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investments



FG ASSET MANAGEMENT

FGAM Global Cautious Fund IC Limited

**Annual Report and Audited Financial Statements
for the year ended 30 June 2024**

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

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FGAM Global Cautious Fund IC Limited

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General Information

Address and Registered Office

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

Directors of the Incorporated Cell

Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ray Mhere
Andrew Hardy (appointed 15 December 2023)
Ferdinand van Heerden (resigned 1 December 2023)

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
GY1 3QL
Channel Islands

Distribution Partner

FGAM (Pty) Limited
Lord Charles Office Park
337 Brooklyn Road
Building A Ground Floor
Brooklyn
Pretoria
Gauteng 0181, South Africa

Legal Advisor

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

Manager

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

Independent Auditor

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

Custodian

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

Sub-Investment Manager

FGAM (Pty) Limited
Lord Charles Office Park
337 Brooklyn Road
Building A Ground Floor
Brooklyn
Pretoria
Gauteng 0181, South Africa

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Investment Manager's Report

Full year performance (1 July 2023 to 30 June 2024)

The fund returned +4.7% in US dollar terms, net of fees, over the period. The fund's worst month was September, when it returned -2.8%. For context, global equities returned +19.4% (worst month -4.1%) and global bonds returned +0.5% (worst month -3.1%).

Performance measured against benchmark and/or changes to selected benchmark

The fund underperformed its benchmark, which returned +8.1% over the period. Relative to its benchmark, the fund's allocation to gold (+21.2%) was positive, whereas our underweight allocation to equity and the underperformance of our equity managers were negative. Our blend of developed market equity managers lagged the market due to its lower exposure to mega-cap technology stocks, in particular Nvidia. We hold Nvidia in the fund (alongside names like Microsoft and Apple), but we are nonetheless underweight the stock relative to its weight in the market index, meaning it was a source of relative underperformance during the period.

We also pay attention to the performance of peers, and the fund underperformed the median manager in its peer group over the period (+6.7%).

Significant events or trends impacting performance in the financial year

Over the past 12 months, markets have been driven by excitement around artificial intelligence ("AI"), inflation trends and geo-political developments. Together, these factors have resulted in a strongly rising but extremely narrow equity market, flat returns from bonds and good performance from gold.

While equity market strength has helped portfolios in absolute terms, the concentrated nature of the rally has been a headwind to relative performance. We had also expected better returns from our bond positions, meaning that the only one of these trends that has been significantly positive for the fund has been gold, which remains a core allocation.

The last 12 months has seen significant divergence both between and within asset classes, driven primarily by enthusiasm for AI, and uncertainty over the timing and extent of interest rate cuts. As a result, while global equities added +19.4% over the period, global bonds eked out just +0.5%, and posted losses in three out of the four quarters. And while global growth stocks added +24.7%, global value stocks and global small caps returned only around half as much.

Our equity allocation remains broadly diversified, with the aim of diversifying country, sector and style risk. While this was not rewarded over the period, we note that the outperformance of growth stocks versus value stocks, and large cap stocks versus small caps, looks extended relative to history, and hence we expect to benefit in a subsequent period when these trends reverse.

Periodic bouts of optimism around rate cuts proved premature for the most part during the period, with robust economic activity and tight labour majors prompting central banks to keep policy tighter for longer. This led to yields drifting up, which held back returns from bonds. It also impacted other rate sensitive asset classes in the portfolio, like property and infrastructure.

Geo-politics, including war in the Middle East, introduced significant uncertainty, of which gold was a key beneficiary. Gold also saw strong demand from central banks over the period, most likely in response to US sanctions on Russian dollar reserves.

Overall, the 12-month period was characterised by strong equity performance driven by investor enthusiasm for AI, mixed bond performance due to uncertainty over the outlook for inflation and central bank policy, and good performance from commodities, in particular gold, due to geo-political tensions.

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Investment Manager's Report (continued)

Risks

Central banks in many parts of the developed world continue to grapple with tight labour markets and sticky inflation. This remains the biggest risk to markets, with many asset classes now appearing to discount interest rate cuts later this year. Core inflation and wage inflation are generally trending in the right direction, but they remain too high, and should markets move to price in a more hawkish path for future interest rates, then this is likely to put downward pressure on asset prices.

