

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Contents	Page
General Information	3
Investment Manager's Report	4
Directors' Report	5
Independent Auditor's Report	6
Custodian's Report	8
Supplementary Information	9
Portfolio Statement	10
Statement of Financial Position	11
Statement of Comprehensive Income	12
Statement of Cash Flows	13
Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares	14
Notes to the Financial Statements	15

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

General Information

Address and Registered Office

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

Directors of the Incorporated Cell

Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ferdinand van Heerden
Kapil Joshi (appointed 23 February 2021)

Investment Manager

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

Administrator, Registrar & Secretary

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

Distribution Partner

FGAM (Pty) Limited
299 Dey Street
New Muckleneuk
Pretoria
0181, South Africa

Legal Advisor

Carey Olsen
Carey House
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 4BZ

Manager

Momentum Wealth International Limited
La Plaiderie House
La Plaiderie
St Peter Port, Guernsey
Channel Islands
GY1 1WF

Independent Auditor

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

Custodian

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3DA

Sub-Investment Manager

FGAM (Pty) Limited
299 Dey Street
New Muckleneuk
Pretoria
0181, South Africa

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Investment Manager's Report

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

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

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

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

Over the past 12 months, the key contributor to performance has been equity manager selection, with the Momentum Global Equity Fund and Sands Capital Global Growth outperforming within the equity component of the Fund, and Clearance Camino, our European listed property specialist, outperforming within the property component of the Fund. The Fund's underweight allocation to fixed income was positive, but the decision to diversify into gold as an alternative defensive asset was not rewarded, with gold prices flat to slightly down over the past year.

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

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

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

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Directors' Report

The Directors present their annual report together with the audited financial statements of FGAM Global Cautious Fund IC Limited (the "Incorporated Cell" or "Cell") for the year ended 30 June 2021.

Principal activities

The Cell with company number 46258 is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company"). The activities and objectives of the Cell can be found in note 1 page 15.

Going concern

The Directors have made an assessment of going concern including consideration of the ongoing impact of the COVID-19 global pandemic on the Cell. Refer to note 2.1 for the detailed disclosure.

Directors

The Directors of the Cell during the year and at the date of this report are set out on page 3.

Directors' interests

None of the Directors who held office during the year and at the date of this report had any disclosable interests in the shares of the Incorporated Cell.

Directors' responsibilities

The Directors are responsible for preparing the financial statements for each financial year, which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Incorporated Cell and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Incorporated Cell will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Incorporated Cell and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the Incorporated Cell and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Director is aware, there is no relevant audit information of which the Incorporated Cell's auditor is unaware and each Director has taken all the steps they ought to have as a Director to make themselves aware of any relevant audit information and to establish that the Incorporated Cell's auditor is aware of that information.

The Board of Directors confirms that, throughout the period covered by the financial statements, the Cell complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

The annual report together with the audited financial statements of the Incorporated Cells are published on the Manager's website. The Manager is responsible for the maintenance and integrity of the website; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may occur to the financial statements after they are initially presented on the website. The Directors appreciate there is uncertainty regarding legal requirements of information published on the internet as it is accessible in many countries and legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors

Ernst & Young LLP have indicated their willingness to continue in office. The reappointment of Ernst & Young LLP will be proposed within the next written resolution to deal with annual business.



Marie Curutchet

Director

28 September 2021



Robert Rhodes

Director

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Independent Auditor's Report to the Members of FGAM Global Cautious Fund IC Limited

Opinion

We have audited the financial statements of FGAM Global Cautious Fund IC Limited (the "Incorporated Cell") for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the Incorporated Cell's affairs as at 30 June 2021 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with International Financial Reporting Standards; and
- ▶ have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Incorporated Cell in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Incorporated Cell's ability to continue as a going concern for a period to 31 December 2022 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Incorporated Cell's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- ▶ proper accounting records have not been kept by the Incorporated Cell; or
- ▶ the financial statements are not in agreement with the Incorporated Cell's accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Incorporated Cell's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Incorporated Cell or to cease operations, or have no realistic alternative but to do so.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Independent Auditor's Report to the Members of FGAM Global Cautious Fund IC Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the Incorporated Cell and determined that the most significant are those that relate to the reporting framework (International Financial Reporting Standards, The Companies (Guernsey) Law, 2008 and Protection of Investors (Bailiwick of Guernsey) Law, 1987);
- ▶ We understood how the Incorporated Cell is complying with those frameworks by making enquiries of management and those responsible for compliance matters and corroborated this by reviewing minutes of meetings of the Board of Directors and correspondence between the Incorporated Cell and the Guernsey Financial Services Commission. We gained an understanding of the Board's approach to governance, demonstrated by its review of compliance reports, the investment manager's reports and internal control processes;
- ▶ We assessed the susceptibility of the Incorporated Cell's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by identifying the recognition of realised gains and losses on investments at year-end (cut-off) as a fraud risk. We considered the controls the Incorporated Cell has established to address the risk identified by the directors or that otherwise seek to prevent, detect or deter fraud and how management and those charged with governance monitor those controls. We also considered the existence of any stakeholder influences which may cause management to seek to manipulate the financial performance and did not note any;
- ▶ Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the review of minutes of meetings of the Board of Directors; review of compliance reports; review of correspondence with the Guernsey Financial Services Commission; making inquiries of those charged with governance; and performance of journal entry testing based on our risk assessment and understanding of the business, with a focus on non-standard journals and those relating to areas with an identified associated fraud risk, as described above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Incorporated Cell's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so This report is made solely to the Incorporated Cell's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law 2008 and Paragraph 4.02(3) of the Authorised Collective Investment Schemes (Class B) Rules, 2013. Our audit work has been undertaken so that we might state to the Incorporated Cell's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Incorporated Cell and the Incorporated Cell's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

4753914588A54C3...
Ernst & Young LLP

Guernsey, Channel Islands

Date: **September 30, 2021**

Notes:

1. The maintenance and integrity of the Momentum Mutual Fund ICC Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021
Custodian's Report to the Members of FGAM Global Cautious Fund IC Limited

In our opinion, the Cell has, in all material aspects, been managed for the year ended 30 June 2021 in accordance with the provisions of the Principal Documents, Scheme Particulars and The Authorised Collective Investment Schemes (Class B) Rules 2013.

