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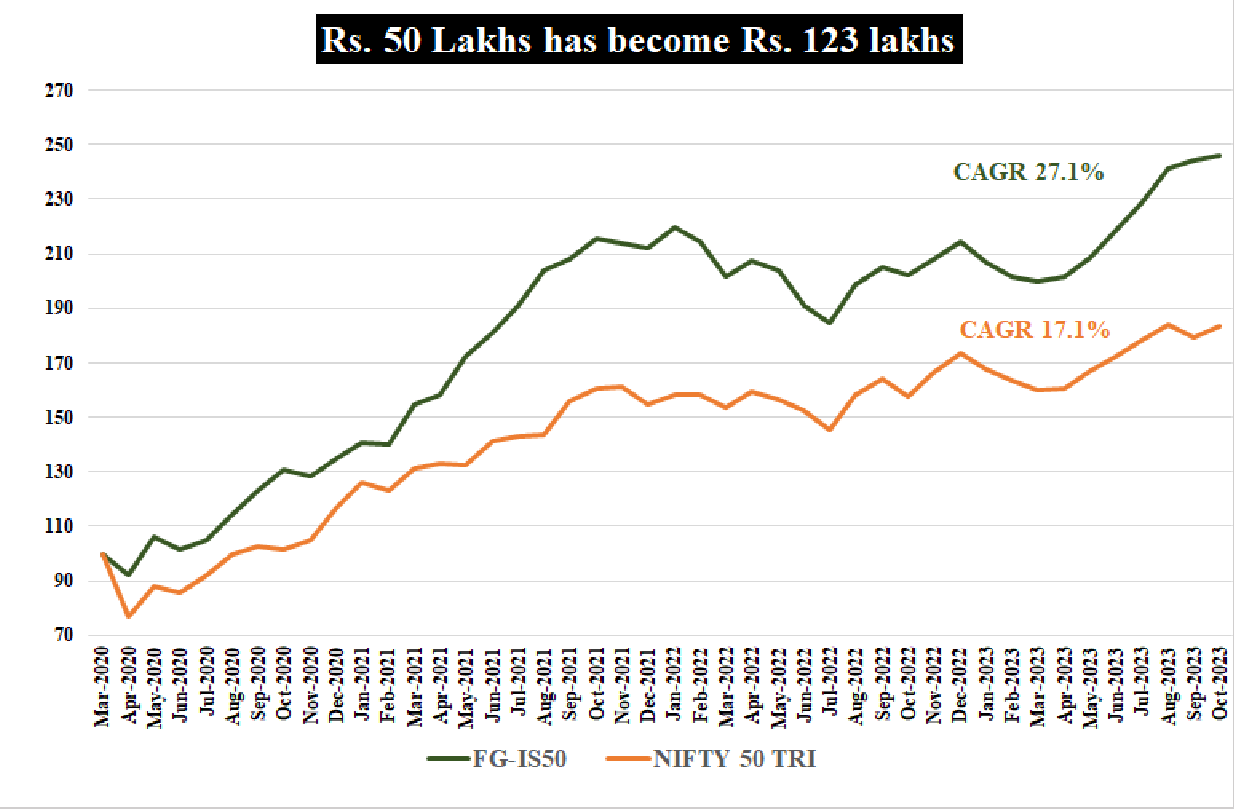