The geo-political landscape presents multiple challenges, with ongoing wars in Europe and the Middle East, trade wars between the US and China that may intensify under a Trump presidency, and uncertainty in Europe, which saw a decisive shift to the right in European Parliamentary elections. Political uncertainty may lead to an increase in risk premiums, but it is impossible to know where the focus of the next flare up will be, which makes diversification key.

Government debt funding is set to be a major issue in coming years, not so much as an inability to fund the debt but more in terms of the cost it imposes on public finances and fiscal policy. This is already evident in the UK and will become increasingly so elsewhere, restraining growth and complicating the task of central banks in policy-making.

There are some signs of complacency across markets, with volatility measures in an extended low period, financial conditions benign, credit spreads historically low, valuations in parts of the markets high, and ample liquidity available. This is balanced by the fact that we are now in a rate cutting cycle, which should be positive for most asset classes, and hence we caution against being too defensive when constructing portfolios today.

Outlook for 2024/25

The rate cutting cycle ahead could well be relatively shallow, and combined with the unfavourable public debt situation in most of the developed world, argues for patience and caution in adding to duration. In equities, we are encouraged by the unfolding AI boom and its potential for productivity gains, by a generally healthy corporate profits outlook and by some attractive valuations among value stocks, many of which have underperformed substantially in the past two years. Risks are never absent and are evident around inflation, growth, debt sustainability and geo-politics, and diversification remains vital, but cash rates in the US above 5% alongside falling inflation, are clear positives when thinking about prospective returns from here.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

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 2024.

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 on page 18.

Going concern

The Directors have made an assessment of going concern including consideration of geo-political issues on the Cell. Refer to note 2 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, 2020. 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.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

Directors' Report (continued)

Directors' responsibilities (continued)

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 auditor

A rule was issued by the Independent Regulatory Auditors in South Africa (IRBA), which prescribed mandatory audit firm rotation. The Board of Momentum Group Limited ("MGL"), formerly Momentum Metropolitan Holdings Limited approved the appointment of a joint external auditor for the 2025 financial year. Shareholders of MGL will be informed of the new firm of external auditors once all regulatory approvals have been obtained. The change of external audit firm will be tabled for approval by the shareholders at the MGL's next annual general meeting.

As a subsidiary of MGL, the Directors of the Cell anticipate that Ernst & Young LLP will tender their resignation and the Directors will seek to appoint a new audit firm in line with the wider group.



Marie Curutchet

Director

2 December 2024



Robert Rhodes

Director

FGAM Global Cautious Fund IC Limited

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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 2024 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, and the related notes 1 to 17, including material accounting policy information. 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 2024 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 The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

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 the period to 31 December 2025.

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 this gives rise to 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.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

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

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 pages 6 to 7, 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.

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 the Protection of Investors (Bailiwick of Guernsey) Law, 2020);
- 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;

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

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

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

- 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 valuation of investments (specifically manual price overrides) and the recognition of dividend income at year-end (cut-off) as fraud risks. 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 and Paragraph 4.2(4) of the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021. 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.

Signed by:

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Ernst & Young LLP
Guernsey, Channel Islands



Date: 06 December 2024

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

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 2024 in accordance with the provisions of the Principal Documents, Scheme Particulars and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.



For and on behalf of

Northern Trust (Guernsey) Limited

2 December 2024

FGAM Global Cautious Fund IC Limited

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Supplementary Information

	30.06.24	30.06.23
1. NUMBER OF SHARES OUTSTANDING		
Class A	6,119,111	6,912,191
Class B	8,799,930	8,200,123
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.28	1.23
Class B	1.16	1.10
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.28 / 1.17	1.24 / 1.12
Class B	1.16 / 1.06	1.12 / 1.00
4. NUMBER OF SHARES SUBSCRIBED		
Class A	261,125	624,830
Class B	599,807	200,743
5. NUMBER OF SHARES REDEEMED		
Class A	1,054,205	1,895,485
Class B	-	2,493,054

*The highest/lowest price is based on prices from prior year end to current year end, being 30.06.2024.

