

FGAM Global Cautious Fund IC Limited

quarter ended 30 September 2023

Q3



FG ASSET MANAGEMENT

Issue date: 31/10/2023

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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	6,422,347.05	1.1859	\$ 7,615,965.04
Share Class B	8,200,123.37	1.0697	\$ 8,771,988.46

Source: Momentum Global Investment Management, 30 September 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

Returns (USD)	Performance to 30 September 2023				
	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
FGAM Global Cautious¹	-3.1%	5.1%	-2.8%	-1.5%	1.0%
Benchmark ²	-2.2%	6.8%	-2.1%	0.9%	3.0%

Index returns (USD)	Performance to 30 September 2023				
	3 months	1 year	3 years annualised	5 years annualised	Since Inception annualised
Global equity ³	-3.4%	20.8%	6.9%	6.5%	6.1%
Global fixed income	-2.2%	1.2%	-7.8%	-2.1%	1.8%

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)	18.6%

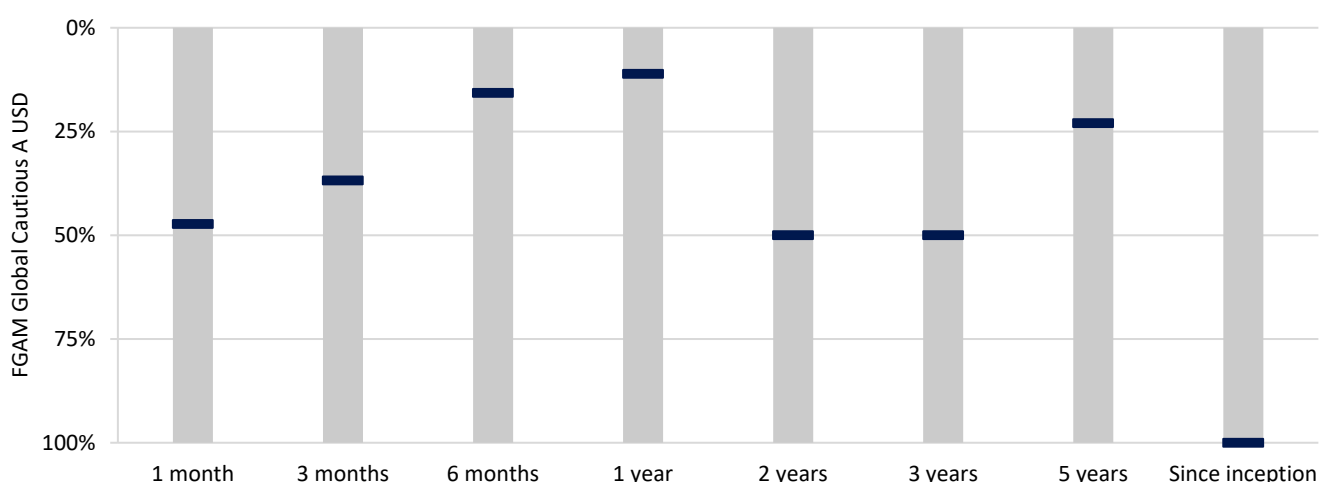
¹Inception date May 2006

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	11/20	13/20	17/20	17/19	9/17	9/17	11/14	1/4
Fund Performance	-2.8%	-3.1%	-3.4%	5.1%	-7.2%	-2.8%	-1.5%	1.0%
Peer Max	0.9%	1.8%	0.5%	15.8%	-1.3%	1.4%	2.7%	1.0%
Peer Min	-5.2%	-6.3%	-5.5%	3.6%	-11.7%	-5.9%	-2.9%	-1.3%
Peer Median	-2.6%	-2.5%	-1.4%	7.3%	-7.2%	-2.8%	0.3%	0.2%
Quartile Rank	3	3	4	4	2	2	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*

1.35%

Share Class B**

1.04%

* The FGAM Global Cautious Fund USD Class A has a Total Expense Ratio (TER) of 1.35%. The TER to 29 September 2023 is based on data for the period from 30 September 2022 to 29 September 2023; 1.35% 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 1.04%. As at 29 September 2023, 1.04% 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

Global equities returned -3.4% in the third quarter. The best performing equity market in the last quarter was the UK, followed by Japan and then emerging markets. Weakness in some of those currencies, most notably sterling and the yen, served to take the shine off returns, but nonetheless all three regions did better than the -3.4% return of US equities.

Global bonds which traditionally are higher in the capital structure and more secure, nonetheless returned -3.9% and thus underperformed riskier equities. Whilst bonds are up only 1.8% over 12 months, they've drifted down -2.4% in 2023, which raises the question 'why own them?'; something we touch on later.

In terms of how the above related to the FGAM portfolio performance over the quarter, the portfolio delivered negative absolute performance and underperformed its benchmark. Our thesis was that neither equities nor bonds were fully reflecting the likely path of future interest rates (which would stay higher than the market anticipated) and this largely played out last quarter, pushing yields higher across most asset classes (and prices down). But it was our real asset and underweight cash exposures that weighed on performance, as did our yen exposure.

Our underweight allocation to equities contributed positively to returns so too did manager selection, with our value managers driving relative performance. From a style perspective, value equities (down -1.8%) outperformed growth equities (down -4.9%), with our growth manager Sands being the worst performing asset manager within our portfolio over the quarter.

With bonds down almost 4%, clearly one wanted to own shorter maturity debt and cash. Thus key positive contributors were the 1-3 year US treasuries and the BlackRock Ultra Short Bond Fund (money market fund), whilst the higher duration counters weighed on performance as did our credit exposure. Our underweight allocation to cash was too a drag on performance.

Property and infrastructure were both weak during the quarter given rising interest rates and weak sentiment particularly towards the former, with our active property and infrastructure managers down more than 7% and 8% respectively.

Two questions are foremost in clients' minds at the moment: has the recovery run out of steam? And, following another year of disappointing performance, why continue to own bonds?

