



Fund Facts

| | |
|-----------------------|------------------------------|
| Sector | Global Cautious Balanced |
| Launch | 19 th 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 7.1m USD 14.9m |
| Benchmark | Libor Plus 2% |
| ISIN | GG00BYT36K93 |
| SEDOL | BYT36K9 |
| Bloomberg | FMCBUSD GU |

Nav price USD 1.076178
@ 26/12/2017

Disclaimer :

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For more information please refer to www.firstmeridianfunds.com

Fund Objective

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 strong performance of equities was a theme throughout the year and Q4 was no different. Political uncertainty surrounding the US and North Korea seems to have subsided of late which has boosted equities, whilst the news that Trump's tax cuts have finally gone through gave a late boost to the US Markets in particular.

The search for yield was tough throughout the year with the low interest rate environment throughout the world. America however looks poised to raise rates gradually throughout 2018. Volatility has also seemed to have disappeared from the markets with the VIX reaching its lowest levels in the last decade.

2017 was a strong year for the fund in a year where risky assets outperformed. We are happy to have achieved high single digit growth while keeping pure equity exposure below 15% for the duration of the year. We have and will continue to maintain a focus on risk mitigation and will seek out positive returns while taking on as little risk as possible. Capital preservation remains key.

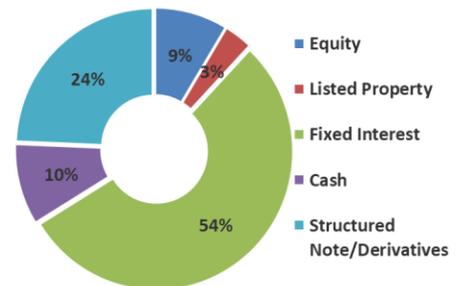
- Finway International, Fund Manager.

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

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 | 1.33 | 1.36 | 7.42% |



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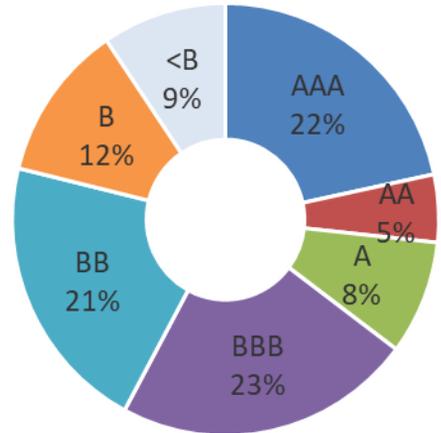
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Top 10 Holdings: X-ray (excl. Equity & Cash)

| | |
|----------------------------------------|-------|
| Credit Default Swap Index Hy 28 5y Ice | 2.52% |
| CIRS USD 5.25Y MAT 2.15% 10/2017 | 2.47% |
| CIRS USD 5.25Y MAT 2.1425% 11/2017 | 1.27% |
| CIRS USD 5.25Y MAT 2.27% 10/2017 | 1.25% |
| CIRS USD 5.25Y MAT 2.30% 10/2017 | 1.03% |
| US 10 Year Note Dec17 | 0.95% |
| CIRS USD 5.25Y MAT 2.12% 11/2017 | 0.95% |
| CIRS USD 5.25Y MAT 2.00% 12/2017 | 0.82% |
| PIMCO USD Short Mat Source ETF | 0.76% |
| Hsbc Cv FRN | 0.74% |

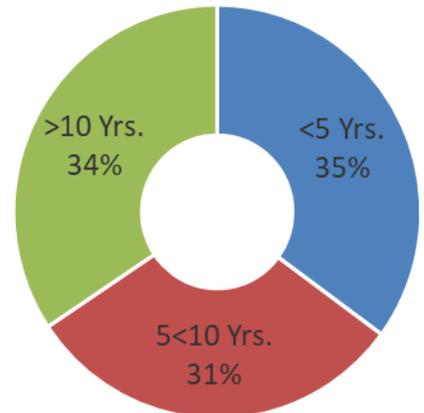
Current Credit Spread (as % of Fixed Interest)



Top 5 Holdings

| | |
|--------------------------------------|--------|
| GAM Star Credit Opp Int (Acc) USD | 10.52% |
| Pimco GIS Income | 9.50% |
| Coronation Global Strat USD Inc Fund | 8.79% |
| Schroder Global High Yield C Acc | 8.63% |
| Pimco GID Div Income Duration Hedged | 8.18% |

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.