FGAM Global Cautious Fund IC Limited

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Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Collective Investment Schemes: 94.40% (2023: 92.21%)			
Commodity Funds			
iShares Physical Gold ETF	18,367	831,750	4.62
Total Commodity Funds		831,750	4.62
Equity Funds			
Artisan Global Value Fund	10,868	363,967	2.02
Fidelity Funds - Emerging Markets Fund	11,756	186,920	1.04
Fundsmith Equity Fund Feeder	8,213	315,576	1.75
iShares Core MSCI World UCITS ETF	6,680	681,560	3.78
iShares Edge MSCI World Value Factor UCITS ETF	6,570	278,667	1.55
iShares MSCI EM UCITS ETF USD Dist	1,350	57,118	0.32
Momentum GF Global Equity Fund Class M	4,000	849,982	4.72
Morgan Stanley Investment Funds - Global Brands Fund	1,530	323,451	1.79
Nedgroup Investments Funds Global Equity Fund Class A	45,533	138,461	0.77
Orbis Global Equity Fund Class Shared Investor RRF	755	268,887	1.49
Sands Capital Funds - Sands Capital Global Growth Fund	6,802	317,742	1.76
Sands Capital Funds - Sands Emerging Markets Growth Fund	12,995	201,559	1.12
Total Equity Funds		3,983,890	22.11
Fixed Income Funds			
BlackRock Fixed Income Dublin Funds - US Corporate Bond Index Fund	60,861	1,081,626	6.00
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	11,759	1,408,722	7.82
iShares \$ TIPS UCITS ETF	12,076	2,861,287	15.88
iShares \$ Treasury Bond 1-3yr UCITS ETF	198,834	1,086,827	6.03
iShares \$ Treasury Bond 7-10yr UCITS ETF	4,780	816,902	4.53
Xtrackers II US Treasuries UCITS ETF	25,845	4,938,979	27.41
Total Fixed Income Funds		12,194,343	67.67
Total Collective Investment Schemes		17,009,983	94.40
Property and Infrastructure Investment Trusts and ETFs: 4.72% (2023: 6.86%)			
Catalyst Global Real Estate Fund Class D	82,534	190,058	1.05
Maple Brown Abbott Global Infrastructure Fund	411,556	660,629	3.67
Total Property and Infrastructure Investment Trusts and ETFs		850,687	4.72
Financial assets at fair value through profit or loss		17,860,670	99.12
Other Net Assets: 0.88% (2023: 0.93%)		158,958	0.88
Net Assets Attributable To Holders of Participating Redeemable Shares		18,019,628	100.00

FGAM Global Cautious Fund IC Limited

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Statement of Financial Position

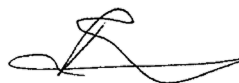
	Notes	Year ended 30.06.24 USD	Year ended 30.06.23 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	229,268	274,487
Financial assets at fair value through profit or loss	6	17,860,670	17,365,700
Deposit income receivable	3	139	250
Other receivables	9	511	468
Total assets		18,090,588	17,640,905
LIABILITIES			
CURRENT LIABILITIES			
Due on redemption of participating redeemable shares	3	36,525	-
Fair value of derivative financial instruments	8	8,209	85,295
Other payables	10	26,224	26,942
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		70,958	112,237
Net assets attributable to holders of participating redeemable shares	3 & 12	18,019,628	17,528,666
Total liabilities		18,090,586	17,640,903
SHAREHOLDERS' EQUITY			
Management shares	11	2	2
Total equity		2	2
Total equity and liabilities		18,090,588	17,640,905
Net asset value per participating redeemable share			
Class A	12	1.28	1.23
Class B		1.16	1.10

The notes 1 to 17 on pages 18 to 34 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 2 December 2024 and signed on its behalf by:



Marie Curutchet
Director



Robert Rhodes
Director

FGAM Global Cautious Fund IC Limited

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Statement of Comprehensive Income