A handwritten signature in black ink, appearing to read "Brandon Madia Leung". The signature is written in a cursive, flowing style.

For and on behalf of
Northern Trust (Guernsey) Limited
28 September 2021

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Supplementary Information

	30.06.21	30.06.20
1. NUMBER OF SHARES OUTSTANDING		
Class A	8,254,590	11,224,181
Class B	10,187,055	6,594,882
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.39	1.25
Class B	1.24	1.12
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.40 / 1.25	1.33 / 1.10
Class B	1.26 / 1.12	1.19 / 0.99
4. NUMBER OF SHARES SUBSCRIBED		
Class A	153,676	607,764
Class B	3,592,173	770,639
5. NUMBER OF SHARES REDEEMED		
Class A	3,123,267	10,044,524
Class B	-	2,639,208

*The highest/lowest price is based on prices from prior year end to current year end, being 30.06.2021.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Collective Investment Schemes 97.35% (2020: 87.97%)			
Commodity Funds			
iShares Physical Gold ETF	42,362	1,457,829	6.04
Total Commodity Funds		1,457,829	6.04
Equity Funds			
Alma Hotchkis & Wiley Global Value Fund Class I	1,726	222,499	0.92
Artisan Global Value Fund	26,924	748,478	3.10
Fidelity Funds - Emerging Markets Fund	20,040	431,052	1.79
Fundsmith Equity Fund Feeder	17,154	629,048	2.61
Momentum GF Global Equity Fund	8,181	1,504,771	6.24
Morgan Stanley Investment Funds - Global Brands Fund	2,607	515,425	2.14
Nedgroup Investments Funds Global Equity Fund Class A	245,463	703,349	2.92
Orbis Global Equity Fund Class Shared Investor RRF	1,718	543,750	2.25
Sands Capital Funds - Sands Capital Global Growth Fund	16,164	940,252	3.90
Sands Capital Funds - Sands Emerging Markets Growth Fund	14,969.00	354,313	1.47
Total Equity Funds		6,592,937	27.34
Fixed Income Funds			
BlackRock Fixed Income Dublin Funds - US Corporate Bond Index Fund	65,708	1,271,641	5.27
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	14,196	1,544,824	6.41
Institutional Cash Series - Institutional Ultra Short Bond Fund	34,328	4,007,545	16.62
iShares \$ TIPS UCITS ETF	9,076	2,253,176	9.34
iShares \$ Treasury Bond 1-3yr UCITS ETF	436,734	2,362,731	9.80
iShares \$ Treasury Bond 3-7yr UCITS ETF	8,124	1,135,495	4.71
iShares \$ Treasury Bond 7-10yr UCITS ETF	2,180	459,594	1.91
Total Fixed Income Funds		13,035,006	54.06
Property and Infrastructure Funds			
Catalyst Global Real Estate Fund Class D	343,613	904,528	3.75
Clearance Camino Fund	409,104	776,494	3.22
Maple-Brown Abbott Global Infrastructure Fund	492,464	709,493	2.94
Total Property and Infrastructure Funds		2,390,515	9.91
Total Collective Investment Schemes		23,476,287	97.35
Financial assets at fair value through profit or loss		23,476,287	97.35
Other Net Assets: 2.65% (2020: USD2,570,802; 12.03%)		640,005	2.65
Net Assets Attributable To Holders of Participating Redeemable Shares		24,116,292	100.00

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Statement of Financial Position

	Notes	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	23,476,287	18,806,728
Cash and cash equivalents	7	704,885	3,062,745
Other receivables	8	450	404
Total assets		<u>24,181,622</u>	<u>21,869,877</u>
LIABILITIES			
CURRENT LIABILITIES			
Securities purchased payable	3	-	309
Due on redemption of participating redeemable shares	3	-	460,706
Fair value of derivative financial instruments	9	28,509	1,924
Other payables	10	36,819	29,406
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		65,328	492,345
Net assets attributable to holders of participating redeemable shares	3 & 12	24,116,292	21,377,530
Total liabilities		<u>24,181,620</u>	<u>21,869,875</u>
SHAREHOLDERS' EQUITY			
Management shares	11	2	2
Total equity		<u>2</u>	<u>2</u>
Total equity and liabilities		<u>24,181,622</u>	<u>21,869,877</u>
Net asset value per participating redeemable share	12		
Class A		1.39	1.25
Class B		1.24	1.12

The notes 1 to 17 on pages 15 to 25 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 September 2021 and signed on its behalf by



Marie Curutchet
Director



Robert Rhodes
Director

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Statement of Comprehensive Income

	Notes	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
INCOME			
Net realised gains on financial assets at fair value through profit or loss	6	822,957	213,223
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	6	1,728,581	(917,810)
Net gains/(losses) on financial assets at fair value through profit or loss		<u>2,551,538</u>	<u>(704,587)</u>
Deposit interest		(349)	1,170
Dividend income		12,826	24,257
Net loss on forward derivative contracts		(60,206)	(12,789)
Other foreign exchange gains		9,939	11,428
Other income	14	2,165	737
Total net income/(loss)		<u>2,515,913</u>	<u>(679,784)</u>
OPERATING EXPENSES			
Audit fee		(14,052)	(7,815)
Custodian fee	14	(12,103)	(15,464)
Investment Management fee	14	(141,890)	(177,933)
Management and Administration fee	14	(51,136)	(59,280)
Sundry expenses		(8,537)	(6,357)
Total operating expenses		<u>(227,718)</u>	<u>(266,849)</u>
Net profit/(loss) for the year		<u>2,288,195</u>	<u>(946,633)</u>
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		<u>2,288,195</u>	<u>(946,633)</u>

All items in the above statement derive from continuing operations. There is no difference between the increase/(decrease) in net assets attributable to holders of participating redeemable shares and comprehensive income.

