Momentum Global Cautious Fund - Class A USD

Fund data for the month ending 30 September 2022

- Manager:
  - Momentum Wealth International Limited
- Investment manager:
  - Momentum Global Investment Management
- Inception date: 19 March 2008
- Currency:
  - USD
- Fund size: USD 22.1 million
- Custodian:
  - Northern Trust (Guernsey) Limited
- Minimum subscription: USD 7,500
-申购/赎回频率: daily
- Price per share (as at 30 September 2022):
  - USD 1.1641

- Value point:
  - 11:00 pm (Guernsey time) on the relevant Dealing Day
- Investment timeframe:
  - 3 years
- Financial year-end TER:
  - 1.38%
- ASISA sector:
  - Fund of funds

- Returns:
  - Since inception: -21.6%
  - 1 month: 5.6%
  - 3 months: 2.0%
  - 1 year: 2.9%
  - 3 years annualised: 3.3%
  - 5 years annualised: 6.9%
  - Since inception annualised: 4.0%

- Target Holdings:
  - None

- Top holdings:
  - BlackRock US Dollar Ultra Short Bond
  - Muzinich EnhancedYield Short-Term (USD hedged)
  - iShares Physical Gold ETC
  - AXA US Short Duration High Yield
  - Jupiter Global & Emerging Markets Short Duration Bond
  - SPDR Bloomberg Barclays China Treasury Bond

- Investment objective

  The Fund is designed to offer capital preservation with some opportunity for capital appreciation over the medium term through investment in a diversified range of international asset classes and currencies. 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.

- Capital:

  Probability of a capital loss or negative return in any 12-month period


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.

- Top holdings:

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  Asset type
  - Money Market
  - Equity
  - Fixed Income
  - Commodities
  - Fixed Income
  - Fixed Income

  Weight
  - 12.5%
  - 11.5%
  - 7.9%
  - 4.8%
  - 4.6%
  - 4.4%
  - 3.3%

- Investment statistics (since inception)

  Cumulative return: 16.4%
  Annualised return: 1.0%
  Annualised volatility: 7.9%
  Highest annual return: 23.5% (Dec 2008 - Nov 2009)
  Lowest annual return: -21.6% (Oct 2021 - Sep 2022)

- Currency allocation

  USD
  - 14.5%
  - 44.7%
  EUR
  - 6.3%
  JPY
  - 21.1%
  Other


1. Please refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts. 2. Global Cash comprises two components: i) prior to 01.02.22 Global Cash was a composite of 50% ICE LIBOR 3M USD; 25% ICE LIBOR 3M EUR; 10% ICE LIBOR 3M GBP; 15% ICE LIBOR 3M JPY; ii) from 01.01.22 to present Global Cash is a composite of 50% ICE BoA 3M US Treasury Bill index; 25% ICE BoA 3M German Treasury Bill index; 10% ICE BoA 3M Sterling Government Bill index; 15% ICE BoA Japan Treasury Bill index. Prior to April 2019 the performance of the fund on this document was compared against a composite benchmark which comprised 30% MSCI AC World, 70% ICE BoAML Global Broad Market. 3. The Total Expense Ratios (TERs) are the percentages of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TERs. The TER to 30.06.22 is based on data for the financial year-end to 30.06.22. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guidance as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees. 4. Current asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through the underlying holdings of such schemes.
Market commentary

All the gains in markets between mid-June and mid-August were erased in September. The principal cause of the sharp falls in markets was the persistence of high inflation rates across much of the developed world, triggering increasingly hawkish policy moves by central banks, with the Fed in the vanguard dispelling any doubts about their resolve to bring inflation firmly under control, even if that means higher unemployment, a weak housing market and an extended period of below trend growth. Other central banks also tightened policy more aggressively. Most notable was the ECB, which faces even more challenging inflationary conditions than the Fed, leading to a further 75bps hike in September.

Commodity prices fell sharply, including the critical natural gas markets in Europe, and there is increasing evidence that supply chain pressures, while still high, are easing. Despite the falls in September, energy price levels are still 8-10x those prevailing two years earlier in the EU, and 5-6x in the UK. Price rises of this magnitude, combined with high inflation and the sharp tightening of monetary policy, are damaging confidence of households and businesses.

The household and corporate sectors are in a healthy financial state and banks have very strong balance sheets and large capital buffers to weather the upcoming storm. There are no signs of significant systemic risks ahead, however, just as central banks were late in tightening policy to contain inflation, so they risk overkill by tightening too far.

Developed markets, measured by the MSCI World index, returned -9.3% over the month, with the US returning -9.2% while the UK returned -4.8% in local currency terms. Emerging markets fell 11.7% in local terms. Bond markets returned -5.3% in September, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries returning -3.3% and US corporate investment grade bonds returning -5.3%.

The carnage across financial markets this year might not yet represent the moment of maximum risk aversion, but it has brought that time much closer. With peak inflation approaching, policy tightening well underway and growth slowing, markets will start to discount the recovery which will surely come. Patience, a longer-term perspective, and sensible diversification are invaluable at times like this, to avoid missing out on the early fruits of that recovery.

Source: Bloomberg Finance LP, Momentum Global Investment Management Limited

Fees applicable to Class A participating shares

<table>
<thead>
<tr>
<th>Management and administration fee (per annum):</th>
<th>Investment management fee (per annum):</th>
<th>Other applicable fees (per annum):</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.30% subject to a minimum of USD 22,000 per annum</td>
<td>0.50% Performance fees: 0.00%</td>
<td>Distribution fees: 0.00%</td>
</tr>
<tr>
<td>Performance fees are not applicable to this Fund</td>
<td></td>
<td>Custody fees: 0.04%, subject to a minimum of USD 800 per annum, (Custodian fee per transaction: USD 25)</td>
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<td>Directors' fees: 0.00%</td>
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Risk warnings and 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 the overall charges and expenses in the underlying fund.

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 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 purposes, the securities of the Fund may be pledged. No scrip borrowing will be permitted. The Cell is not permitted to enter into any form of borrowing or loan arrangement with other cells of the Company or other collective investment schemes of the Manager.

While derivative instruments may be used for hedging purposes, the risk remains that the relevant instrument may not necessarily fully correlate to 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. Principal dealing in these markets are also not required to make markets in the currency 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 MD are not guaranteed to occur, and merely reflect the interpretation of the public information and propriety research available to the Manager at a particular point in time.

This report should be read in conjunction with the prospectus of the Momentum Global Fund IIC 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. A schedule of similarities and differences is also available to South African investors and can be found on our website www.momentum.co.za.

This report should not be construed as an investment advertisement, or investment advice or guidance or proposal or recommendation in any form whatever, 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 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 IIC Limited is an incorporated company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company, it was registered as a protected cell company on 20 January 2006. It is authorised, as company ended collective investment scheme of Class B by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 2020. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund IIC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

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Momentum Collective Investments (RF) (Pty) Ltd a South African company Registration No. 1998/042487/07, with its registered office at 268 West Avenue, Cantonur, 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 Faxmachine +27 (0) 12 675 3013.

Momentumwill be supported by USSA Collective Investments (RF) (Pty) Ltd a South African company Registration No. 1997/003276/06, with its registered office at 107 Orange Street, Braamfontein, 2006, Johannesburg, 2006, Johannesburg, 2006.

Momentum Global Investment Management Limited (MGIM) is the appointed Investment Manager of the fund and is authorised and regulated by the UK Financial Conduct Authority, with its registered address at The Rex Building, 62 Queen Street, London EC4R 1EB. MGIM 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.

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