The third quarter certainly looks like a rerun of 2022, with pretty much all asset classes delivering negative returns except for commodities. The parallels shouldn't be overstated however: in 2022, Russia's invasion of Ukraine turbo charged many commodity prices, thus putting huge pressure on inflation. This time around, we've seen a little bit of that, with oil prices having approached 100 dollars during the third quarter (although now back below 90), but recent moves have really been about the strength of the US economy, with resilient output and employment, and that is a much better backdrop for markets compared to last year.

With respect to bonds, we're in a completely different world today compared to where we've been for much of the past decade and so now more than ever, it's important not to imagine building a portfolio based on the recent past. If someone offers to sell you a car at half the price it was on sale for a year ago, I expect you're more likely to be a buyer than a seller of your own car at that depressed level. In the same vein then, don't ignore bonds because of past performance.

Rising interest rates in response to inflation caused the sell-off last year. As the return on cash went up, returns on all other investments had to go up in unison and therefore equities and bonds became

correlated. Today, we have falling inflation and scope for central banks to cut interest rates in the event equity markets start to fall, meaning bonds should offer ballast to portfolios.

Yields are now materially higher than we've seen for most of the past decade: deposit rates of 5.5% in the US; 10-year yields close to 5%; investment grade corporate bond yields of 6.2%; high yield bond yields of 9.2%; dividend yields on many equity markets close to 4% and earnings yields approaching and in some instances into double digits. Now then is clearly the time to make sure one is sweating one's capital and it's not under the mattress earning zero returns.

There will be bouts of volatility ahead, but asset classes are all offering decent prospective yields and that will ultimately come through over time. Depending on pricing, we may soon elect to increase either our bond or equity allocations, but for now we are happy with our relatively defensive positioning.

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

6. Top ten holdings

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.

FGAM Global Cautious December 2023			
	Security	Asset class	Weight
1	Xtrackers II US Treasuries ETF	Fixed Income	20.4%
1	iShares \$ TIPS	Fixed Income	16.6%
1	Cash	Cash	9.0%
1	iShares \$ Treasury Bond 1-3yr	Fixed Income	6.9%
1	iShares \$ Treasury Bond 3-7yr	Fixed Income	6.8%
1	iShares US Corporate Bond Index	Fixed Income	6.2%
1	iShares Physical Gold ETC	Commodities	4.1%
1	Maple-Brown Abbott Global Infrastructure	Infrastructure	3.7%
1	iShares \$ Treasury Bond 7-10yr	Fixed Income	3.4%
1	iShares Core MSCI World	Equity	2.7%
	Total		79.8%

¹ Direct holding.

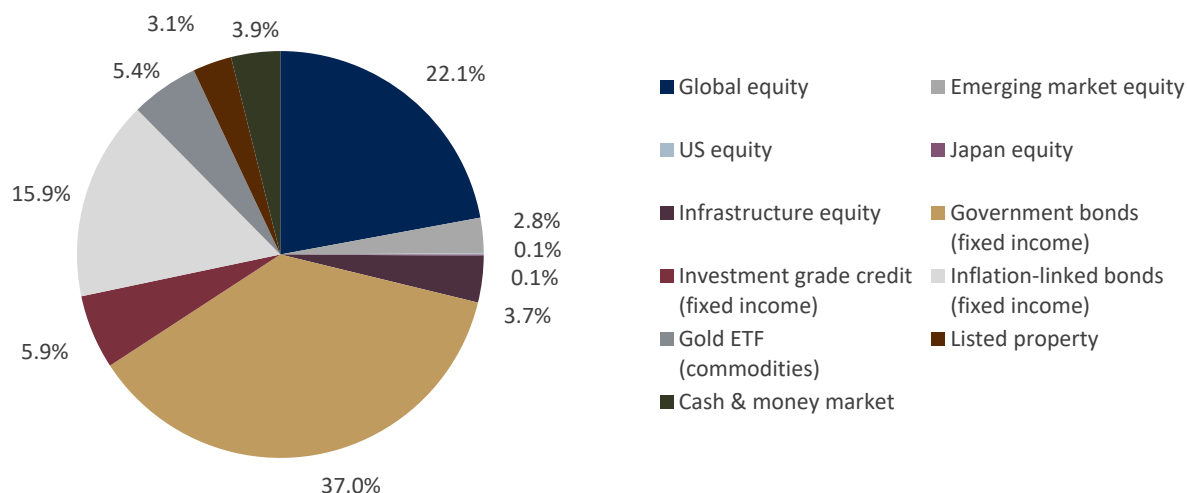
² Indirect holding.