The notes 1 to 17 on pages 15 to 25 form part of these financial statements.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Statement of Cash Flows

	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations	2,288,195	(946,633)
ADJUSTMENT FOR:		
Net realised gains on financial assets at fair value through profit or loss	(822,957)	(213,223)
Net unrealised (gains)/losses on financial assets at fair value through profit or loss	(1,728,581)	917,810
Net settlement on derivatives and other foreign exchange	16,646	(9,504)
Dividend income	(12,826)	(24,257)
Deposit interest	349	(1,170)
Operating loss before working capital changes	<u>(259,174)</u>	<u>(276,977)</u>
Net decrease in amounts due to / from fund managers		
Net (increase)/decrease in other receivables	(46)	4,089
Net increase/(decrease) in other payables	7,413	(9,937)
Purchase of financial assets at fair value through profit or loss	(6,877,826)	(6,560,043)
Sale of financial assets at fair value through profit or loss	4,759,496	22,206,986
Dividend received	12,826	24,257
Deposit interest	(349)	1,170
Net cash (used in)/generated from operating activities	<u>(2,357,660)</u>	<u>15,389,545</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	4,582,298	1,680,586
Cash paid on redemption of participating redeemable shares	(4,592,437)	(15,114,277)
Net cash used in financing activities	<u>(10,139)</u>	<u>(13,433,691)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,367,799)</u>	<u>1,955,854</u>
Cash and cash equivalents at the beginning of the year	3,062,745	1,095,463
Effect of foreign exchange rate on cash	9,939	11,428
Cash and cash equivalents at the end of the year	<u>704,885</u>	<u>3,062,745</u>

The notes 1 to 17 on pages 15 to 25 form part of these financial statements.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares

	Notes	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		21,377,530	36,227,762
Proceeds from issuance of participating redeemable shares	11	4,582,298	1,671,384
Payments on redemption of participating redeemable shares	11	(4,131,731)	(15,574,983)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		2,288,195	(946,633)
Net assets attributable to holders of participating redeemable shares at the end of the year	12	<u>24,116,292</u>	<u>21,377,530</u>

The notes 1 to 17 on pages 15 to 25 form part of these financial statements.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

1. General information

The FGAM Global Cautious Fund IC Limited (the "Incorporated Cell" or "Cell") with company number 46258 is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

The Cell's investment activities are managed by Momentum Wealth International Limited (the "Manager"), with the investment management delegated to Momentum Global Investment Management Limited (the "Investment Manager") and FGAM (Pty) Ltd, acting as the Sub-Investment Manager.

The Cell's objective is capital preservation. A significant proportion of the portfolio will be held in the base currency and while the portfolio will invest in cash and bond investments they will also invest into a wide range of other asset classes, in line with its investment objectives, including equities and property and so some degree of volatility is to be expected.

The Cell intends to achieve its investment objective by investing globally, primarily via other Collective Investment Schemes, in a wide range of asset classes including cash, bonds, property and equities. The Cell is suitable for investors with a time horizon of between 3 years or longer. The Cell may invest in the units of Collective Investment Schemes which are also managed by the Manager or an associate of the Manager. The Cell may invest in forward foreign currency exchange contracts to reduce its currency exposure.

The supplements for the Cell was amended on 30 June 2021, hereafter the "Effective Date" implementing the changes as explained below:

On the Effective Date, the Investment Management Fee (Under Section I) of the Cell, will change to:

In respect of the Class A USD Shares, the Investment Management Fee will be calculated on the sliding scale below, and will be borne by the Class A USD Shares on a pro rata basis by reference to the proportion of the NAV of the Class A USD Shares in the aggregate NAV of the FGAM Cells:

Aggregate NAV of FGAM Cells	Fee (per annum)
On assets between US\$0 and US\$100m	0.65%
On the amount above US\$100m	0.575%

In respect of the Class B USD Shares, the Investment Management Fee will be calculated on the sliding scale below, and will be borne by the Class B USD Shares on a pro rata basis by reference to the proportion of the NAV of the Class B USD Shares in the aggregate NAV of the FGAM Cells:

Aggregate NAV of FGAM Cells	Fee (per annum)
On assets between US\$0 and US\$100m	0.45%
On the amount above US\$100m	0.375%

The Financial Statements were authorised for issue by the Board of Directors on 28 September 2021.

2. Summary of significant accounting policies

The principal accounting policies detailed below have been consistently applied in the preparation of the financial statements.

2.1 Basis of preparation

The financial statements for the Incorporated Cell have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, which are disclosed in note 4 of these Incorporated Cell's financial statements. It also requires the Board of Directors to exercise its judgement in the process of applying the Incorporated Cell's accounting policies.

Going concern

The COVID-19 pandemic and the resultant uncertain economic environment and financial market volatility caused by it continues to create uncertainty in the operating environment of the Cell. All service providers have continued to operate effectively throughout the relevant COVID-19 local government restrictions. No concerns regarding liquidity, valuations or COVID-19 service provider issues have been identified that cause the Board to have any concern regarding the ongoing operation of the Cell or that require any changes to the Financial Statements of the Cell.