		Year ended 30.06.24	Year ended 30.06.23
	Notes	<u>USD</u>	<u>USD</u>
INCOME			
Net realised gains/(losses) on financial assets at fair value through profit or loss	6	255,356	(136,979)
Change in unrealised gains on financial assets at fair value through profit or loss	6	598,562	539,995
Net gains on financial assets at fair value through profit or loss		853,918	403,016
Deposit income		1,858	1,366
Interest income		24,812	-
Dividend income		161,178	74,498
Net loss on forward derivative contracts		(132,067)	(127,657)
Other foreign exchange gains		25,703	10,331
Other income		10,151	-
Total net income		945,553	361,554
OPERATING EXPENSES			
Audit fee		(13,407)	(8,317)
Custodian fee	14	(10,709)	(9,845)
Investment Management fee	14	(93,165)	(96,501)
Management and Administration fee	14	(41,004)	(41,875)
Sundry expenses		(5,351)	(8,581)
Total operating expenses		(163,636)	(165,119)
Net profit for the year		781,917	196,435
Increase in net assets attributable to holders of participating redeemable shares from operations		781,917	196,435

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

The notes 1 to 17 on pages 18 to 34 form part of these financial statements.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

Statement of Cash Flows

	Year ended 30.06.24 <u>USD</u>	Year ended 30.06.23 <u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets attributable to holders of participating redeemable shares from operations	781,917	196,435
ADJUSTMENT FOR:		
Net realised (gains)/losses on financial assets at fair value through profit or loss	(255,356)	136,979
Net change in unrealised gains on financial assets at fair value through profit or loss	(598,562)	(539,995)
Net loss on forward derivative contracts	132,067	127,657
Effect of foreign exchange rate on cash	345	(528)
Dividend income	(161,178)	(74,498)
Deposit income	(1,858)	(1,366)
Interest income	(24,812)	-
Operating loss before working capital changes	(127,437)	(155,316)
Net (increase)/decrease in other receivables	(43)	79
Net decrease in other payables	(718)	(2,726)
Purchase of financial assets at fair value through profit or loss*	(5,590,979)	(7,598,736)
Sale of financial assets at fair value through profit or loss*	5,949,927	12,040,549
Net settlement of forward derivative contracts	(209,153)	(128,823)
Dividend income received	161,178	74,498
Deposit income received	1,969	1,116
Interest received	24,812	-
Net cash generated from operating activities	209,556	4,230,641
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	1,012,916	971,545
Cash paid on redemption of participating redeemable shares	(1,267,346)	(4,947,112)
Net cash used in financing activities	(254,430)	(3,975,567)
Net (decrease)/increase in cash and cash equivalents	(44,874)	255,074
Cash and cash equivalents at the beginning of the year	274,487	18,885
Effect of foreign exchange rate on cash	(345)	528
Cash and cash equivalents at the end of the year	229,268	274,487

* Purchases and sales of financial assets at fair value through profit or loss have been included as operating activity as this is the primary activity of the Cell.

The notes 1 to 17 on pages 18 to 34 form part of these financial statements.

FGAM Global Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2024

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

	Year ended 30.06.24	Year ended 30.06.23
Note	<u>USD</u>	<u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year	17,528,666	21,307,269
Proceeds from issuance of participating redeemable shares	1,012,916	971,545
Payments on redemption of participating redeemable shares	(1,303,871)	(4,946,583)
Increase in net assets attributable to holders of participating redeemable shares from operations	781,917	196,435
Net assets attributable to holders of participating redeemable shares at the end of the year	12 <u>18,019,628</u>	<u>17,528,666</u>

The notes 1 to 17 on pages 18 to 34 form part of these financial statements.

FGAM Global Cautious Fund IC Limited

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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.

No material amendments were made to the Supplemental Prospectus of the Incorporated Cell during the year.

The financial statements were authorised for issue by the Board of Directors on 2 December 2024.

