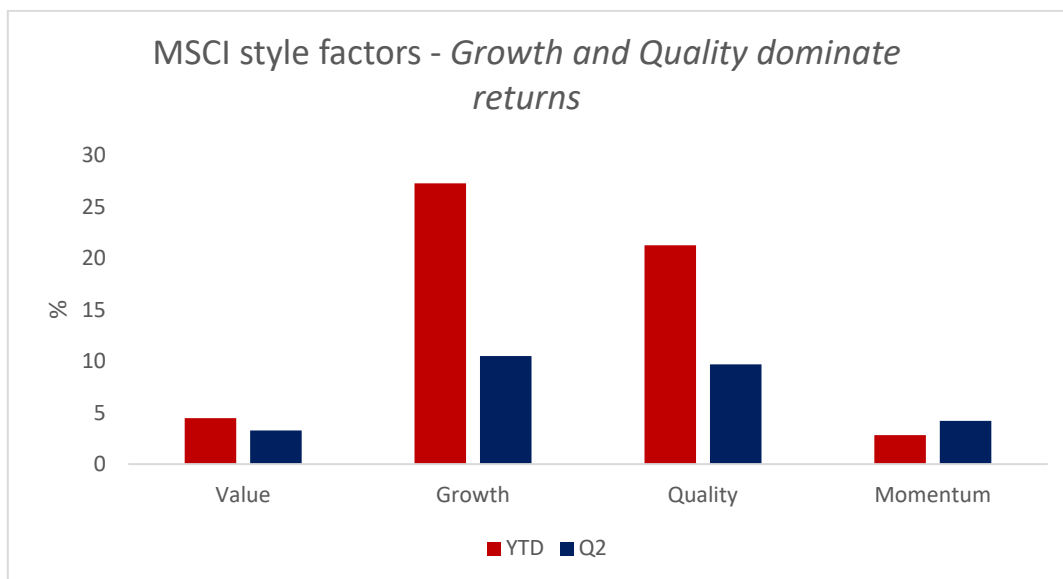


Source: Bloomberg Finance L.P. as at 30 June 2023

The prospect of rates higher for longer, combined with tightened lending standards following the banking crisis in March, heightened fears of recession. If central banks are to succeed in reining in inflation in the face of tight labour markets, sharply rising wages and sticky inflation, a recession seems an increasingly likely consequence. Yet economies remained surprisingly resilient, and to date corporate profits have generally exceeded expectations, with many companies succeeding in passing on inflationary price rises to customers and protecting margins.

Equity markets therefore held up better than expected, and were boosted by the AI boom rapidly unfolding, turbo-charged by the extraordinary success of ChatGPT since its launch in late 2022. Mega-cap tech stocks in the US led the way, with the FANG+ index of ten major US tech stocks up by 25% in the quarter, underpinning a return of 8.6% in the S&P 500, and taking YTD returns to 74% and 17% respectively. The dominance of US mega-cap stocks, both in US and global equities, is extreme, with the five largest stocks, Apple, Microsoft, Alphabet, Amazon and Nvidia, representing 24% of the S&P 500 index and 16% of MSCI World. Stripping out the impact of these huge stocks by using an S&P 500 equally weighted market cap index reduces the returns for US equities to 3.5% for Q2 and 6.0% YTD. Most other equity markets have much lower exposure to big tech and AI beneficiaries, and underperformed the US.

A similar pattern was seen in factor returns, with growth stocks returning 10% in Q2, while value and small cap struggled by comparison, with returns of around 2%.



Source: Bloomberg Finance L.P. as at 30 June 2023

Europe struggled in the face of economic headwinds and hawkish central banks: in local currency terms, MSCI Europe-ex UK was up 2.5% in Q2, while the UK market (MSCI UK index) returned -0.8%. Asian markets were held back by concerns about the fading strength of the Chinese post-Covid recovery, with China returning -9.7% in Q2, leaving it -5.5% YTD. Only Japan of the major markets outperformed the US, returning 14.4% in Q2 and 22.7% YTD in yen terms, although weakness of the yen, down 8% in Q2, eliminated the outperformance in USD terms.