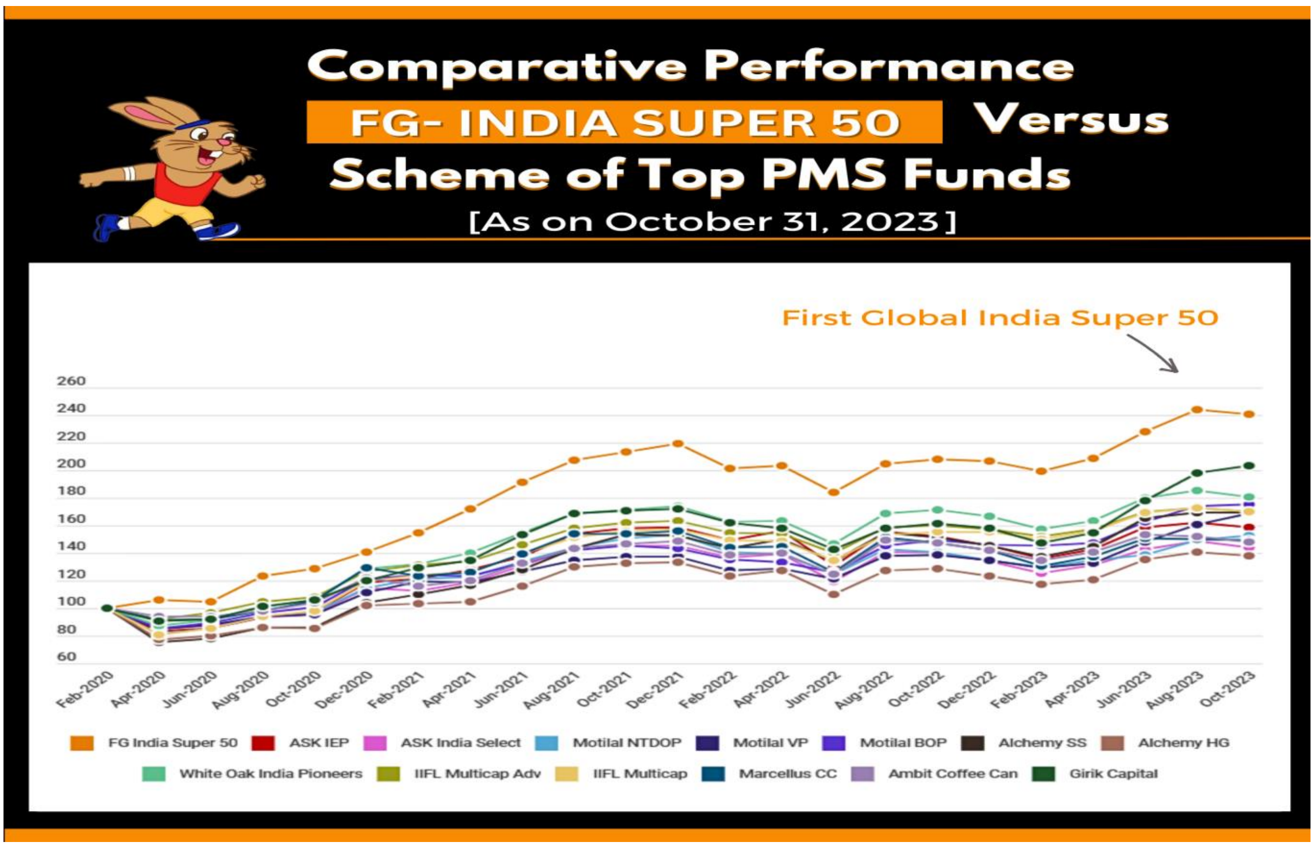
Our October '23 Performance