Notwithstanding the challenges arising from the impact of the COVID-19 virus, the Cell continues to operate, administer and price the Funds in accordance with regulatory requirements and in accordance with relevant accounting standards. The Cell will continue to monitor fund liquidity and market volatility to ensure funds are managed in the best interests of shareholders.

At the time of approving the financial statements, the Board has assessed redemption levels and there have been no significant redemptions. The Board has also considered the liquid nature of the investment portfolio, the absence of any borrowings or commitments and the economic viability of the Cell which is driven by its net asset value.

After careful consideration, the Board are satisfied that the Cell has sufficient liquidity to meet its liabilities for the period to 31 December 2022 and therefore it is appropriate to adopt the going concern basis in preparing the financial statements and they have a reasonable expectation that the Cell will continue in existence as a going concern.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards

Standards, amendments and interpretations effective during the year

The following accounting standards, amendments and interpretations became effective for the first time this year:

Periods beginning on or after 1 January 2020:

- a) Definition of a Business (Amendments to IFRS 3)
- b) Amendments to References to the Conceptual Framework in IFRS Standards
- c) Definition of Material (Amendments to IAS 1 and IAS 8)
- d) Interest Rate Benchmark Reform Phase 1: (Amendments to IFRS 9, IAS 39 and IFRS 7)

Periods beginning on or after 1 June 2020:

- e) COVID-19-Related Rent Concessions (Amendment to IFRS 16)

In March 2021 the International Accounting Standards Board issued COVID-19-Related Rent Concessions beyond 30 June 2021, which extended the availability of the practical expedient by one year.

The adoption of these standards has not had a material impact on the financial statements of the Incorporated Cell.

Standards, amendments and interpretations in issue not yet effective

A number of new Standards, amendments and interpretations are effective for annual periods beginning on or after 1 January 2021, and have not been early adopted in preparing these financial statements. These include:

- (a) Interest Rate Benchmark Reform - phase 2 - Effective from 1 January 2021

Amendments to assist in the application of IFRS Standards when changes are made to contractual cash flows or hedging relationships due to the IBOR reforms.

- (b) IAS 16 - Property, Plant and Equipment - Effective from 1 January 2022

Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced.

- (c) IAS 1 - Presentation of Financial Statements (Amendments) - Effective from 1 January 2023

Amendments regarding classification of liabilities and disclosure of accounting policies.

- (d) IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Effective from 1 January 2023

Amendments regarding the definition of accounting estimates.

- (e) IFRS 17 – Insurance Contracts. Effective from 1 January 2023

The Board anticipates that the adoption of these standards, which will be adopted in the period which they become effective, will not have a material impact on the financial statements of the Cell.

The Directors have adopted a policy of applying new standards and interpretations when they become effective.

2.3 Foreign currency translation

- (a) Functional and presentation currency

The currency in which the financial information is shown in the financial statements of the Incorporated Cell is deemed to be its functional and presentational currency. In arriving at the functional currency, the Directors have considered the primary economic environment of the Incorporated Cell, and in doing so have considered the currency in which the original capital was raised, any distributions are to be made, performance is evaluated and ultimately, the currency in which capital would be returned on break up basis. They have also considered the currency to which the majority of the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that the currency selected best represent the functional currency.

- (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

2.4 Financial assets and financial liabilities at fair value through profit or loss

- (a) Classification

The Incorporated Cell classifies its investments in Collective Investment Schemes, equities, and related derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified by the Board of Directors at fair value through profit or loss at inception. The Incorporated Cell does not classify any derivatives as hedges in a hedging relationship. Financial assets and financial liabilities are designated at fair value through profit or loss at inception, are managed, and their performance evaluated on a fair value basis in accordance with the Incorporated Cell's documented investment strategy. The Incorporated Cell's policies are for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

- (b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date of the underlying security, so long as the underlying transaction has been confirmed by the relevant counterparty as at the Statement of Financial Position date. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Incorporated Cell has transferred substantially all risks and rewards of ownership.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.4 Financial assets and financial liabilities at fair value through profit or loss (continued)

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income of the Incorporated Cell. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Incorporated Cell adopted to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. As a practical expedient to establish fair value within the bid-ask spread, management will use mid-market pricing. The market price used for assets which are not traded in active markets are those as supplied by their fund administrators.

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.6 Forward currency contracts

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other losses and gains in the period in which they arise.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.8 Other financial instruments

For other financial instruments, including amounts due to and from brokers and all receivables and payables, the carrying amounts as shown in the Statement of Financial Position approximate to fair value due to the short-term nature of these financial instruments.

2.9 Share capital

The Incorporated Cell has an authorised share capital of 100 Management shares of USD1.00 each and an unlimited number of no par value participating redeemable shares.

(a) Management shares

Management shares were issued to comply with Guernsey Company Law, prior to its revision in 2008, under which there had to be a class of non redeemable shares in issue in order that participating redeemable shares may be issued. The management shares are beneficially owned by the Manager, do not carry any right to dividends, are only entitled to vote at shareholder meetings where there are no participating redeemable shares in issue within the Incorporated Cell and are only entitled to return of capital on the winding up of the Incorporated Cell.

The Incorporated Cell has issued 2 management shares.

(b) Participating redeemable shares

The Incorporated Cell's capital is represented by participating redeemable shares with no par value each carrying one vote, no matter which share class. Each share class carries identical rights, the only difference between the classes being either the management fee or the distribution partner fee which is charged to each class. These fees are disclosed in note 14.