The Japanese market has been boosted by its low valuation, the increasing focus of corporate Japan on shareholder returns, a resilient economy, helped by the weak yen, and the Bank of Japan's continuation of its ultra-loose yield curve control policy, keeping short term policy rates negative and 10-year JGB yields at 0%, within a +/- 50bps band. Japan's inflation rate is well below other developed nations at 3.2% yoy, but is no longer in deflation; stripping out food and energy, inflation is running at a 40-year high of 4.3%, increasing the likelihood of measures to support the yen and ultimately an end to the unsustainable yield curve control policy.

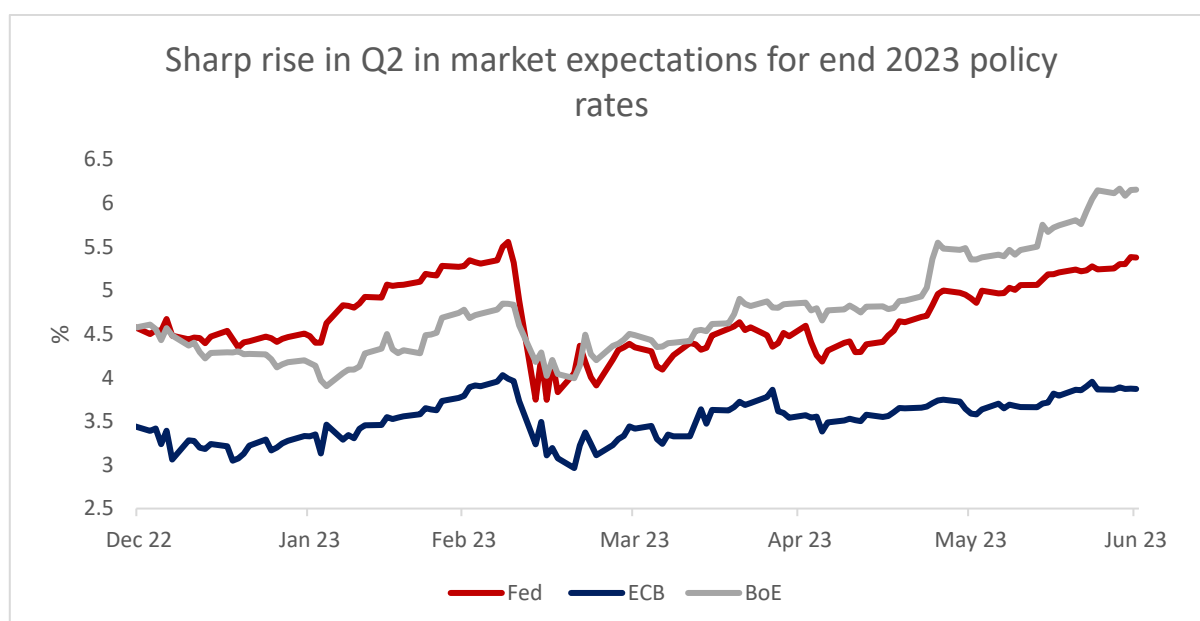
Bond yields, which had fallen sharply in March following the banking crisis, reversed those falls in Q2, as contagion risks diminished substantially, and central banks maintained a hawkish policy bias. Yields rose across the maturity spectrum, with the steepest moves in shorter durations, taking 2Y bond yields in the US, Europe and UK to the highest since before the GFC. Unusually in a period of sharply rising rates, weak government bond markets, and worries about economic activity, credit performed relatively well, helped by the resilience in the corporate sector: while US Treasuries returned -1.3% in Q2, corporate investment grade credit returned -0.3% and US high yield 1.8%, taking YTD returns to 1.6% for Treasuries, 3.2% for credit, and 5.4% for high yield.