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

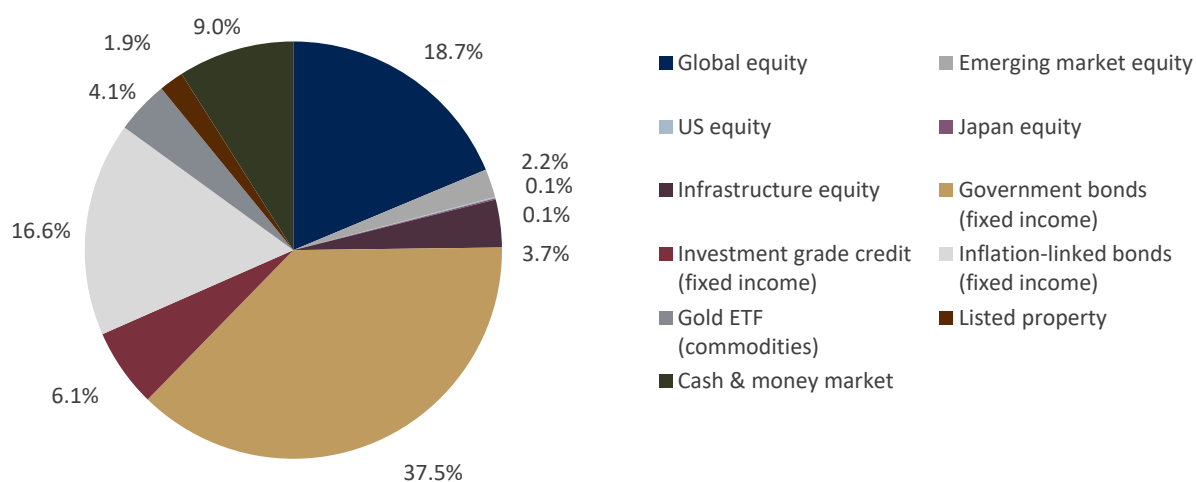
7. Fund exposures

Asset allocation

June 2023



September 2023

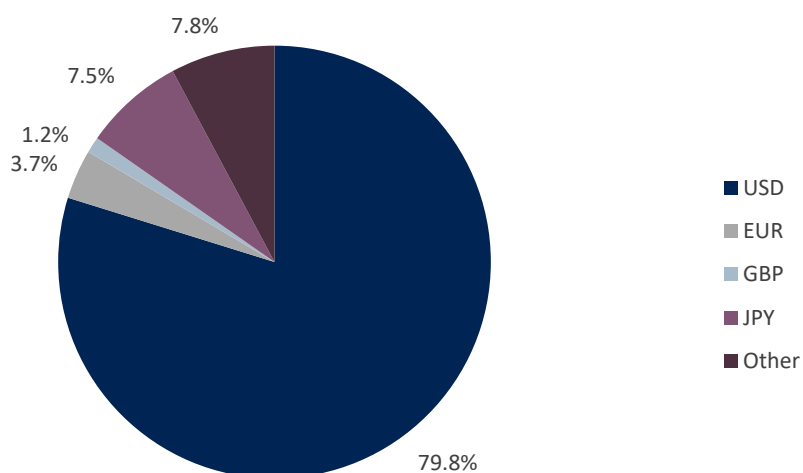


Asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes.

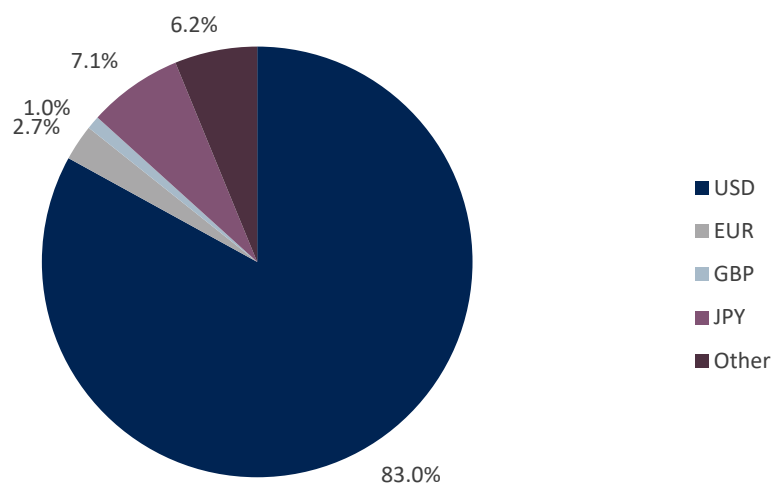
Source: Momentum Global Investment Management, September 2023