The participating redeemable shares are redeemable at the holder's option and are classified as financial liabilities. Participating redeemable shares can be put back to the Incorporated Cell at any time for cash equal to a proportionate share of the Incorporated Cell's net asset value. The participating redeemable share is carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the share back to the Incorporated Cell.

All participating redeemable shares will rank equally for all dividends and other distributions, as adjusted to reflect any differences in the fees to which each class of participating redeemable share is subject. They are entitled to payment of a proportionate share based on the Cell's net asset value per share on the redemption date. The Cell has no restrictions or specific capital requirements on the subscriptions and redemptions of shares. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares. In accordance with the Cell's investment objectives, and its risk management policies, the Cell endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

To determine the net asset value of the Cell for subscriptions and redemptions, investments have been valued based on the last traded market prices as of the close of business on the relevant trading day.

2.10 Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations

Income not distributed is included in Net Assets Attributable to Holders of Participating Redeemable Shares of the Incorporated Cell's financial statements.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.11 Capital risk management

The fair value of the Cell's financial assets and financial liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, shares are considered to be capital.

The Incorporated Cell's objective when managing capital is to safeguard their ability to continue as a going concern in order to provide returns for shareholders. There are no externally imposed capital requirements on the Incorporated Cell. The Incorporated Cell has no intention to borrow, other than to fund short-term liquidity requirements. The Incorporated Cell may arrange an overdraft facility for such purposes.

2.12 Interest and dividend income

Dividend income is recognised when the right to receive payment is established. All deposit interest and other income is accounted for on an accruals basis.

2.13 Expenses

Expenses are accounted for on an accruals basis and all amounts have been allocated to the Statement of Comprehensive Income.

2.14 Custodian bank charges

Custodian bank charges include additional fees on top of the asking price of the security. The bid-asking spread is not disclosed as part of a custodian bank charge. This spread is included in the Statement of Comprehensive Income within the fair value net gain or loss.

2.15 Taxation

The Cell has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (2020:£1,200).

The Cell incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

3. Financial risk management

3.1 Strategy in using financial instruments

The Cell's activities and investment objectives expose it to a variety of financial risks: market risk (which is made up of price risk, interest rate risk and currency risk), credit risk and liquidity risk (including cash flow risk). The Cell's overall risk management programme seeks to maximise the return derived for the level of risk to which the Cell is exposed and focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Cell's financial performance. The following policies and procedures to mitigate risk have been in place throughout the year.

The Cell's policy allows it to use derivative financial instruments to both moderate and create certain risk exposure. The fair value of derivative financial instruments as at 30 June 2021 is disclosed under note 9 of these financial statements.

3.2 Market price risk

Market price risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices, other than those arising from currency or interest rate risk. The Cell is subject to market price risk as it trades primarily in equities and Collective Investment Schemes. Through its investment in traded securities and instruments the Cell is subject to market movements in the equity and bond markets.

All investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Cell's overall market positions are monitored by the Investment Manager and are reviewed by the Board of Directors.

The Cell's market price risk is managed through diversification of the investment portfolio by exposure to varying product categories, hence concentration of risk is minimised. At the year end, the financial assets at fair value through profit or loss, which are subject to market price risk, are as follows:

	2021		2020	
	Fair Value	% of net assets	Fair Value	% of net assets
	USD		USD	
Collective Investment Schemes	23,476,287	97.35	18,806,728	87.97
	23,476,287	97.35	18,806,728	87.97

The Cell's market price risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency exchange rate movements are covered in notes 3.3 and 3.5, respectively. If the market indices increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of participating redeemable shares would amount to:

	2021	2020
	Change in fair value	Change in fair value
	USD	USD
Collective Investment Schemes	2,347,629	1,880,673

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

3. Financial risk management (continued)

3.3 Interest rate risk

The Cell's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The majority of the Cell's financial assets and liabilities are non-interest bearing. As a result, the Cell is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The table below summarises the Cell's exposure to interest rate risks. It includes the Cell's assets and trading liabilities at fair values, all of which have contractual re-pricing or maturity dates within one month.

As at 30 June	2021	2020
	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	23,411,407	18,314,785
Net floating rate financial assets	704,885	3,062,745

Should interest rates have increased/decreased by 50 basis points with all other variables remaining constant, the increase/decrease in the net assets attributable to participating redeemable shareholders would amount to approximately:

As at 30 June	2021	2020
	<u>USD</u>	<u>USD</u>
Net floating rate financial assets	3,524	15,314

3.4 Cash flow risk

The Cell holds a significant amount of cash and cash equivalents that expose the Cell to cash flow interest rate risk. The risk exposure here is deemed minimal.

3.5 Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Cell holds assets including investments denominated in currencies other than the US Dollar, the functional currency, and therefore, it is exposed to currency risk. The exposures are based on the currencies of the underlying assets in the Cell. Where the Cell invests via Collective Investment Funds, the funds are treated as a single asset with its currency of exposure being assumed to be its reporting currency.

The table below summarises the Cell's exposure to currency risk:

As at 30 June	2021	2020
	<u>USD</u>	<u>USD</u>
EUR exposure	4,849,495	4,497,841
GBP exposure	21,733	21,049
JPY exposure	(28,509)	-

In accordance with the Cell's policy, the Investment Manager monitors the Cell's currency position on a regular basis, and the Board of Directors reviews it periodically. The Cell has the ability to enter into forward foreign exchange contracts in an attempt to mitigate any significant currency risk, however to date the Investment Manager and Board of Directors have deemed that such contracts have not been necessary.