Although the banking crisis in March spilled over into Q2, it was essentially limited to US regional banks, and contagion risks have been well contained by prompt action by regulators and the financial strength and capacity of large banks to absorb weakened competitors. The crisis caused short term wobbles in markets, including a flight into bonds, but any fear of systemic risks was quickly dispelled. As the tightening cycle continues, financial accidents and further problems among weaker mid-sized banks cannot be ruled out, but the industry is generally well capitalised and able to weather more challenging

conditions. While less significant than the troubles in banking, the political fiasco surrounding the debt ceiling negotiations in the US created short term market volatility, but again proved to be market noise.

The key issues for markets remain inflation, the speed with which it will be brought back to target and the damage inflicted on economies in so doing. Across the world, headline inflation is falling, helped by a reversal of the spike in oil, food and other commodity prices in the past two years, and by normalised supply chains. But core prices continue to surprise on the upside, labour markets remain tight, wages are rising at uncomfortably high levels, and the risks of wage-price spirals remain a worry. Navigating the trade-off between controlling inflation and maintaining financial stability while avoiding recession is becoming increasingly challenging for central banks.

Following upside surprises to core price indices, the Fed increased its policy rate by 25bps in May, to 5.0-5.25%, a rise of 5 percentage points since the current tightening cycle started in February 2022, and maintained its balance sheet reduction at \$95bn per month. However, it flagged a pause in the hiking cycle, noting the uncertain impact of tightened bank lending standards on economic activity, the cumulative tightening of policy, and the lags with which monetary policy takes effect. The subsequent FOMC meeting in June duly delivered the pause, but the accompanying statement ('the process of getting inflation back down to 2% has a long way to go') and economic projections were widely interpreted as hawkish. Fed governors' median forecasts for 2023 growth and core inflation were revised up, and the median projection for the Fed Funds rate at end 2023 was up by 0.5% since the previous projections in March to 5.6%, indicating the likelihood of two further rate rises before year end. The market adjusted rapidly to the Fed's signal and pushed expectations for Fed Funds by year end close to the Fed's projections, as well as pushing out the timing of the first cuts in the cycle.