Currency Allocation

June 2023

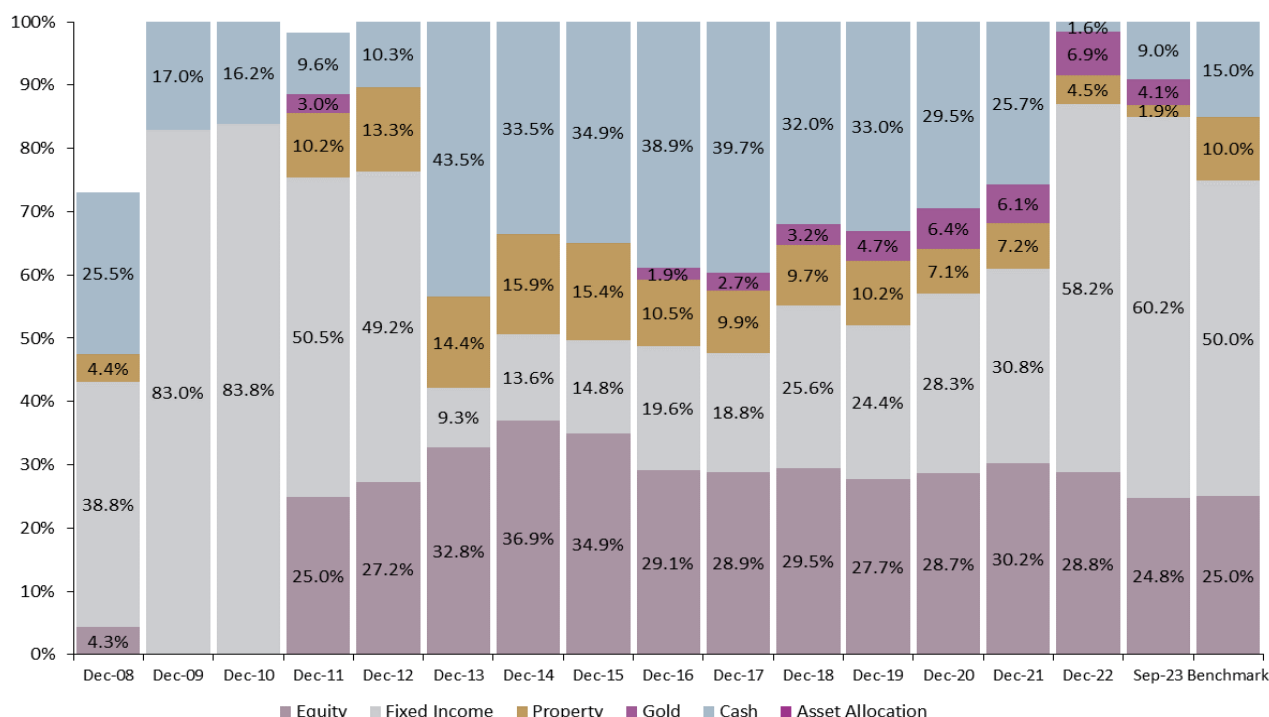


September 2023



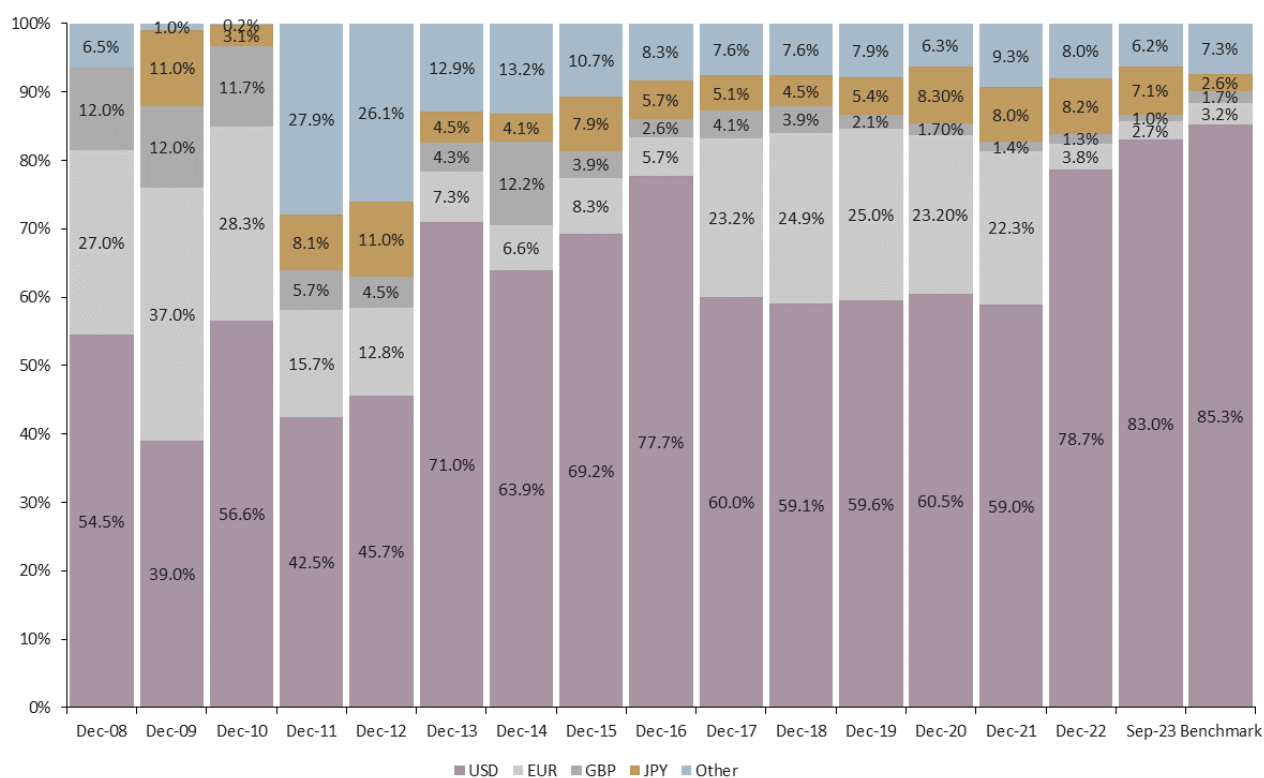
Source: Momentum Global Investment Management, September 2023

Asset allocation over time



Source: Momentum Global Investment Management, September 2023

Currency allocation over time

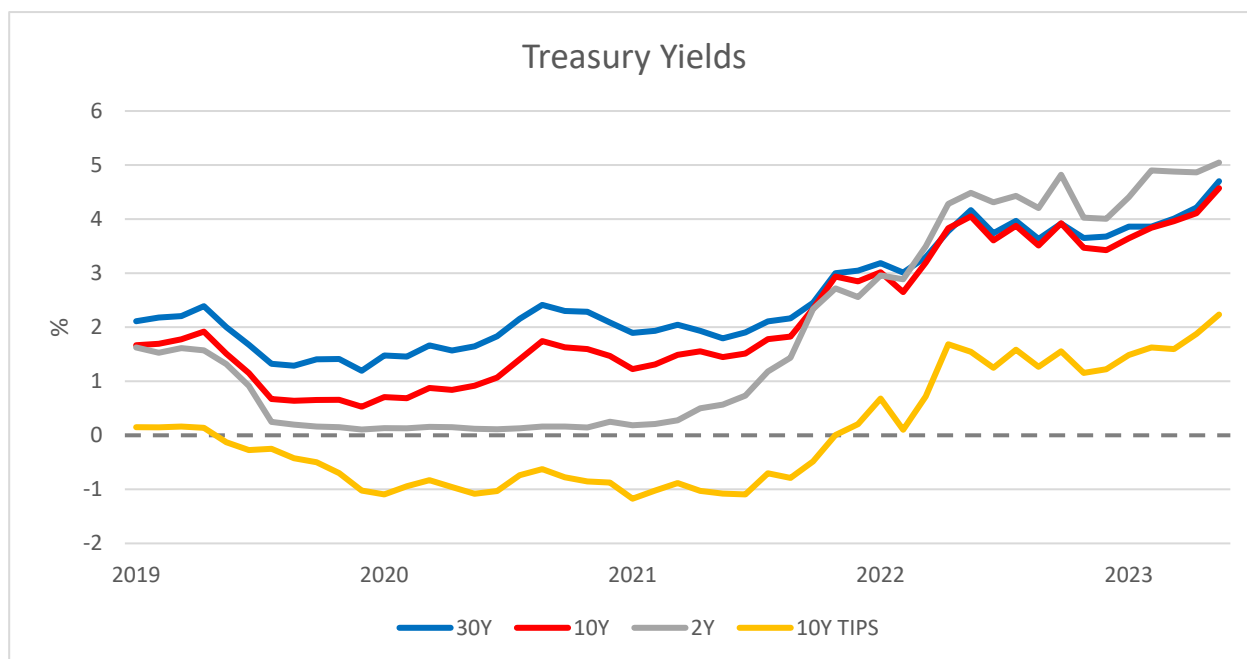


Source: Momentum Global Investment Management, September 2023. **Past performance is not indicative of future returns.**

8. Market commentary

Q3 2023

Eighteen months into one of the steepest monetary tightening cycles in history, financial markets in Q3 finally began to adjust to the Fed narrative of tighter for longer. Bond yields had already moved substantially higher as interest rates were pushed up relentlessly, starting in March 2022, but the biggest moves have been in short duration tenors, moving up broadly in line with the Fed Funds rate, while longer duration yields had risen by much less, leading to a steeply inverted yield curve. With interest rates now surely very close to the peak for this cycle, the focus has shifted to how long they will need to be kept at high levels to bring inflation sustainably back to the target of 2%. The message from the Fed and other developed world central banks has been increasingly hawkish in the face of the stickiness of inflation and resilience in economies, especially the key one, the US. Investor expectations for interest rate cuts have been pushed further out as the year progressed, and during Q3 the yields on longer duration bonds moved dramatically higher as the wait for lower rates has become more protracted and the cost of holding long duration versus cash and short duration bonds has become increasingly painful.