Should the Cell's functional currency have strengthened, or weakened, by 5% against other currencies to which it is exposed, and all other variables, including the price of all investments, had held constant, the net asset attributable to participating redeemable shareholders would have increased, or decreased, as follows:

As at 30 June	2021	2020
	<u>USD</u>	<u>USD</u>
EUR exposure	242,475	224,892
GBP exposure	1,087	1,052
JPY exposure	(1,425)	-

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

3. Financial risk management (continued)

3.6 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

There is a risk that an investee company may be unable to satisfy a valid redemption request made by the Cell. The Directors consider that the Investment Manager mitigates this risk by way of its investment process, as described in note 3.2. No such redemption problems have been encountered.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. Delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. Given the relatively short settlement period, and the high credit quality of the brokers used, the risk here is considered to be minimal.

The Cell manages its exposure to credit risk associated with cash deposits by selecting Northern Trust (Guernsey) Limited as the counterparty to hold all cash deposits for the Cell. Northern Trust (Guernsey) Limited is wholly owned subsidiary of the Northern Trust Corporation. The credit rating for Northern Trust Corporation from Standard and Poor's is A+. The credit rating from Moody's is A2.

The Cell's maximum exposure to credit risk is the carrying value of the assets on the Statement of Financial Position.

3.7 Liquidity risk

Liquidity risk is the risk that the Cell will encounter difficulty in meeting obligations associated with its financial liabilities. The main liquidity risk is the risk that the Cell may be unable to recover funds invested through the usual redemption processes which may result in the Cell having insufficient funds to settle a transaction on the due date. Due to the nature of the Cell, the majority of investments held are in marketable securities that are readily tradeable and have reported no warnings regarding their ability to process redemptions as normal.

Within its prospectus, the Cell has the ability to borrow to meet short term liquidity requirements, up to the value of 10% of the NAV of the Cell. To date the Cell has not had to enter into such arrangements.

The following table analyses the Cell's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	2021	2021	2021	2020
	Less than	More than 12	Total	Less than
	1 month	months		1 month
	USD	USD	USD	USD
Financial assets at fair value through profit or loss	19,518,467	3,957,820	23,476,287	18,806,728
Cash and cash equivalents	704,885	-	704,885	3,062,745
Other receivables	448	-	448	402
Fair value of derivative financial instruments	(28,509)	-	(28,509)	(1,924)
Due on redemption of participating redeemable shares	-	-	-	(460,706)
Securities purchased payable	-	-	-	(309)
Other payables	(36,819)	-	(36,819)	(29,406)
Net assets attributable to holders of participating redeemable shares	(24,116,292)	-	(24,116,292)	(21,377,530)
Net liquidity position	(3,957,820)	3,957,820	-	-

Participating redeemable shares are redeemed on demand at the holder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash flows, as holders of these instruments typically retain them for the medium to long term.

3.8 Management of capital

The Board, with the assistance of the Investment Manager, manages the capital of the Cell in accordance with the investment objectives and policies. The Cell's overall strategy remains unchanged.

The Cell has no externally imposed capital requirements.

3.9 Fair value disclosure

In the opinion of the Directors, there are no material differences between the net asset values of the underlying assets and fair values of the financial assets and liabilities.

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

4. Critical accounting estimates and judgements

The fair value of investments is considered to be the quoted, active market prices, or prices as supplied by the fund administrators of the Cell's underlying investments.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

The fair value of investments in investee funds that are not quoted in an active market is determined primarily by reference to the latest available redemption price of such units for each investee fund, as determined by the administrator of such investee fund. The Investment Manager may make adjustments to the reported net asset value of various investee funds based on considerations such as:

- the liquidity of the investee fund or its underlying investments;
- the value date of the net asset value provided;
- any restrictions on redemptions; and
- the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the investee fund's advisors.

The prices are reviewed by the Investment Manager on a periodic basis. The Cell does not hold any level 3 investments.

5. Portfolio analysis

The Cell's portfolio is organised by focusing on the type of security held, and then secondarily by geographical analysis based on the location of the investment.

The Cell operates using the main sector types which are disclosed in note 3.2 and the following main geographical areas:

	2021	2020
	<u>USD</u>	<u>USD</u>
Bermuda	543,750	388,793
Channel Islands	776,494	760,224
Europe	22,156,043	17,657,711
	<u>23,476,287</u>	<u>18,806,728</u>

The geographical segment for listed non-monetary financial assets is considered to be the place of primary listing and for non-listed financial assets where the underlying investment is domiciled.

6. Financial assets at fair value through profit or loss

	2021	2020
	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss:		
Collective Investment Schemes	23,476,287	18,806,728
Total financial assets at fair value through profit	<u>23,476,287</u>	<u>18,806,728</u>
Movement on financial assets at fair value through profit or loss		
Fair value of financial assets at the beginning of the	18,806,728	34,867,237
Purchases of financial assets	6,877,517	6,560,352
Sales of financial assets	(4,759,496)	(21,916,274)
Realised gains on sales of financial assets	822,957	213,223
Movement in unrealised losses on revaluation of financial assets	1,728,581	(917,810)
Fair value of financial assets at the end of the year	<u>23,476,287</u>	<u>18,806,728</u>
Comprising:		
Cost at the end of the year	20,112,596	17,171,618
Unrealised gains at the end of the year	3,363,691	1,635,110
	<u>23,476,287</u>	<u>18,806,728</u>

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

6. Financial assets at fair value through profit or loss (continued)

IFRS 13 requires the Cell to classify fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy, within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Board. The Board considers observable market data that is readily available, readily distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The investments classified as Level 1 consist of financial assets that are actively traded with fair values readily available from recognised exchanges. The Level 1 hierarchy may also include investments in funds that are priced by the underlying administrator where the Cell considers it to be the most advantageous market and would enter into transactions based on those prices.