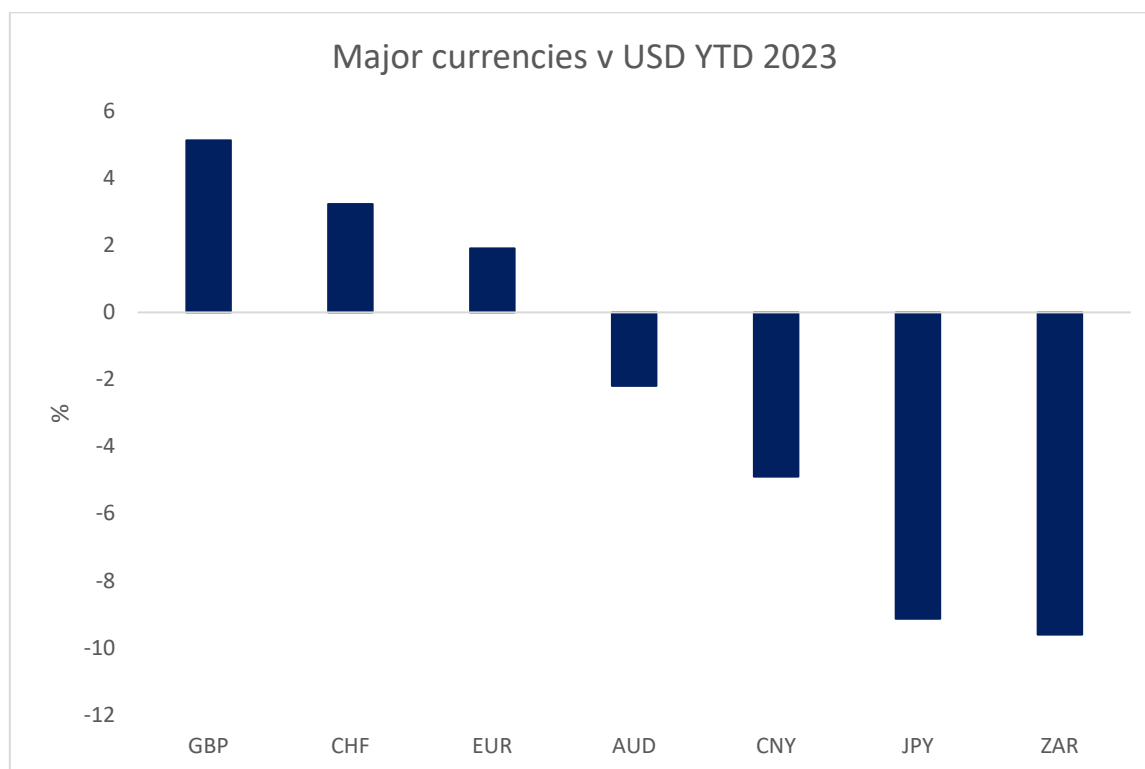


Source: Bloomberg Finance L.P. as at 30 June 2023

Similar shifts took place elsewhere: the ECB was later in starting to tighten policy but is now adopting a distinctly hawkish approach, prioritising the control of inflation at the risk of damaging growth, despite the EU experiencing a technical recession of two consecutive quarters of, albeit marginal, negative growth. But nowhere are the imbalances more evident than in the UK, which is suffering much higher inflation than expected, along with a resilient economy and labour shortages. Latest data show wages rising at a 7.2% annualised rate and core inflation in May at 7.1%, the highest in over 30 years. The Bank of England, with its woeful forecasting record, has badly misjudged the persistence of inflation and is

now scrambling to prevent wage and price inflation becoming embedded. It implemented a 50bps rise in base rate in June to take it to 5%, with clear signals of further rises ahead, potentially of 100bps or even more. With the interest rate sensitive parts of the economy, notably housing, in an inevitable downturn, it is increasingly difficult to see how the UK can avoid recession if inflation is to be brought under control. Yet sterling has been buoyed by the sharp rises in interest rates and bond yields, as well as the fiscal consolidation underway under the technocratic leadership of PM Sunak, and is the best performing major currency both in Q2, up 3% against the dollar, and YTD, +5.1%.