Source: Bloomberg Finance L.P., Momentum Global Investment Management as at 29 September 2023

The yield on 10Y US Treasuries rose by 73bps in Q3 to 4.57% at end September, compared with only 3.3% in the aftermath of the mini-banking crisis in March, while 30Y yields rose by 84bps to 4.7%, the highest since the during the Global Financial Crisis (GFC). In contrast, 2Y yields rose by only 10bps to 5.0%, resulting in the yield curve flattening from its deeply inverted level. The importance of this sharp rise in long duration bond yields on what is, in effect, the world's discount rate, should not be underestimated. Most of the rise came through higher real yields, up by over 60bps at the 10-year part of the curve to 2.23%, taking them further into restrictive territory. It tightens financial conditions, reverberates globally by underpinning dollar strength and pushing financing costs up for USD borrowings, and puts pressure on other asset classes, both in terms of relative valuations and the negative impact on economic activity.

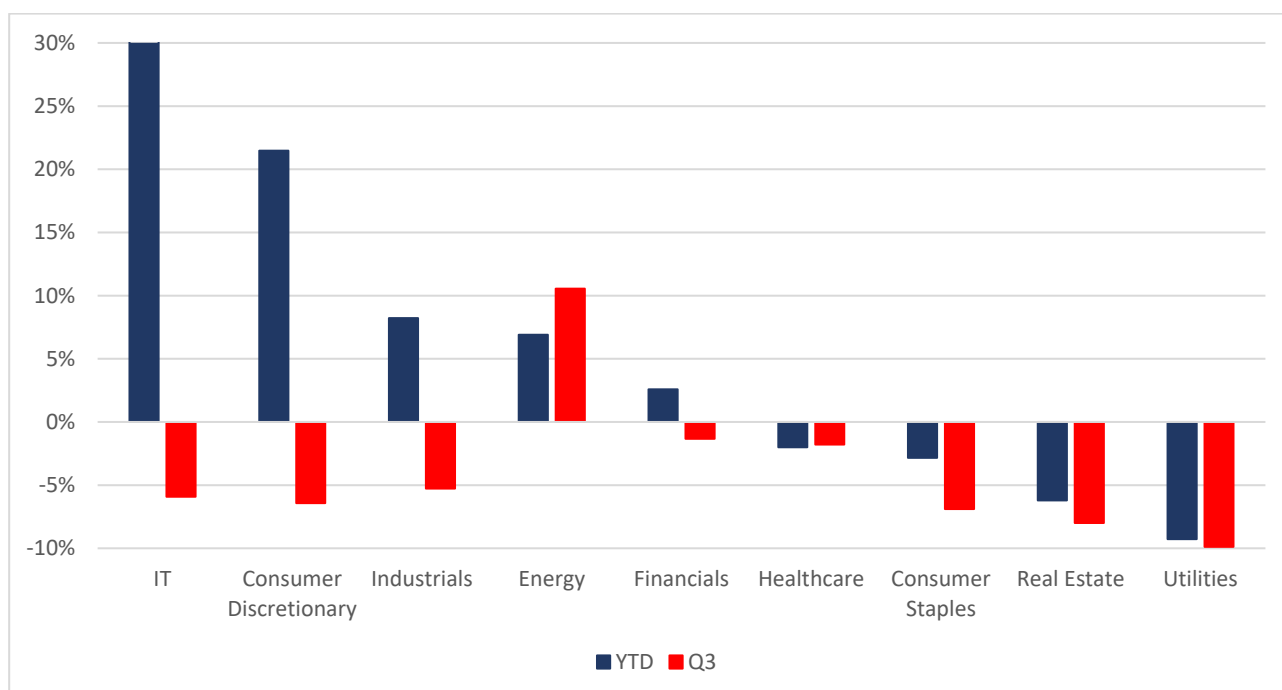
It meant another poor quarter of returns in bond markets, with US Treasuries -3.0% in Q3, and global government bonds -4.3%, as bond markets everywhere came under pressure and the dollar rose. The

USD trade weighted index was up 3.2% in the quarter, and by over 6% from its low for the year in mid-July.

Few assets could hold up in this environment, with most equity markets down – the Japanese and UK markets were up in local currency terms in Q3, but weakness of their currencies resulted in negative returns in dollar terms. Credit markets generally followed the path of government bonds and weakened, although the additional yield on junk bonds helped them to produce a small positive return.

The only notable strength was in the oil market, up 27% in the quarter, supported by OPEC+ production cuts and resilience in economies. Saudi Arabia and Russia extended their production cuts of 1m and 0.3m bpd respectively to year end, and the IEA expects this to lead to a substantial market deficit in Q4. However, with the price of Brent crude at \$95 at end September, some price resistance is likely, especially if, as we expect, global growth slows. The rise will have an impact on headline inflation in the short term, but is unlikely to affect core price inflation materially.