The First Global - India Super 50 (IS50) PMS Scheme



Comparison of First Global - India Super 50 PMS Scheme with various Multi-cap PMSs



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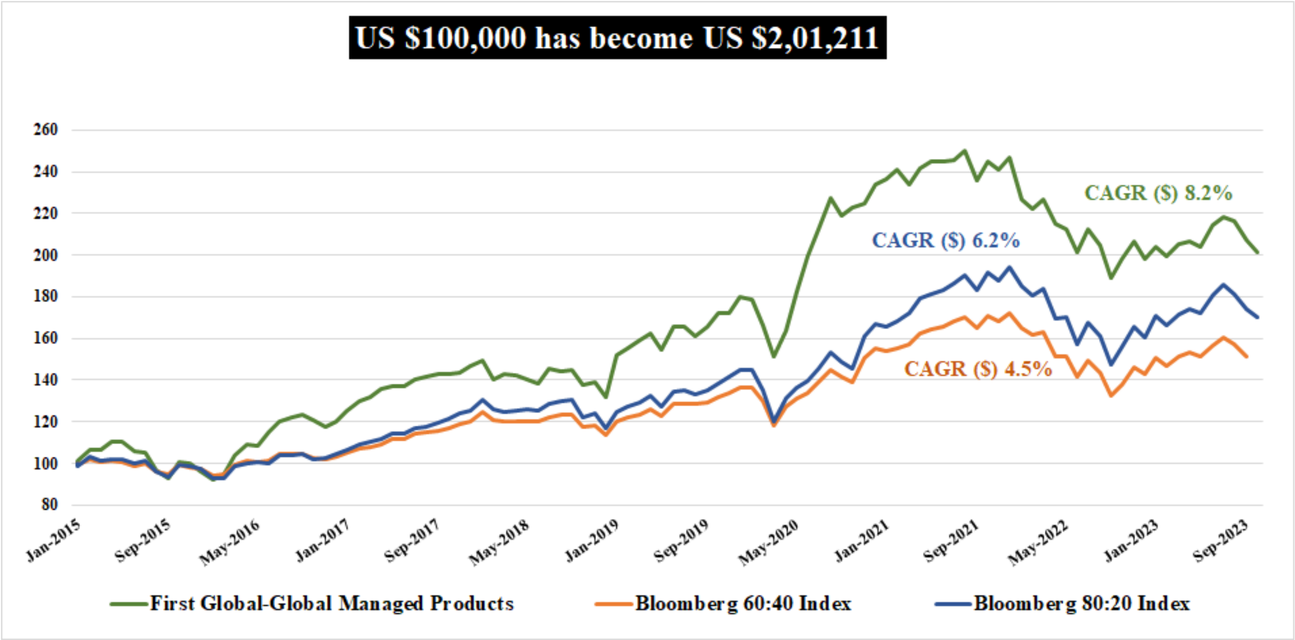
Sr. No.	Top Multicap PMS Schemes	Total Return* (Mar '20 to Oct '23)	Risk Adj Return (CAGR / Volatility) (Equivalent of Sharp Ratio)	Gain to Pain (x)
1	**First Global India Super 50**	**141.1%**	**1.67**	**2.05**
2	Stallion Asset Core Fund	138.1%	1.27	1.57
3	MoneyLife Mass Growth	129.4%	1.04	1.41
4	Girik Capital	103.6%	1.21	1.39
5	White Oak India Pioneers Equity	81.0%	0.90	1.09
6	Nifty 50 TRI	78.1%	0.85	1.05
7	Motilal Oswal BOP	75.4%	0.86	1.11
8	Axis Brand Equity	73.1%	1.83	1.00
9	IIFL Multicap Advantage	70.2%	1.00	1.14
10	IIFL Multicap	69.8%	0.69	0.95
11	Alchemy Select Stock	69.3%	0.67	0.92
12	Motilal Oswal Value	68.6%	0.73	0.99
13	Axis Core and Satellite	63.7%	0.76	0.92
14	ASK IEP	58.8%	0.60	0.73
15	MoneyLife Mass Prime	56.2%	0.65	0.83
16	Motilal Oswal NTDOP	52.6%	0.60	0.75
17	ASK Growth	49.3%	0.54	0.70
18	Marcellus Consistent Compounders	49.3%	0.61	0.68
19	Ambit Coffee CAN	47.8%	0.69	0.81
20	ASK India Select	44.2%	0.50	0.61
21	Alchemy High Growth	38.0%	0.42	0.54

(Above data is till October 2023, which we will update once we have November 2023 for everybody else).