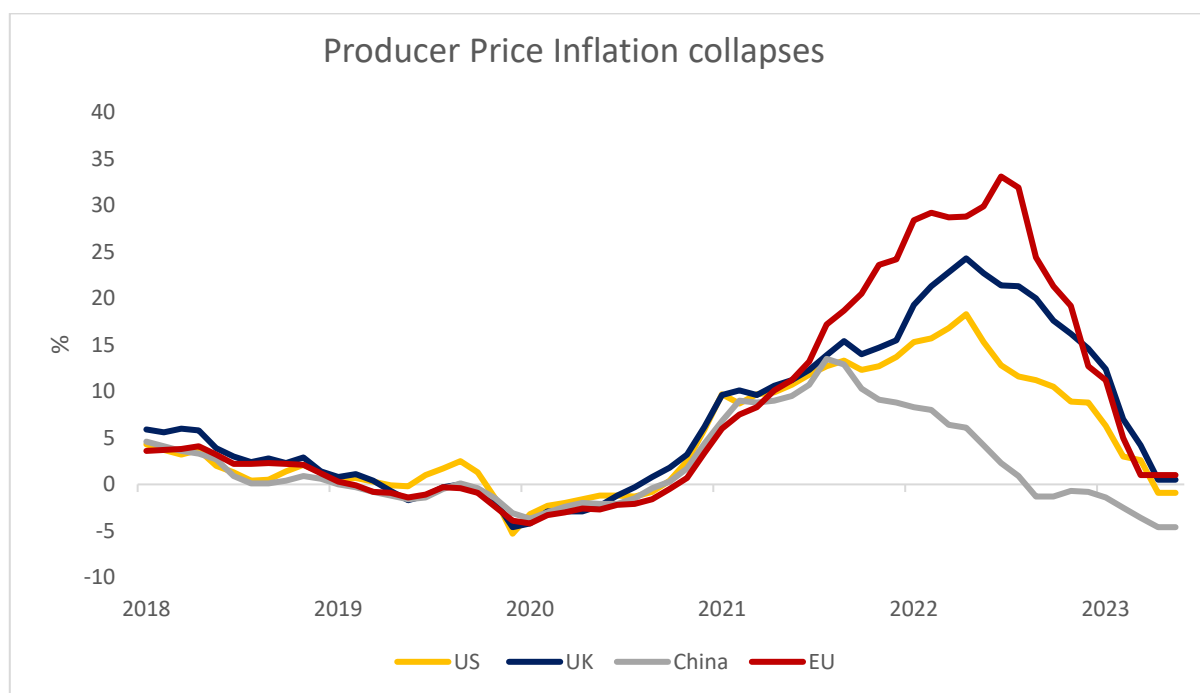
In contrast, the Yuan has been under pressure this year, down 5.5% in Q2 and 4.9% YTD, as the Chinese economic recovery following the end of Covid restrictions faded. The manufacturing sector has fallen into recessionary conditions, with factory gate production growth slowing sharply, Purchasing Managers' Indices indicate further weakness ahead, private sector construction is falling, and retail sales growth tailing off. Deflation has returned to producer prices, -4.6% yoy in May, the eighth consecutive month of falling prices. The People's Bank of China reacted by cutting its key lending rates, a signalling tool indicating the likely use of other measures to stimulate the economy. The administration's growth target of around 5% for 2023 is under threat and the stock market is one of the worst performers this year, casting a cloud over Asian markets. China's equity market (MSCI China) is down by 19% from its peak in January, and has now lost about half of the ground it made up from the market low in October 2022. Valuations have moved into attractive territory with enough margin to compensate for the geopolitical risks.