The investments classified as Level 2 are investments in funds that are actively traded and priced less frequently than monthly but not greater than quarterly for which fair values are obtained from the underlying administrator or fund manager.

The investments classified as Level 3 are investments that are illiquid investments and investments that are traded but priced less frequently than quarterly.

The following tables present the Cell's financial assets and financial liabilities measured at fair value by level within the valuation hierarchy as of 30 June 2021 and 30 June 2020:

	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
30 June 2021				
Financial assets at fair value through profit or loss				
Collective Investment Schemes	23,476,287	-	-	23,476,287
	23,476,287	-	-	23,476,287

	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
30 June 2020				
Financial assets at fair value through profit or loss				
Collective Investment Schemes	18,806,728	-	-	18,806,728
	18,806,728	-	-	18,806,728

There were no movements or reclassifications of investments within the levels of the fair value hierarchy during the years ended 30 June 2021 and 30 June 2020.

7. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

	2021	2020
	<u>USD</u>	<u>USD</u>
Cash at bank	704,885	3,062,745
	704,885	3,062,745

8. Other receivables

	2021	2020
	<u>USD</u>	<u>USD</u>
Prepayments	448	402
Management shares receivables	2	2
	450	404

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

9. Fair value of derivative financial instruments

Forward foreign exchange contracts designated as at fair value through profit or loss:

30 June 2021	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial liabilities
	<u>CCY</u>				<u>USD</u>	<u>USD</u>	<u>USD</u>
Outstanding contract to buy JPY	JPY 150,000,000	18/08/2021	108.692	110.990000	1,379,982	1,351,473	(28,509)
							<u>(28,509)</u>

30 June 2020	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial liabilities
	<u>CCY</u>				<u>USD</u>	<u>USD</u>	<u>USD</u>
Outstanding contract to buy JPY	JPY 72,000,000	15/07/2020	107.5749	107.885000	669,301	667,377	(1,924)
							<u>(1,924)</u>

In accordance with the Cell's investment objectives, the Cell may enter into forward foreign exchange contracts to hedge foreign currency movements they may be exposed to through its investment portfolio. As there is no assurance that these hedges will be effective in achieving the offsetting of changes in cash flows attributable to currency risk on these investments it is the policy of the Cell not to apply hedge accounting.

10. Other payables

	2021	2020
	<u>USD</u>	<u>USD</u>
Management fee payable	5,897	4,797
Custodian fee payable	1,088	959
Investment Management fee payable	13,485	12,655
Audit fee payable	11,102	8,320
Sundry expenses payable	5,247	2,675
	<u>36,819</u>	<u>29,406</u>

11. Share capital

The Cell has an authorised share capital of 100 Management shares of USD1.00 each and an unlimited number of no par value participating redeemable shares.

Management shares in issue	2021	2020
	<u>USD</u>	<u>USD</u>
Management shares	2	2

Participating Redeemable Shares in Issue - Class A	Year ended 30.06.21	Year ended 30.06.20
Balance at the beginning of the year	11,224,181	20,660,941
Issue of participating redeemable shares	153,676	607,764
Redemption of participating redeemable shares	(3,123,267)	(10,044,524)
Balance at the end of the year	<u>8,254,590</u>	<u>11,224,181</u>

Participating Redeemable Shares in Issue - Class B	Year ended 30.06.21	Year ended 30.06.20
Balance at the beginning of the year	6,594,882	8,463,451
Issue of participating redeemable shares	3,592,173	770,639
Redemption of participating redeemable shares	-	(2,639,208)
Balance at the end of the year	<u>10,187,055</u>	<u>6,594,882</u>

Participating Redeemable Share Capital Account	Year ended 30.06.21	Year ended 30.06.20
	<u>USD</u>	<u>USD</u>
Balance at the beginning of the year	17,235,861	31,139,460
Issue of participating redeemable shares	4,582,298	1,671,384
Redemption of participating redeemable shares	(4,131,731)	(15,574,983)
Balance at the end of the year	<u>17,686,428</u>	<u>17,235,861</u>

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

12. Net asset value per participating redeemable share

As at 30 June	NAV per share	Net assets		NAV per share	Net assets	
	2021	attributable	Shares in issue	2020	attributable	Shares in issue
	<u>USD</u>	<u>USD</u>	2021	<u>USD</u>	<u>USD</u>	2020
Class A	1.39	11,440,583	8,254,590	1.25	14,004,742	11,224,181
Class B	1.24	12,675,709	10,187,055	1.12	7,372,788	6,594,882
Total		24,116,292	18,441,645		21,377,530	17,819,063

13. Dividends payable to participating redeemable shareholders

The Directors are entitled to, but shall not be obliged to, distribute available income (consisting of all dividends, interest and other income) received net of expenses, of the Cell by way of dividends. Such dividends, if declared will usually be paid in August and February. No dividends were paid during the year (2020: Nil).

14. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

14.1 Management and Administration fee

The Cell is managed by Momentum Wealth International Limited (the "Manager"), a management company incorporated in Guernsey, providing management services to the Cell under the terms of the management agreement in place.

Pursuant to the Management Agreement, the Manager shall be entitled to the payment of a fee (the "Management and Administration fee") for the services rendered in connection with the Cell. The Management and Administration fee will accrue as at each Valuation Point, based on the current aggregate valuation of the FGAM Cells of the Company in respect of which the Distribution Partner is appointed and is payable monthly in arrears.

The Management and Administration fee will be chargeable on a sliding scale as follows and is subject to a minimum annual fee of USD22,000.