Performance of First Global - Global Managed Products vs. Benchmark Indices



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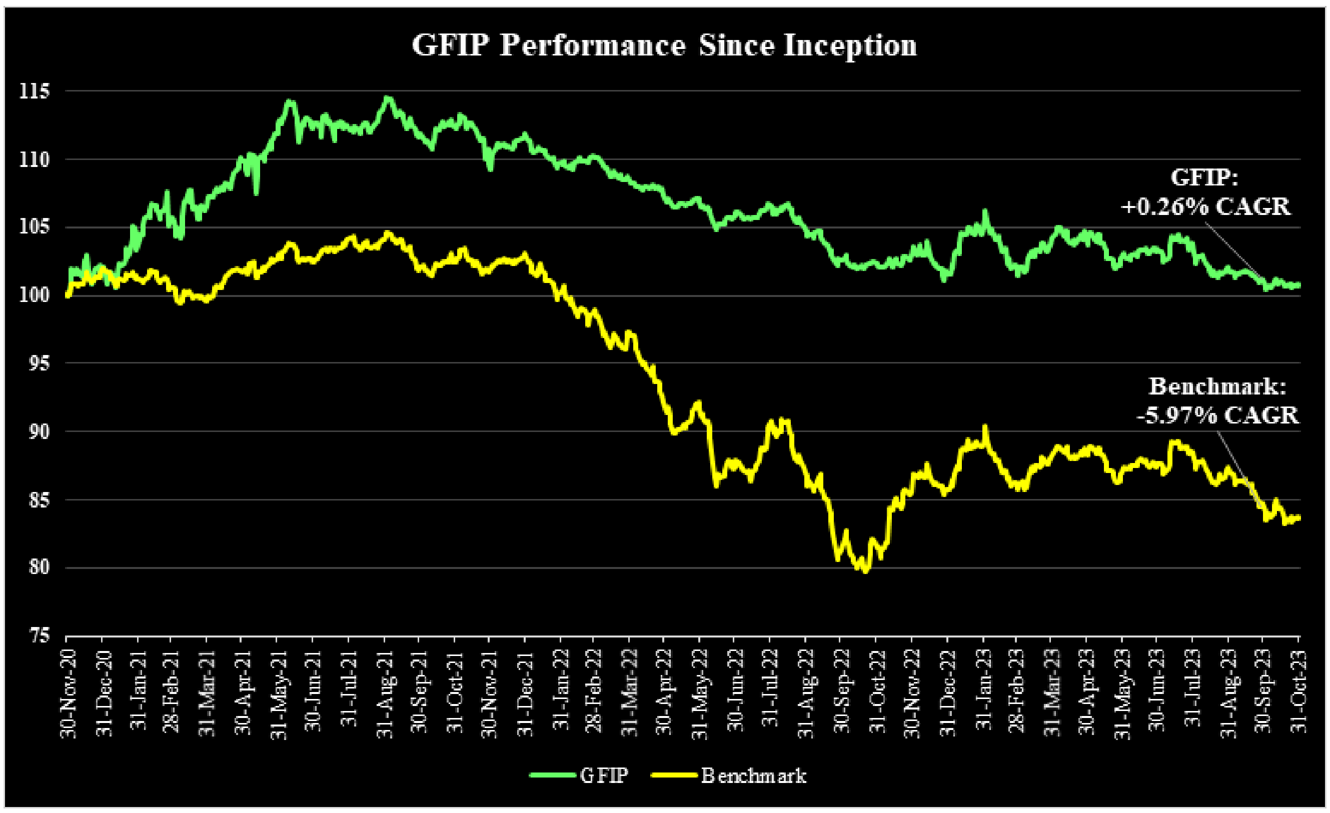
Global Fixed Income Portfolio: October '23



Market Spooktacular: The October Blues

In October 2023, global markets and various asset classes experienced significant challenges, leading to widespread losses.

Of course, in several cases the tide has reversed in November but that is a story for another day.

Coming back to October, U.S. equities declined for the third consecutive month, with Small & Microcaps performing the worst and most Equity markets in red.

Oil prices fell after a surge in Q3CY23, and global tensions escalated following terrorist attacks in Israel and Israel's all-out retaliation. Notably, Gold showed strength. In general earnings reports improved, at least for US companies.

Non-equity assets like the US Dollar, Precious Metals, and Agriculture in the commodities sector delivered positive returns in October. Conversely, energy among commodities, REITs, U.S. and EM Bonds, and most currencies saw declines ranging from 2-5%.