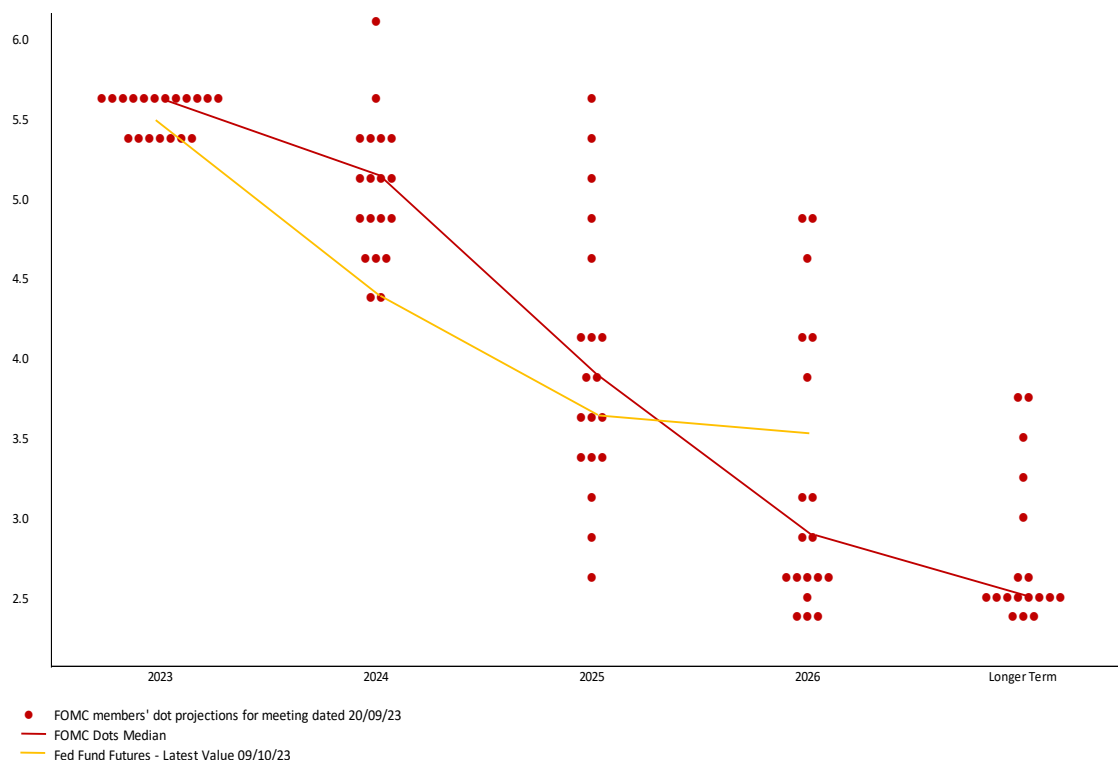
Energy sector the only winner in Q3 2023



Source: Bloomberg Finance L.P., Momentum Global Investment Management as at 29 September 2023

It is the stickiness of core prices that led to all three of the big central banks increasing policy rates further in Q3, the Fed and Bank of England by 0.25% to 5.5% and 5.25% respectively, and the ECB by 0.50% to 4.0%. Although the Fed and Bank of England paused on rate hikes in their September policy meetings, and the ECB signalled that 4% was probably at peak levels, none closed the door to further rate rises, and all three committed to keeping rates high and restrictive for as long as necessary to bring inflation to target. Each will now be guided by economic data in determining policy, shifting from forward guidance and thereby heightening uncertainty for investors, with markets likely to be buffeted by data releases.

Data from the US economy has proved to be surprisingly strong this year, and the labour market remains tight, with wages rising at close to 6%, key factors in the Fed's continuing hawkishness. At its September policy meeting, the Fed's quarterly 'dot plot' of governors' expectations showed rate cuts were not expected before the second half of 2024, with Fed Funds still over 5% by the end of next year, with the median forecast 50bps higher than 3 months earlier.



Source: Bloomberg Finance L.P., Momentum Global Investment Management as at 29 September 2023

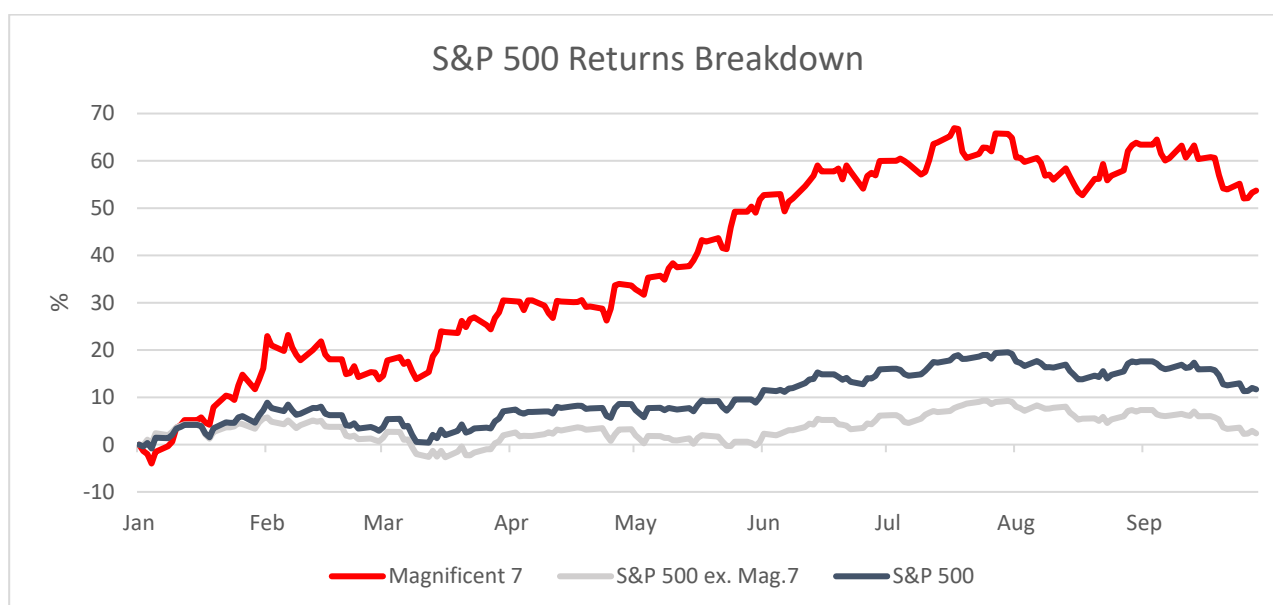
Similar messages were delivered by the European Central Bank and Bank of England, the one outlier continuing to be the Bank of Japan (BoJ), which has maintained its negative policy rate and yield curve control (YCC), aiming to keep the 10Y government bond yield at zero, within tightly defined limits. However, with headline and core inflation holding above 3% throughout 2023, pressure has been building on the BoJ to tighten policy, and to phase out YCC, which as a policy tool perversely becomes more stimulative as inflation rises, taking real rates further into negative territory. The BoJ made a move in this direction in July, by keeping the target yield at zero but effectively increasing the upper limit to 1%. Although the yield almost doubled during Q3, it remains at only 0.75%, so that the interest rate differential between the yen and other major currencies continued to widen, putting pressure on the yen, down by 12.2% against the dollar this year to its lowest since 1990.