2. Material 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

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 is satisfied that the Cell has sufficient liquidity to meet its liabilities for the period to 31 December 2025 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

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Notes to the Financial Statements

2. Material accounting policies (continued)

2.2 Adoption of new and revised accounting standards

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

Standards, amendments and interpretations effective during the year

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

Periods beginning on or after 1 January 2023:

(a) IAS 8 – Definition of Accounting Estimates – Effective from 1 January 2023 – Amendments regarding classification of liabilities and disclosure of accounting policies.

(b) IAS 1 – Disclosure Initiative – Accounting Policies – Effective from 1 January 2023 – Amendments to help entities apply materiality judgements to accounting policy disclosure.

IAS 1 has been amended to replace the requirement for entities to disclose their significant accounting policies with a requirement to disclose material accounting policies. The policies presented in the financial statements for the year ended 30 June 2023 have been assessed, and those that are considered material have been disclosed for the year ended 30 June 2024.

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 2024 and have not been early adopted in preparing these financial statements. These include:

(a) IFRS S1 and IFRS S2 – Sustainability Disclosure Standards – Effective from 1 January 2024 – New standards regarding the disclosure of sustainability-related financial information.

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.

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.

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Notes to the Financial Statements

2. Material accounting policies (continued)

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.

(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. The Cell entered into an ISDA Master Netting Agreement with Northern Trust (Guernsey) Limited effective 17 June 2024.

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Notes to the Financial Statements

2. Material accounting policies (continued)

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 the 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.

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Notes to the Financial Statements

2. Material accounting policies (continued)

2.9 Share capital (continued)

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 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 its 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.

2.11 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.

2.12 Expenses

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

2.13 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.

2.14 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 £1,600 (2023: £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.

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Notes to the Financial Statements

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 2024 is disclosed under note 8 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:

	2024		2023	
	Fair Value	% of net assets	Fair Value	% of net assets
As at 30 June	<u>USD</u>		<u>USD</u>	
Collective Investment Schemes	17,009,983	94.40	16,162,353	92.21
Property and Infrastructure Investment Trusts and ETFs	850,687	4.72	1,203,347	6.86
	17,860,670	99.12	17,365,700	99.07

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Notes to the Financial Statements

3. Financial risk management (continued)

3.2 Market price risk (continued)

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:

As at 30 June	2024	2023
	Change in fair value	Change in fair value
	<u>USD</u>	<u>USD</u>
Collective Investment Schemes	1,700,998	1,616,235
Property and Infrastructure Investment Trusts and ETFs	85,069	120,335
	<u>1,786,067</u>	<u>1,736,570</u>

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	2024	2023
	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	17,790,360	17,253,929
Net floating rate financial assets	229,268	274,487

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	2024	2023
	<u>USD</u>	<u>USD</u>
Movement in net floating rate financial assets	1,146	1,374

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.

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Notes to the Financial Statements

3. Financial risk management (continued)

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	2024	2023
	<u>USD</u>	<u>USD</u>
Net EUR exposure	906	37,769
Net ZAR exposure	(1,524)	(1,383)
Net GBP exposure	(7,718)	(6,290)
Net JPY exposure	(8,209)	(85,295)

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. Such contracts are used on a regular basis. The contracts which are outstanding at the year end are disclosed in note 8.

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	2024	2023
	<u>USD</u>	<u>USD</u>
EUR exposure	45	1,888
ZAR exposure	(76)	(69)
GBP exposure	(386)	(314)
JPY exposure	(410)	(4,265)

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.

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Notes to the Financial Statements

3. Financial risk management (continued)

3.6 Credit risk (continued)

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 a 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 its ability to process redemptions as normal.

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, however, 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.

	Less than 1 month <u>USD</u>	Between 1 and 12 months <u>USD</u>	2024 Total <u>USD</u>	2023 Total <u>USD</u>
Financial assets at fair value through profit or loss	17,860,670	-	17,860,670	17,365,700
Cash and cash equivalents	229,268	-	229,268	274,487
Deposit income receivable	139	-	139	250
Other receivables	509	-	509	466
Due on redemption of participating redeemable shares	(36,525)	-	(36,525)	-
Fair value of derivative financial instruments	(8,209)	-	(8,209)	(85,295)
Other payables	(26,224)	-	(26,224)	(26,942)
Net assets attributable to holders of participating redeemable shares	(18,019,628)	-	(18,019,628)	(17,528,666)
Net liquidity position	-	-	-	-

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.