As expected during geopolitical upheavals, gold rose by 6.9%, reaching above $2,000 per ounce. However, oil prices declined by over 10% from their YTD peak in late September.

The bond market witnessed weakness in October, resulting in a steepening of the yield curve. U.S. equities saw declines, with the S&P and NASDAQ falling over 10% from their July highs, entering a correction territory. All major equity markets experienced losses.

Looking at the CYTD period, markets rebounded after a challenging 2022.

Only a few assets and countries remain down for the year: Industrial Metals, the Energy index in commodities, REITs, specific currencies, and a few equity markets. Most others posted gains ranging from 2-46%.

In terms of sectors, Technology, Oil & Gas, and Automobiles remained positive for the year, while Banks and Pharma were flat. Only a few sectors, such as Chemicals, Biotechnology, Healthcare Equipment, and Metals & Mining, were in negative territory.

The Indian market indexes experienced corrections from August to October period this year but maintained a positive CYTD performance, up 6% in rupee terms (3.8% in dollar terms).

In October 2023, our Global portfolios closely tracked the benchmarks, while our Indian Portfolios (PMS), modestly outperformed their benchmark returns.

The Global Multi-Asset portfolio and fund, although down 2.1-2.8% in October 2023, was largely in line with its benchmarks. The positive contribution from our overweight positions in Japan, positions in Denmark, Netherlands, Financials and mega caps like Microsoft, Amazon, Novo Nordisk were more than offset by negative returns elsewhere, across asset classes.

In India, the Pure Equity portfolio, India Super 50 (IS50), was down 2.0% in October but moderately outperformed its benchmark, the Nifty 50 Index.

On a CYTD basis, IS50 is still up about 17% and we have outperformed the benchmark by a wide margin of 10 percentage points.

We maintain our position as the No.1 India PMS provider in the multi-cap space, with substantially better returns than competitors - both in absolute terms as well as on risk-adjusted measures.

The Global Fixed Income portfolio (GFIP), while down 0.4%, outperformed its benchmarks, which were down 1.2-1.4% for the month. For the ten months ending CY23, GFIP is moderately down by 0.7%, although it has substantially outperformed its benchmarks by 173 to 231 basis points (1.7 to 2.3 percentage points).

Our sizeable underweight to interest rate risk/ duration exposure since mid-August, helped us outperform the benchmark by 1 percentage point in October and by 1.7 percentage points YTD.

Our advice remains to stay invested in equity markets, emphasizing the significance of not missing good trading days, which can significantly impact returns.

While fixed income may perform better in 2023, we see a brighter long-term (3-5 years) outlook for equities.

However, caution is advised in the short-term due to geopolitical instability and narrow market conditions and we suggest increasing fixed income exposure, as we have already done in our global portfolios.

We continue to believe that Indian markets are well-positioned to outperform most other markets, despite taking a breather after a strong 2022 performance. Staying invested is advisable to avoid missing out on good trading days.