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.25%	On assets between US\$0 and US\$30m
0.23%	On the amount between US\$30m and US\$60m
0.20%	On the amount above US\$60m

The Administrator is entitled to such remuneration as agreed between the Manager and the Administrator from time to time and such remuneration is paid by the Manager out of the Management and Administration fee received from the Cell.

Management and Administration fee charged during the year and accrued at year end:	2021	2020
	<u>USD</u>	<u>USD</u>
Charged during the year	51,136	59,280
Accrued at year end	5,897	4,797

Management fee rebate received during the year:	2021	2020
	<u>USD</u>	<u>USD</u>
Received during the year	2,165	737

14.2 Investment Management fee

Pursuant to the Investment Management Agreement, Momentum Global Investment Management Limited (the "Investment Manager"), is entitled to receive a fee (the "Investment Management fee") for services rendered in connection with the Cell. The Investment Management Fee will accrue as each Valuation Point, based on the current aggregate valuation of all Cells of the Company and is payable monthly in arrears.

In respect of the Class A USD Shares, the Investment Management fee will be chargeable on the sliding scale below, and will be borne by the Class A USD Shares on a pro rata basis by reference to the proportion of the NAV of the Class A USD Shares in the aggregate NAV of the FGAM Cells:

<u>Fee - % of NAV per annum (up to 29 June 2021)</u>	<u>Cell NAV</u>
0.725%	On assets between US\$0 and US\$75m
0.65%	On the amount between US\$75m and US\$150m
0.60%	On the amount above US\$150m

<u>Fee - % of NAV per annum (from 30 June 2021 onwards)</u>	<u>Cell NAV</u>
0.65%	On assets between US\$0 and US\$100m
0.575%	On the amount above US\$100m

In respect of the Class B USD Shares, the Investment Management fee will be chargeable on the sliding scale below, and will be borne by the Class B USD Shares on a pro rata basis by reference to the proportion of the NAV of the Class B USD Shares in the aggregate NAV of the FGAM Cells:

<u>Fee - % of NAV per annum (up to 29 June 2021)</u>	<u>Cell NAV</u>
0.525%	On assets between US\$0 and US\$75m
0.45%	On the amount between US\$75m and US\$150m
0.40%	On the amount above US\$150m

FGAM Global Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

14. Related-party transactions (continued)

14.2 Investment Management fee (continued)

<u>Fee - % of NAV per annum (from 30 June 2021 onwards)</u>	<u>Cell NAV</u>
0.45%	On assets between US\$0 and US\$100m
0.375%	On the amount above US\$100m

Investment Management fees charged during the year and accrued at year end:

	2021	2020
	<u>USD</u>	<u>USD</u>
Charged during the year	141,890	177,933
Accrued at year end	<u>13,485</u>	<u>12,655</u>

14.3 Sub-Investment Management fee

The Investment Manager has appointed FGAM (Pty) Ltd, a South African registered company, as Sub-Investment Manager to the Cell (the "Sub-Investment Manager"). In respect of the Class A USD Shares, the Sub-Investment Manager is entitled to receive a fee of 0.50% of the NAV of the Cell per annum the "Sub-Investment Management fee". In respect of the Class B USD Shares the Sub-Investment Manager is entitled to receive a fee of 0.30% of the NAV of the Cell per annum. In both cases the fee will be paid out of the fee received by the Investment Manager. The Sub-Investment Management fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears.

14.4 Custodian fee

The Cell has engaged the services of Northern Trust (Guernsey) Limited to provide custodian services. The custodian is entitled to the payment of a fee (the "Custody fee") chargeable on a sliding scale in respect of all Share classes, as follows, subject to a minimum of USD8,000 per annum.

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.05%	On assets between US\$0 and US\$30m
0.04%	On the amount between US\$30m and US\$60m
0.03%	On the amount between US\$60m and US\$100m
0.02%	On the amount above US\$100m

Custodian fees charged and accrued at the year end:

	2021	2020
	<u>USD</u>	<u>USD</u>
Charged during the year	12,103	15,464
Accrued at year end	<u>1,088</u>	<u>959</u>

14.5 Distribution Partner's fee

The Cell has appointed FGAM (Pty) Ltd as distribution partner to promote and market the Cell. The Distribution Partner will not be paid a fee.

14.6 Board of Directors' remuneration

The Directors' fees in respect of the Cell shall not exceed USD20,000 or currency equivalent in any 12 month period. In addition, the Directors shall be entitled to be repaid for all reasonable out of pocket expenses properly incurred by them in the performance of their duties to the Cell. Such fees and expenses shall be paid out of the assets of the Cell alone and not from the cellular assets of other Cells of the Company or assets of the Company itself.

The Directors waived their right to a fee in 2021 (2020: Nil).

15. Ultimate controlling party

In the opinion of the Directors, on the basis of the shareholdings advised to them, the Cell has no ultimate controlling party.

16. Reconciliation of published valuation to financial statements

	2021	2020
	<u>USD</u>	<u>USD</u>
Net assets per financial statements	24,116,292	21,377,530
Adjustments:		
Adjustment in value of assets at financial assets at fair value through profit or loss	38,033	(44,729)
Net assets per published valuation	<u>24,154,325</u>	<u>21,332,801</u>
NAV per Class A share per published valuation	<u>1.39</u>	<u>1.25</u>
NAV per Class B share per published valuation	<u>1.25</u>	<u>1.12</u>
NAV per Class A share per financial statements	<u>1.39</u>	<u>1.25</u>
NAV per Class B share per financial statements	<u>1.24</u>	<u>1.12</u>

17. Subsequent events

These financial statements were approved for issuance by the Board on 28 September 2021. Subsequent events have been evaluated until this date.

No significant subsequent events have occurred in respect of the Cell that are considered material to the understanding of these audited financial statements.