



## Fund Facts

Sector	Global Cautious Balanced
Launch	19 <sup>th</sup> August 2015
Min Lump Sum	USD 15,000
Min Additional	USD 5,000
Management Fee	1.50% p.a.
Dealing	Weekly (Wednesday)
Regulator	Guernsey FSC
Administrator	JTC Group
Custodian	BNP Paribas
Fund Size All Classes	USD 5.78m USD 12.88m
Benchmark	Libor Plus 2%
ISIN	GG00BYT36K93
SEDOL	BYT36K9
Bloomberg	FMCBUSD GU

Nav price USD 1.047814  
@ 28/06/2017

### Disclaimer :

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## Fund Objectives

First Meridian Cautious Balanced Fund aims to preserve capital value whilst achieving a consistent total return.

The Fund employs a top down approach, which aims to ensure effective diversification of risk. The fund invests into well-established collective investment schemes and exchange traded funds; equities; direct bonds and other yielding securities, with a fixed income and absolute return mandate.

Risk is reduced by limiting equity exposure to a maximum of 30%, ensuring all underlying holdings have daily liquidity, and using a diverse range of different strategies across the fixed income universe.

The portfolio will be actively managed according to the Investment Advisor's view of changing economic, political and market conditions.

## Calendar Annual Performance

Year	Performance*
2016	1.59%
2015	0.52%
2014	6.38%
2013	8.96%
2012	14.35%
2011	1.17%
2010	12.41%
2009	20.36%

\* Simulated performances prior to 2015

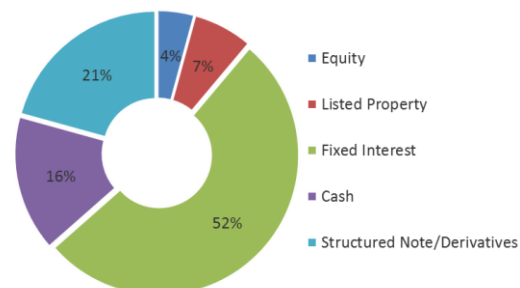
## Fund Manager Comment

Global politics endured a rocky second quarter with escalating tensions between the US and North Korea, Qatar being accused of funding terrorism by its Gulf neighbours and the UK now having to deal with a minority government. Despite all this noise, equity markets generally continued their upward trend throughout Q2. Corporate America continued its rally, even with non-farm payroll numbers and retail sales being softer in Q2. Chinese and European economic data remained firm throughout the quarter but the news out of Australia was rather more mixed in terms of their growth prospects going forward.

The Fed raised interest rates by 25bps in June and confirmed that their economic recovery objectives were on track, although Mr. Trump continued to give little direction on how his economic plan would unfold. The Fed also hinted at another rise in interest rates before year end although the continued decline in inflation could make another rate hike more difficult. In this increasing interest rate environment, the search for yield remains very tricky with the tradeoff between risk and reward becoming more complex. We remain committed to ensuring capital preservation and will not take on excessive risk in the hunt for small yield gains. In practical terms, this has meant a continued bias towards structured notes over long-dated money instruments and also decreasing our equity exposure after a very strong first half of the year.

- Finway International, Fund Manager.

## Asset Allocation: Current



## Quarterly Performance Table (%)

Q1 ending-Mar	Q2 ending - Jun	Q3 ending - Sep	Q4 ending - Dec	Total YTD 2017
2.67	1.86			4.58%



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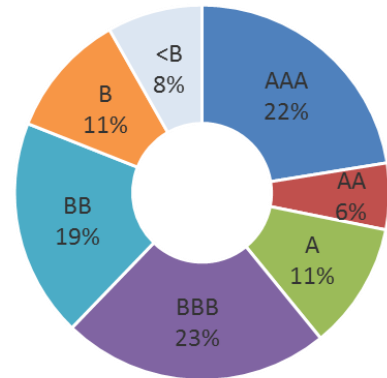
## Top 10 Holdings: X-ray (excl. Equity & Cash)

Cross Currency Interest Rate Swap USD 5.25y MAT 2.10% 4/2017	3.22%
Financial Futures Us 10yr - June17	3.13%
Credit Default Swap Index Hy 25 5y Ice	1.70%
2 Year US Treasury Note June17	1.56%
FNMA	1.47%
IRS GBP 0.75000 09/20/17 Receive	1.13%
Euro BUND Future June17	1.06%
US Treasury Note 1.875%	1.06%
US Treasury Note 2.125%	1.04%
US 5 Year Note (CBT) June17	1.03%

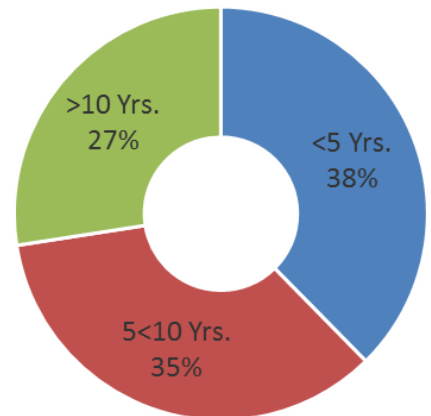
## Top 5 Holdings

Coronation Global Strat USD Inc	10.64%
PIMCO GIS Divers Inc Dur Hdg	9.72%
PIMCO GIS Inc	9.66%
International Titans Basket Ltd	9.15%
Schroder Global High Yld Acc	7.74%

## Current Credit Spread (as % of Fixed Interest)



## Current Distribution of Credit Maturity (as % of Fixed Interest)



The portfolio may change significantly over a short period of time. This is not a buy or sell recommendation for any particular security. Figures may not always sum to 100 due to rounding.

### General risks

The value of these investments, and any income generated from them, will be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as by specific matters relating to the assets in which they invest. Past performance should not be taken as a guide to the future. The Funds' objectives will not necessarily be achieved and there is no guarantee that these investments will make profits; losses may be made. This Fund may not be appropriate for investors who plan to withdraw their money within the short to medium term.

### Specific fund risks

Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.