Now for the details…

Country wise-performance in October 2023, CY23 YTD and CY22

MAJOR GLOBAL INDICES PERFORMANCE (as of 31st October 2023)							
YTD Rank	Indices	Country	Region	Level	Oct'23 (%)	YTD (%)	2022 (%)
1	SRI LANKA COLOMBO ALL SH	Srilanka	Emerging	10,687	-7.0%	46.0%	-60.3%
2	NASDAQ-100 INDEX	United States	Developed	14,410	-2.0%	32.6%	-32.3%
3	BUDAPEST STOCK EXCH INDX	Hungary	Emerging	56,035	2.1%	31.6%	-24.4%
4	WIG 20	Poland	Emerging	2,150	16.4%	28.2%	-24.1%
5	EGX 30 INDEX	Egypt	Emerging	22,551	13.3%	27.7%	-18.9%
6	DFM GENERAL INDEX	UAE	Emerging	3,883	-6.7%	22.0%	8.2%
7	FTSE MIB INDEX	Italy	Developed	27,742	-1.8%	20.2%	-14.2%
8	OMX COPENHAGEN 20 INDEX	Denmark	Developed	2,133	0.3%	17.0%	-4.9%
9	IBEX 35 INDEX	Spain	Developed	9,017	-3.8%	12.4%	-7.3%
10	S&P/BMV IPC	Mexico	Emerging	49,062	-6.5%	12.3%	-1.1%
11	TAIWAN TAIEX INDEX	Taiwan	Emerging	16,039	-2.6%	11.0%	-26.9%
12	S&P 500 INDEX	United States	Developed	4,194	-2.1%	10.7%	-18.1%
13	MSCI COLCAP INDEX	Colombia	Emerging	1,088	-3.9%	8.6%	-18.4%
14	BRAZIL IBOVESPA INDEX	Brazil	Emerging	113,144	-3.6%	8.1%	10.1%
15	CAC 40 INDEX	France	Developed	6,886	-3.5%	8.0%	-12.2%
16	All Country World Index	Global	Global	339	-3.0%	6.8%	-18.4%
17	S&P BSE SENSEX INDEX	India	Emerging	63,757	-3.1%	5.6%	-4.7%
18	TADAWUL ALL SHARE INDEX	Saudi Arabia	Emerging	10,690	-3.3%	5.4%	-5.1%
19	AEX-Index	Netherlands	Developed	719	-1.4%	5.3%	-16.7%
20	DAX INDEX	Germany	Developed	14,810	-3.8%	5.0%	-17.0%
21	NIKKEI 225	Japan	Developed	31,602	-4.5%	4.2%	-18.5%
22	FTSE 100 INDEX	United Kingdom	Developed	7,322	-4.2%	1.8%	-6.5%
23	SWISS MARKET INDEX	Switzerland	Developed	10,391	-4.7%	1.2%	-15.0%
24	JAKARTA COMPOSITE INDEX	Indonesia	Emerging	6,676	-5.4%	-0.4%	-1.6%
25	HO CHI MINH STOCK INDEX	Vietnam	Emerging	1,030	-11.7%	-0.5%	-34.1%
26	S&P/TSX COMPOSITE INDEX	Canada	Developed	18,873	-5.5%	-2.4%	-11.9%
27	OMX STOCKHOLM 30 INDEX	Sweden	Developed	2,076	-5.8%	-2.5%	-24.3%
28	S&P/CLX IPSA (CLP) TR	Chile	Emerging	5,408	-8.1%	-2.8%	22.9%
29	Straits Times Index STI	Singapore	Developed	3,074	-4.9%	-3.6%	9.1%
30	KOSPI INDEX	South Korea	Emerging	2,302	-7.2%	-4.2%	-27.6%
31	SHANGHAI SE COMPOSITE	China	Emerging	3,028	-3.2%	-5.4%	-19.7%
32	S&P/ASX 200 INDEX	Australia	Developed	6,838	-5.3%	-6.1%	-5.8%
33	BIST 100 INDEX	Turkey	Emerging	7,514	-12.6%	-7.2%	117.4%
34	FTSE Bursa Malaysia KLCI	Malaysia	Emerging	1,439	-0.2%	-7.3%	-6.2%
35	BEL 20 INDEX	Belgium	Developed	3,357	-5.3%	-7.8%	-16.7%
36	PSEi - PHILIPPINE SE IDX	Philippines	Emerging	5,974	-5.6%	-8.7%	-13.7%
37	FTSE/JSE AFRICA ALL SHR	South Africa	Emerging	69,653	-2.4%	-10.0%	-2.8%
38	HANG SENG INDEX	Hong Kong	Developed	17,103	-3.8%	-10.7%	-12.6%
39	OMX HELSINKI 25 INDEX	Finland	Emerging	4,119	-3.1%	-12.0%	-14.8%
40	S&P/NZX 50 Index Gross	New Zealand	Developed	10,851	-7.7%	-14.2%	-18.4%
41	STOCK EXCH OF THAI INDEX	Thailand	Emerging	1,384	-4.7%	-18.3%	-0.4%
42	TA-35 Index	Israel	Developed	1,647	-15.2%	-20.2%	-19.7%

