



## 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	USD 1.51m
Benchmark	Libor Plus 2%
ISIN	GG00BYT36K93
SEDOL	BYT36K9
Bloomberg	FMCBUSD GU

Nav price USD 0.986229  
@ 29/12/2015

### 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.

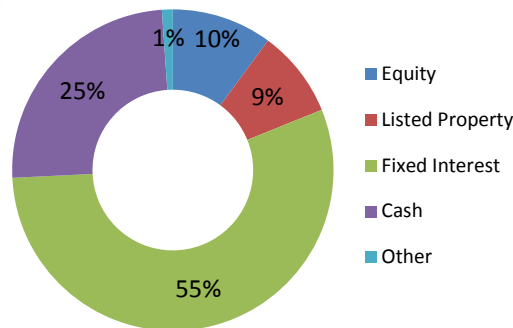
The portfolio will be actively managed according to the Investment Advisor's view of changing economic, political and market conditions.

## Fund Manager Comment

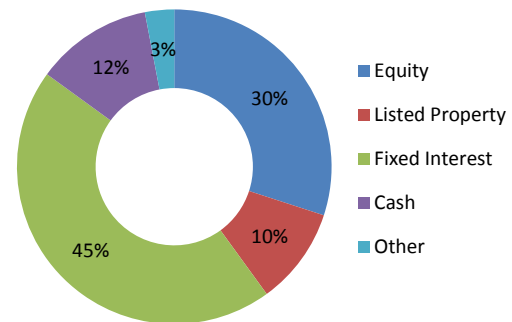
The majority of the equity and fixed income markets ended lower in 2015. As anticipated the Federal Reserve Bank (FED) of the US, increased interest rates by 0.25% for the first time in over nine years. According to FED officials, rates should continue to gradually rise over the course of 2016 and thereafter. Investors initially reacted positively to this increase and to the positive outlook on the US economy. However, subsequent negative economic reports reversed this sentiment and the markets have struggled since. In Europe, the bond markets showed negative performance at the beginning of December as the European Central Bank (ECB) failed to ease monetary policy as much as was expected. In line with the defensive approach being adopted by the Fund Manager, First Meridian has continued to increase its holdings into more cautious and well-established income and exchange traded funds. Meanwhile, the Manager has further elected to maintain a larger percentage of the fund in near cash instruments, waiting for opportunities presented by recent market declines.

*Finway International – Fund Manager*

## Asset Allocation: Current



## Asset Allocation: Target



## Performance (simulated annual discrete performance based on intended asset allocation)

2009	2010	2011	2012	2013	2014	YTD End-Dec (*)
20.36%	12.41%	1.17%	14.35%	8.96%	6.38%	0.52%

As the fund was launched in the third quarter of 2015, quarterly performance will be reported going forward.

\*Simulated performance (1 Jan 2015 – 31 Aug 2015): 1.72 + actual performance for end Dec 2015: -1.20 = 0.52 YTD End Dec .



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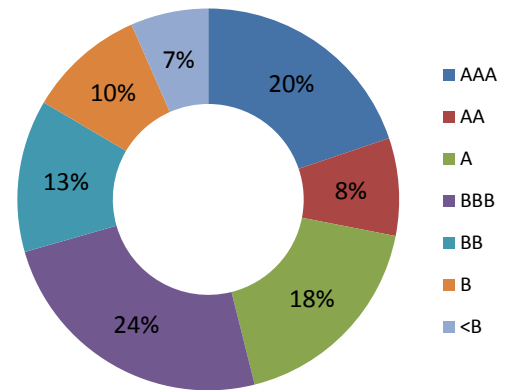
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## Top 10 Holdings: X-ray (excl. Equity & Cash)

Cdx Hy24 5y Ice	3.07%
Irs Usd 2.75000 06/17/15-10y Cme	1.77%
Simon Property Group Inc	1.29%
Irs Usd 2.250 12/17/14-5y Cme	1.13%
Cdx Ig24 5y Ice	1.12%
Cirs Usd 5.5y Mat 2.35% 2/2016 Glm	0.90%
Irs Usd 2.25000 06/17/15-5y Cme	0.83%
Public Storage	0.79%
US Treasury Note 2.125%	0.69%
Equity Residential	0.65%

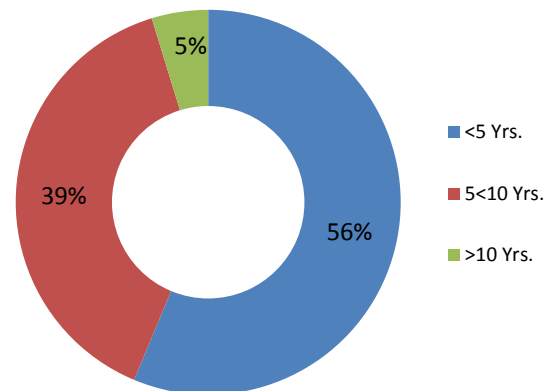
## Current Credit Spread (as % of Fixed Interest)



## Top 5 Holdings

Coronation Global Strategic USD Income	21.76%
PIMCO GIS Income	16.36%
iShares Core S&P 500 USD	9.99%
Vanguard REIT ETF	8.80%
Pimco Total Return Bond Fund	8.72%

## 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.