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Notes to the Financial Statements

3. Financial risk management (continued)

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.

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:

	2024	2023
	<u>USD</u>	<u>USD</u>
Bermuda	268,887	336,523
Ireland	10,976,874	12,347,068
Luxembourg	6,614,909	4,682,109
	17,860,670	17,365,700

The geographical segment for the portfolio is considered to be the country of incorporation of the financial assets.

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6. Financial assets at fair value through profit or loss

	2024	2023
	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss:		
Collective Investment Schemes	17,009,983	16,162,353
Property and Infrastructure Investment Trusts and ETFs	850,687	1,203,347
Total financial assets at fair value through profit or loss	17,860,670	17,365,700
Movement on financial assets at fair value through profit or loss		
Fair value of financial assets at the beginning of the year	17,365,700	21,404,497
Purchases of financial assets	5,590,979	7,598,736
Sales of financial assets	(5,949,927)	(12,040,549)
Realised gains/(losses) on sale of financial assets	255,356	(136,979)
Movement in unrealised gains on revaluation of financial assets	598,562	539,995
Fair value of financial assets at the end of the year	17,860,670	17,365,700
Comprising:		
Cost at the end of the year	16,195,467	16,299,059
Unrealised gains at the end of the year	1,665,203	1,066,641
	17,860,670	17,365,700

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.

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Notes to the Financial Statements

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

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 2024 and 30 June 2023:

	Level 1	Level 2	Level 3	Total
30 June 2024	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss				
Collective Investment Schemes	17,009,983	-	-	17,009,983
Property and Infrastructure Investment Trusts and ETFs	850,687	-	-	850,687
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	-	(8,209)	-	(8,209)
	17,860,670	(8,209)	-	17,852,461

	Level 1	Level 2	Level 3	Total
30 June 2023	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss				
Collective Investment Schemes	16,162,353	-	-	16,162,353
Property and Infrastructure Investment Trusts and ETFs	1,203,347	-	-	1,203,347
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	-	(85,295)	-	(85,295)
	17,365,700	(85,295)	-	17,280,405

The Cell's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value.

There were no movements or reclassifications of investments within the levels of the fair value hierarchy during the years ended 30 June 2024 and 30 June 2023.

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:

	2024	2023
	<u>USD</u>	<u>USD</u>
Cash at bank	229,268	274,487
	229,268	274,487

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Notes to the Financial Statements

8. Fair value of derivative financial instruments

30 June 2024	Amount <u>CCY</u>	Maturity date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial assets/ (liabilities) <u>USD</u>
Outstanding contract to sell JPY	(JPY 78,000,000)	18/07/2024	155.354001	160.860000	(502,079)	(484,894)	17,185
Outstanding contract to buy JPY	JPY 78,000,000	18/07/2024	152.854700	160.860000	510,288	484,894	(25,394)
							<u>(8,209)</u>
30 June 2023	Amount <u>CCY</u>	Maturity date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial liabilities <u>USD</u>
Outstanding contract to buy JPY	JPY 140,000,000	10/08/2023	132.837500	144.535000	1,053,919	968,624	(85,295)
							<u>(85,295)</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.

For foreign exchange contracts, the Cell pays a specified amount in one currency and receives a specified amount in another currency. Foreign exchange contracts are simultaneously settled gross and are presented on the Statement of Financial Position at their fair value.

9. Other receivables

	2024 <u>USD</u>	2023 <u>USD</u>
Prepayments	509	466
Management shares receivables	2	2
	<u>511</u>	<u>468</u>

10. Other payables

	2024 <u>USD</u>	2023 <u>USD</u>
Management and Administration fee payable	3,423	4,026
Custodian fee payable	626	1,543
Investment Management fee payable	7,352	7,874
Audit fee payable	11,529	9,407
Sundry expenses payable	3,294	4,092
	<u>26,224</u>	<u>26,942</u>

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Notes to the Financial Statements

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.