Source: Bloomberg

Our October '23 Performance

India Performance Analysis

After 5-months of consecutive positive returns month-on-month, the Indian market had taken a moderate pause in August 2023, down 2.3%, while in September, it was moderately up 2%, though the market move was very narrow. In October, the Indian markets gave up all its returns of September and was down almost 3%. In October, almost all the Global markets except Poland, Egypt and Hungary were in red.

On a CYTD basis, India is now up the rank to No.17 among the top 42 global markets, compared to No.21 in September 2023 - but with dollar returns somewhat below the Global average, given the huge rebounds in the dogs of last year like Sri Lanka and the NASDAQ.

In October 2023, almost all the major sectors were in red. The only sectors that were up: the Capital Markets, Real Estate Management and Development and Communication Equipment.

Also, the overall market move was quite narrow. Out of the top 1500 companies in terms of market cap, only 38% gave a positive move.

On a CYTD basis, the overall market was up 6.4% and returns were quite diversified, with most sectors barring the Private and Public sector banks giving strong positive returns in the 2-8% range. The chief sector contributors on a YTD basis were Civil Construction, Autos and FMCG.

Our Pure Equity portfolio, India Super 50 (IS50) is down 2.0% for October, though we have moderately outperformed the benchmark, the Nifty 50 index which is down 2.7%.

On a CYTD, our portfolio is still up about 17% and we continue to outperform the benchmark by a wide margin of 10 percentage points.

In the month of October, most sectors gave a negative move but the major up moves were in Capital Markets, Real Estate Management and Development and Communication Equipment which gave positive returns in the 4-13% and were the chief contributors to the overall returns of the market.

Our positions in IT, Autos and FMCG added positive performance points to our portfolio returns. However, all other sectors contributed negatively and hence, the overall return of our portfolio turned negative.

We recently completed our quarter rebalancing with an endeavour to keep our portfolios fresh and updated with the fast evolving market conditions.

We moderately reduced our Financial and IT exposure and also reduced our Energy exposure by 4.6% and in turn increased exposure to Communication Services and FMCG sector. We maintained our overweight positions in Capital Goods, Auto and Pharma.

We remain the No. 1 PMS provider in the multi-cap space - with a return that's far better than the next best. On risk-adjusted returns, the gap is higher still. (Please see the table given below).

Our diversified portfolio has stood us in good stead.

Our Winners in October '23

Name	Return	Name	Return	Name	Return
Nucleus Software Exports Ltd	52.1%	KDDL Ltd	11.2%	Voltamp Transformers Ltd	7.1%
Surya Roshni Ltd	17.4%	RPG Life Sciences Ltd	8.8%	Kewal Kiran Clothing Ltd	6.9%
ESAB India Ltd	14.4%	eClerx Services Ltd	8.7%	Ratnamani Metals & Tubes Ltd	6.4%
Vesuvius India Ltd	14.3%	Kirloskar Brothers Ltd	7.9%	Colgate-Palmolive India Ltd	5.4%
Control Print Ltd	11.7%	Nestle India Ltd	7.7%	Supreme Industries Ltd	5.0%

Global Performance Analysis

In October 2023, global markets and almost all asset classes were in red amidst several challenges.

The month overall painted a lackluster picture, with U.S. equities falling for the third straight month with Small & Microcaps being the worst performers, most equity markets in red, Oil falling after surging in Q3CY23 and Global tensions rising after terrorist attacks in Israel and the subsequent attack on Gaza by Israel.

As always, the geopolitical flare-up meant that Gold was up in this overall dull month.

Non-equity assets like the US Dollar, Precious metals and Agriculture among commodities were the bright spots, delivering positive returns in October 2023.

Conversely, equities, energy among commodities, REITs, US and EM Bonds and most currencies experienced declines ranging from 2-5% for the month.