Source: Bloomberg Finance L.P. as at 30 June 2023

Weakness in China's economy, especially in manufacturing and construction, has been a significant factor in commodity markets, which remained under pressure in the first half of the year. Energy markets led the falls, with crude oil down 6% in the latest quarter, taking its decline YTD to 13%, with bigger falls in natural gas. The brief but shocking insurgency in Russia in late June produced a short-lived surge in prices of commodities most exposed to dislocation in Russia, the wheat price shooting up by some 20% amidst the uncertainty, but the equally surprising collapse of the insurgents saw prices quickly fall back.

Despite increasingly tight monetary policy, markets have been relatively benign so far this year, surprising most investors who went into 2023 with expectations for a recession. In the event, economic activity and corporate earnings have held up better than expected, and fears about financial stability after the banking crisis have not materialised. However, the resilience of economies and continuing tight labour markets means that the battle to control inflation has yet to run its course. Leading indicators point to weakness in the manufactured goods part of economies, and here producer price inflation has collapsed over the past 12 months, but the much larger service sector remains relatively buoyant. Policy rates have yet to peak, and it is increasingly likely that they will stay higher for longer, raising the probability of a recession to break a wage-price spiral developing before this cycle can end.

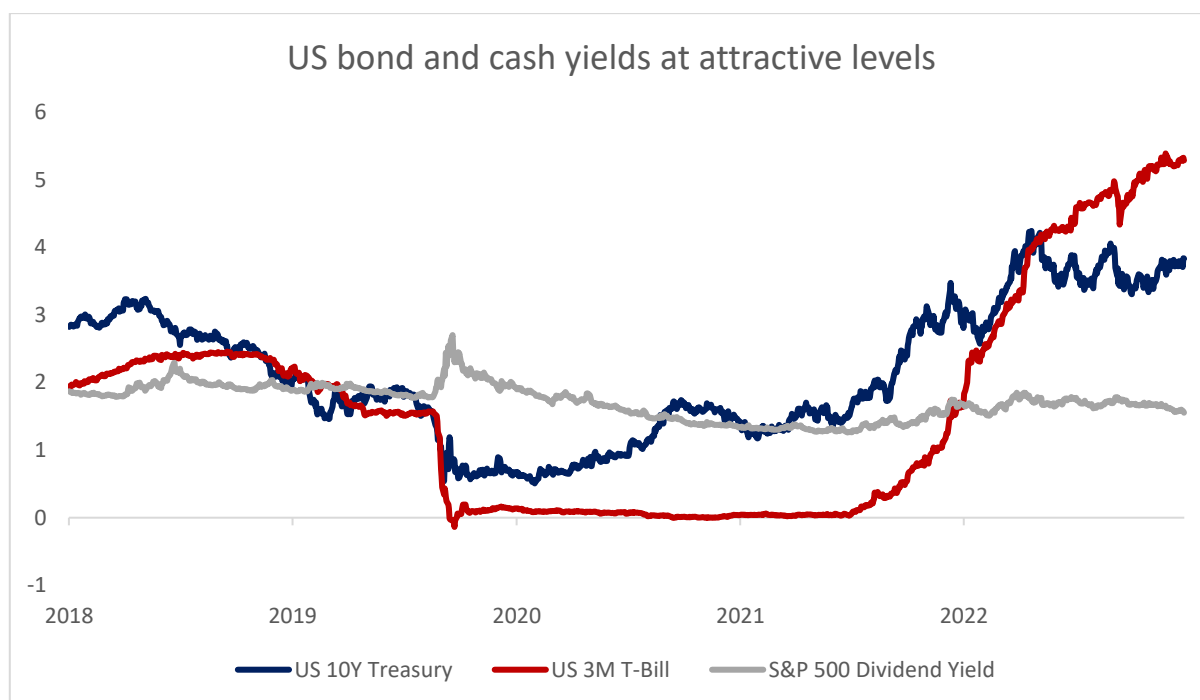


Source: Bloomberg Finance L.P. as at 30 June 2023

We therefore expect the second half of the year to stay challenging. Equity markets have been narrowly driven, and valuations of the dominant stocks, big tech, have become stretched. Outside big tech, valuations are more reasonable but face increasingly tough economic headwinds as the long stretch of monetary tightening finally begins to bite. Markets do not seem to be braced for the risk of an earnings downturn and a potential hard landing.

However, most of the rises in rates are now behind us: the peak is in sight, and inflation is likely to fall materially in coming months. Policy is now firmly in restrictive territory, sharp falls in producer prices will flow through to consumers, the slowdown ahead will lead to a softer labour market and ease wage pressures, and base effects will help year-on-year inflation figures. Importantly, longer-term inflation expectations in the US, whether measured by household and business surveys or as reflected in financial markets, remain well anchored. A turn in the cycle might not be imminent but it will come, and within months the prospect of cuts in policy rates will re-emerge.

The immediate outlook calls for continuing caution, but the sharp rises in interest rates and bond yields are generating the best opportunities in safe-haven government bond markets in many years. Nearly all the rise in bond yields in Q2 has been due to rising real yields, and significantly positive real yields are now available on the world's pre-eminent risk-free asset, US Treasuries, across nearly the whole yield curve. Government bonds can again play an important role in multi-asset portfolio construction and risk control.



We remain patient before adding to risk assets, and at the margin have been trimming after the unexpected strength this year, but are looking for opportunities to add to duration in fixed income, taking advantage of the attractive returns now available, as we wait for the turn in the economic and market cycle which we expect to be in sight as we enter 2024.

Source: Momentum, June 2023. ***Past performance is not indicative of future returns.***