The potential inflationary impacts of the fall in the yen have raised concerns in government, with speculation growing that currency intervention will be used to stem the decline. We expect the BoJ to tighten policy before long by withdrawing YCC and raising rates into positive territory, although any moves are likely to be cautious to avoid undue volatility. The risks of sudden and substantial repatriation of funds to Japan cannot be ruled out, creating sharp moves in the yen and Japanese assets, with the potential for some imbalances and disruption in the short term, but they are very unlikely to be systemic in nature. The biggest loser of any rise in bond yields will be the dominant owner of them, the BoJ, which holds 53% of the JGB market following years of QE. We remain positive about Japanese equities, given their still attractive valuation and the improved shareholder returns from ongoing reforms in the corporate sector, and would see any setback in the market as a buying opportunity.

Problems in China continued to mount, although the equity market was relatively stable, down only 2% in Q3, after steep falls earlier in the year. The slowdown in the economy continued, leading indicators remained soft, retail sales weak, exports and imports have been falling year-on-year, and inflation has been stuck around zero for 6 months. Deepening problems in the highly leveraged property development industry added to the woes, with 2 of the biggest developers, Country Garden and Evergrande, struggling to avoid debt defaults, and facing restructuring. Equity and bond prices in the sector sold off heavily, and contagion risks remain a concern, especially among local governments and their funding arms, local government financing vehicles, created to finance infrastructure and real estate developments. China is also grappling with the impact of US-imposed constraints on technology imports, de-globalisation and re-shoring of supply chains, with evidence mounting of the damage to activity and investment. China's authorities have responded to the weakness with stimulus measures, although the scale has been modest, limited by already high debt levels. The People's Bank of China has cut interest rates in small increments and injected liquidity while measures have been taken to encourage bank lending and stock market investing.

The scale of China's cyclical and structural problems is considerable, but is increasingly being recognised in the equity market, down by some 50% from the peak. The debt problem is not likely to be systemic, with very limited contagion risks globally, and China has the wherewithal to work through its problems. Its growth rate will inevitably continue to slow, but opportunities both for recovery and longer-term growth are opening up for investors.

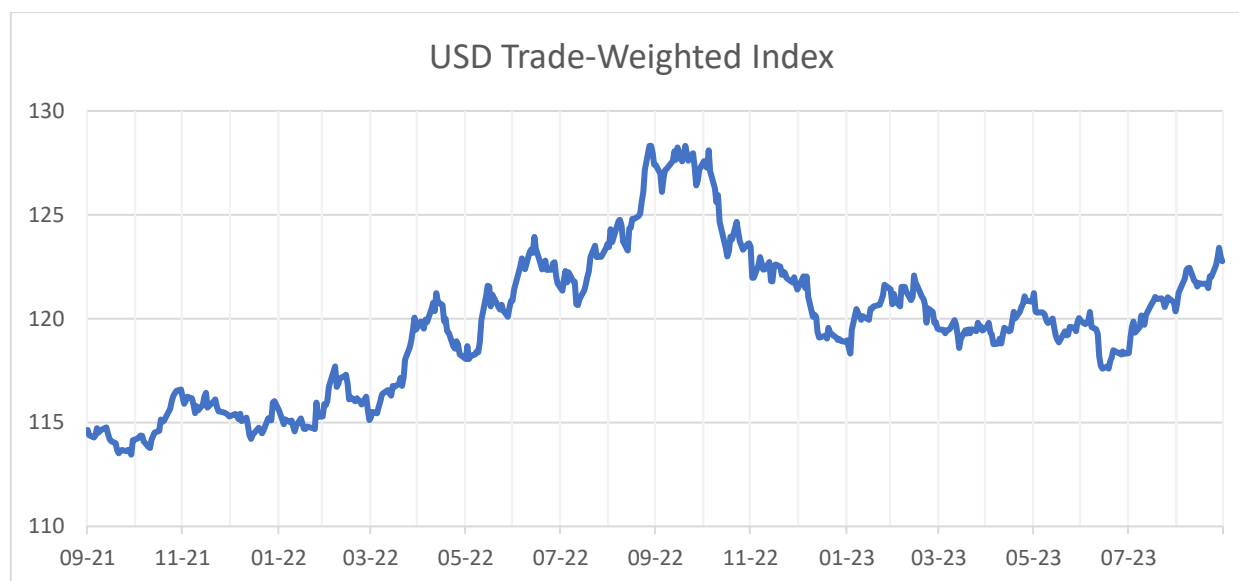
The dominance of US mega cap tech stocks faded in Q3. The 'Magnificent 7' fell by 3.9%, slightly below the S&P 500 -3.4%, and has traded broadly sideways since mid-June. That still leaves these 7 US stocks up by 54% YTD, meaning the rest of the market is largely unchanged. Some pause after a rise of this magnitude is warranted, and it is perhaps surprising that stocks which are highly valued based on earnings far into the future, have held up so well at a time when the longer term bond yields used to discount those earnings have soared.