	2024 <u>USD</u>	2023 <u>USD</u>
Management shares in issue		
Management shares	2	2
	Year ended	Year ended
	30.06.24	30.06.23
Participating Redeemable Shares in Issue - Class A		
Balance at the beginning of the year	6,912,191	8,182,846
Issue of participating redeemable shares	261,125	624,830
Redemption of participating redeemable shares	(1,054,205)	(1,895,485)
Balance at the end of the year	6,119,111	6,912,191
	Year ended	Year ended
	30.06.24	30.06.23
Participating Redeemable Shares in Issue - Class B		
Balance at the beginning of the year	8,200,123	10,492,434
Issue of participating redeemable shares	599,807	200,743
Redemption of participating redeemable shares	-	(2,493,054)
Balance at the end of the year	8,799,930	8,200,123

12. Net asset value per participating redeemable share

	NAV per share	Net assets attributable	Shares in issue	NAV per share	Net assets attributable	Shares in issue
As at 30 June	2024	2024	2024	2023	2023	2023
	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
Class A	1.28	7,837,249	6,119,111	1.23	8,470,650	6,912,191
Class B	1.16	10,182,379	8,799,930	1.10	9,058,016	8,200,123
Total		18,019,628	14,919,041		17,528,666	15,112,314

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 (2023: Nil).

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Notes to the Financial Statements

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 and Administration Agreements, the Manager and the Administrator 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 cells of the Company in respect of which the Distribution Partner is appointed (the "FGAM Cells"), and is payable monthly in arrears.

The Management and Administration fee will be chargeable on a sliding scale, in respect of all share classes, 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 minimum Management and Administration fee will be borne by the share classes on a pro rata basis by reference to their respective NAVs.

Management and Administration fee charged during the year and accrued at year end:

	<u>2024</u>	<u>2023</u>
	<u>USD</u>	<u>USD</u>
Charged during the year	41,004	41,875
Accrued at year end	3,423	4,026

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 at each Valuation Point, based on the current aggregate valuation of all cells of the Company in respect of which the Sub-Investment Manager is appointed (the "FGAM Cells") 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</u>	<u>Cell NAV</u>
0.65%	On assets between US\$0 and US\$100m
0.575%	On the amount above US\$100m

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Notes to the Financial Statements

14. Related-party transactions (continued)

14.2 Investment Management fee (continued)

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</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 fee charged during the year and accrued at year end:

	2024	2023
	<u>USD</u>	<u>USD</u>
Charged during the year	93,165	96,501
Accrued at year end	7,352	7,874

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"), which is entitled to receive a fee for the services rendered to the Cell (the "Sub-Investment Management fee"). 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 attributable to the Class A USD Shares per annum. 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 attributable to the Class B USD Shares 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 "Custodian 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 fee charged during the year and accrued at the year end:

	2024	2023
	<u>USD</u>	<u>USD</u>
Charged during the year	10,709	9,845
Accrued at year end	626	1,543

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.

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Notes to the Financial Statements

14. Related-party transactions (continued)

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 2024 (2023: 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

	2024	2023
	<u>USD</u>	<u>USD</u>
Net assets attributable to holders of participating redeemable shares per financial statements	18,019,628	17,528,666
Adjustments:		
Adjustment in value of assets at financial assets at fair value through profit or loss	11,047	(31,620)
Adjustment in value of derivative financial assets	-	5,119
Adjustment in accruals	(746)	-
Net assets attributable to holders of participating redeemable shares per published valuation	<u>18,029,929</u>	<u>17,502,165</u>
NAV per Class A share per published valuation	<u>1.28</u>	<u>1.22</u>
NAV per Class B share per published valuation	<u>1.16</u>	<u>1.10</u>
NAV per Class A share per financial statements	<u>1.28</u>	<u>1.23</u>
NAV per Class B share per financial statements	<u>1.16</u>	<u>1.10</u>

17. Subsequent events

These financial statements were approved for issuance by the Board on 2 December 2024. 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.