9. Market performance

		To 30 June 2023			
Asset class/region	Index	Currency	Quarter	Year-to-date	12 months
Developed markets equities					
United States	S&P 500 NR	USD	8.6%	16.6%	19.0%
United Kingdom	MSCI UK NR	GBP	-0.6%	2.6%	8.1%
Continental Europe	MSCI Europe ex UK NR	EUR	2.5%	12.7%	19.4%
Japan	Topix TR	JPY	14.4%	22.7%	25.7%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	-1.0%	3.0%	0.8%
Global	MSCI World NR	USD	6.8%	15.1%	18.5%
Emerging markets equities					
Emerging Europe	MSCI EM Europe NR	USD	11.2%	12.9%	41.6%
Emerging Asia	MSCI EM Asia NR	USD	-0.8%	4.0%	-0.9%
Emerging Latin America	MSCI EM Latin America NR	USD	14.0%	18.5%	29.8%
BRICs	MSCI BRIC NR	USD	-1.2%	-0.4%	-5.3%
China	MSCI EM China NR	USD	-9.7%	-5.5%	-16.8%
Global emerging markets	MSCI EM (Emerging Markets) NR	USD	0.9%	4.9%	1.7%
Bonds					
US Treasuries	JP Morgan United States Government Bond Index TR	USD	-1.3%	1.8%	-1.9%
US Treasuries (inflation protected)	Barclays Capital U.S. Government Inflation Linked TR	USD	-1.4%	2.0%	-1.3%
US Corporate (investment grade)	ICE BofA US Corporate Index	USD	-0.2%	3.2%	1.4%
US High Yield	ICE BofA US High Yield Index	USD	1.6%	5.4%	8.9%
UK Gilts	JP Morgan United Kingdom Government Bond Index TR	GBP	-5.7%	-3.6%	-14.9%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt Index	GBP	-3.4%	-1.1%	-7.1%
Euro Government Bonds	Citigroup EMU GBI All Maturities EUR	EUR	0.0%	2.6%	-4.7%
Euro Corporate (investment grade)	ICE BofA Euro Corporate Index	EUR	0.5%	2.0%	0.0%
Euro High Yield	ICE BofA Euro High Yield Index	EUR	1.7%	4.4%	8.8%
Japanese Government	JP Morgan Japan Government Bond Index TR	JPY	0.4%	2.8%	0.1%
Australian Government	JP Morgan Australia GBI TR	AUD	-3.7%	1.3%	0.8%
Global Government Bonds	JP Morgan Global GBI	USD	-2.2%	0.9%	-2.8%
Global Bonds	ICE BofAML Global Broad Market Index	USD	-1.4%	1.6%	-1.6%
Global Convertible Bonds	UBS Global Focus Convertible Bond	USD	2.3%	4.8%	7.1%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	1.4%	3.3%	6.1%

Source: Bloomberg Finance L.P. June 2023. **Past performance is not indicative of future returns.**

		To 30 June 2023			
Asset class/region	Index	Currency	Quarter	Year-to-date	12 months
Property					
US Property Securities	MSCI US REIT NR	USD	2.3%	4.8%	-1.4%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	1.8%	1.6%	3.1%
Asia Property Securities	S&P Asia Property 40 Index NR	USD	-3.9%	-7.0%	-11.3%
Global Property Securities	S&P Global Property USD TR	USD	0.8%	1.1%	-4.0%
Currencies					
Euro		USD	0.5%	1.9%	4.1%
UK Pound Sterling		USD	3.0%	5.1%	4.4%
Japanese Yen		USD	-8.0%	-9.2%	-6.0%
Australian Dollar		USD	-0.4%	-2.2%	-3.5%
South African Rand		USD	-5.7%	-9.4%	-13.5%
Commodities & Alternatives					
Commodities	RICI TR	USD	-2.5%	-7.1%	-9.6%
Agricultural Commodities	RICI Agriculture TR	USD	0.9%	0.5%	0.1%
Oil	ICE Crude Oil CR	USD	-6.1%	-12.8%	-34.8%
Gold	Gold Spot	USD	-2.5%	5.2%	6.0%
Hedge funds	HFRX Global Hedge Fund	USD	0.6%	0.6%	1.3%
Hedge funds	Dow Jones Credit Suisse Hedge Fund USD	USD	1.7%	1.9%	3.2% ^e

Source: Bloomberg Finance L.P. June 2023. **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,
St Peter Port, Guernsey,
GY1 1WF
Channel Islands

Investment Manager:

Momentum Global Investment Management Limited
The Rex Building, 62 Queen Street,
London, EC4R 1EB
United Kingdom

Custodian: Northern Trust (Guernsey) Limited

PO Box 71, Trafalgar Court
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:

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, 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 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 (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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