Source: Bloomberg Finance L.P., Momentum Global Investment Management as at 29 September 2023

We are arguably entering the most dangerous part of this long monetary cycle. The battle to control inflation is well underway; progress has been made, but the easiest part of that job is over, with the more challenging and uncertain part ahead. Resilience of economies, especially that of the US, and of labour markets, is making core inflation more persistent than anticipated and tougher to control. Policy rates are now at or very close to the peak, but the big uncertainty is for how long they will need to be

kept at restrictive levels to bring core inflation down to target. The huge moves in long term bond yields in recent weeks is a reflection both of this core inflation uncertainty and the deteriorating budgetary and fiscal backdrop in the US, with investors demanding higher nominal and real yields to offset the macro and fundamental risks. The danger is that the longer rates stay in the firmly restrictive territory in which they are now, the greater is the risk of a financial accident and of tipping the economy into recession. Anyone taking out a new 30-year mortgage in the US today will be paying an interest rate of around 7.5%, up by 80 bps in the past 3 months to the highest level since 2000. As companies seek to refinance debt, especially those with weaker balance sheets, it will be increasingly difficult and costly, while government debt piles will become a much bigger burden. There is no hiding place under these circumstances, and at the moment, no end in sight.



Source: Bloomberg Finance L.P., Momentum Global Investment Management as at 29 September 2023

The risk of policy error is rising, and at this stage those risks seem to be firmly tilted towards staying too tight for too long, after the too easy for too long error in the upswing. Central banks seem prepared to risk a sharp slowdown, rather than easing too early, then having to pay an even heavier price in the event of inflation picking up again.

This challenging and uncertain environment calls for caution in equity markets in the short term, a caution amplified by the big valuation shift in the past few weeks in favour of bonds, especially those with longer maturity. Yields of US Treasury bonds with maturities of 10 years or more are at their highest levels in almost 15 years, and offer real yields of well over 2%. As nominal yields head close to 5%, we believe they are firmly in attractive valuation territory, and would be the biggest beneficiaries of a recession or financial mishap. We see a slowdown as inevitable, with Europe and the UK more vulnerable than the US to recession, and while we do not see systemic risks, with balance sheets of households, companies and, critically, banks, generally in good shape and resilient, accidents are rarely forewarned. We have been increasing exposure to safe-haven government bonds in short maturities in recent months but are now looking for opportunities to extend duration as we enter the latter stages of the cycle, taking advantage of high risk-free yields and the prospect of capital gains as economies slow and rate cuts come into view.

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

9. Market performance

		To 29 September 2023			
Asset class/region	Index	Currency	Quarter	Year-to-date	12 months
Developed markets equities					
United States	S&P 500 NR	USD	-3.4%	12.7%	15.3%
United Kingdom	MSCI UK NR	GBP	2.6%	5.2%	5.4%
Continental Europe	MSCI Europe ex UK NR	EUR	-3.1%	9.2%	15.8%
Japan	Topix TR	JPY	2.5%	25.7%	22.0%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	-3.4%	-0.4%	0.3%
Global	MSCI World NR	USD	-3.5%	11.1%	15.6%
Emerging markets equities					
Emerging Europe	MSCI EM Europe NR	USD	1.8%	15.0%	56.3%
Emerging Asia	MSCI EM Asia NR	USD	-2.9%	1.0%	-0.3%
Emerging Latin America	MSCI EM Latin America NR	USD	-4.7%	12.9%	18.2%
BRICs	MSCI BRIC NR	USD	-0.8%	-1.1%	-3.3%
China	MSCI EM China NR	USD	-1.9%	-7.3%	-7.5%
Global emerging markets	MSCI EM (Emerging Markets) NR	USD	-2.9%	1.8%	1.3%
Bonds					
US Treasuries	JP Morgan United States Government Bond Index TR	USD	-3.0%	-1.3%	-1.8%
US Treasuries (inflation protected)	Barclays Capital U.S. Government Inflation Linked TR	USD	-2.8%	-0.9%	-3.9%
US Corporate (investment grade)	ICE BofA US Corporate Index	USD	-2.7%	0.4%	0.9%
US High Yield	ICE BofA US High Yield Index	USD	0.5%	6.0%	7.0%
UK Gilts	JP Morgan United Kingdom Government Bond Index TR	GBP	-0.7%	-4.3%	-9.8%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt Index	GBP	2.2%	1.2%	-1.9%
Euro Government Bonds	Citigroup EMU GBI All Maturities EUR	EUR	-2.5%	0.0%	-3.4%
Euro Corporate (investment grade)	ICE BofA Euro Corporate Index	EUR	0.3%	2.3%	1.0%
Euro High Yield	ICE BofA Euro High Yield Index	EUR	1.7%	6.1%	6.3%
Japanese Government	JP Morgan Japan Government Bond Index TR	JPY	-3.2%	-0.5%	-2.8%
Australian Government	JP Morgan Australia GBI TR	AUD	-0.8%	0.4%	1.1%
Global Government Bonds	JP Morgan Global GBI	USD	-4.3%	-3.4%	-1.6%
Global Bonds	ICE BofAML Global Broad Market Index	USD	-3.9%	-2.4%	-0.5%
Global Convertible Bonds	UBS Global Focus Convertible Bond	USD	-2.9%	1.8%	4.6%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	-3.4%	-0.2%	4.9%

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

		To 29 September 2023			
Asset class/region	Index	Currency	Quarter	Year-to-date	12 months
Property					
US Property Securities	MSCI US REIT NR	USD	-7.3%	-2.9%	-4.0%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	-3.6%	-2.1%	1.5%
Asia Property Securities	S&P Asia Property 40 Index NR	USD	-3.1%	-9.8%	-7.9%
Global Property Securities	S&P Global Property USD TR	USD	-4.6%	-3.6%	-4.1%
Currencies					
Euro		USD	-3.1%	-1.2%	7.8%
UK Pound Sterling		USD	-4.0%	0.9%	8.9%
Japanese Yen		USD	-3.4%	-12.3%	-4.7%
Australian Dollar		USD	-3.4%	-5.5%	-5.6%
South African Rand		USD	-0.5%	-9.8%	-9.4%
Commodities & Alternatives					
Commodities	RICI TR	USD	9.1%	1.3%	-1.5%
Agricultural Commodities	RICI Agriculture TR	USD	0.3%	0.8%	2.6%
Oil	ICE Crude Oil CR	USD	27.2%	10.9%	-10.0%
Gold	Gold Spot	USD	-3.7%	1.3%	13.1%
Hedge funds	Dow Jones Credit Suisse Hedge Fund USD	USD	1.8%	3.7%	3.6%

Source: Bloomberg Finance L.P. September 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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