The US Dollar showed mixed performance, weakening against the Euro but strengthening against the Japanese yen.

Gold had a significant increase, with its best month since March, rising by 6.9% and briefly surpassing $2,000 per ounce. However, oil prices declined from their YTD peak in late September by 10.8%.

The bond market similarly saw weakness in October, leading to a notable steepening of the yield curve. The 2-year Treasury yield saw a slight increase in yields, while 10-year and 30-year yields rose more than 30 basis points. The rise in yields hurt stock sentiment.

For the 10 months of this calendar year, Industrial Metals, the Energy index among commodities, REITs, the US Bonds, specific currencies like the Norwegian Krone, South African Rand and Japanese Yen, along with a few markets including China, Turkey, Israel, New Zealand, Hong Kong, and Thailand, ended in negative territory. All other asset classes and countries posted gains ranging from 2-46%.

Within Equities, in October 2023, most markets were down except a few like Poland, Egypt and Hungary which were positive.

U.S. equities declined in October, with both the S&P and NASDAQ dropping more than 10% from their July highs, entering a correction territory.

For 2023 Calendar Year to Date (CYTD), out of the top 42 Equity markets, 23 of them still remained in green, while the worst performers were Israel, South Africa, China, Thailand, Malaysia and Hong Kong.

In terms of sectors, all the major sectors were in red for the month barring the Utilities sector.

However, CYTD, all the major sectors were still in positive territory except Gas Utilities, Healthcare, Consumer Staples and Real Estate.

The strong tech rally that was witnessed in H1 2023 took a pause and the tech space was down 7% in September 2023 and further down by 1% in October 2023.

The broader Index ACWI was up down 3%, while the NASDAQ was down 2% for the month. For the first 10-months of 2023, the ACWI is still up 7%, while the NASDAQ is up almost 33%, once again underlining the fact that indeed Calendar Year to Date has been largely still a tech only story.

For the 10-months of CY23, for the ACWI, the Tech space still contributed to 75% of its return and the remaining was contributed by Industrials, Communication Services and the Consumer Discretionary sectors.

All the bond indexes were negative for the month, though CYTD most of them were positive.

In October 2023, among commodities, Energy was down, while Precious metals and the Agriculture sub index were up. Now, for the 10-months of CY23, all commodities except Precious metals were in red.

REITs (Real Estate Investment Trusts) were down 4-5% for the month and down 8-10% for the year.

The market globally was still quite narrow.

Globally, out of top 3000 companies in terms of market cap, 33% of them gave a positive return and the number of outperformers was at 45%.

Overall, for the 10-months of CY23, the market was still quite narrow, with just 41% companies outperforming the markets.

Cross-Asset Performance for October 2023 and CYTD

Cross-Asset Performance	Oct '23	CYTD	Cross-Asset Performance	Oct '23	CYTD
Equities			**Bonds**		
NASDAQ 100	-2.0%	32.6%	Bloomberg Pan European High Yield	-0.3%	6.4%
S&P 500	-2.2%	10.6%	Bloomberg Global High Yield	-0.9%	4.1%
MSCI Japan	-2.2%	9.1%	Bloomberg Pan European Aggregate	0.2%	0.8%
MSCI ACWI	-2.5%	7.1%	VanEck EM High Yield ETF	-1.4%	0.7%
MSCI Eurozone	-2.7%	6.2%	Bloomberg EM USD Aggregate	-1.5%	-0.6%
Bloomberg Latin America Index	-5.2%	4.4%	Bloomberg Global Aggregate	-1.2%	-3.4%
MSCI India	-2.2%	3.8%			
Core MSCI International Developed Markets	-3.3%	2.5%			
EM ex-China	-3.3%	2.3%			
MSCI Frontier and Select EM	-5.0%	-1.7%			
MSCI Emerging Markets	-3.3%	-2.4%			
REITs	**Oct '23**	**CYTD**	**Commodities**	**Oct '23**	**CYTD**
S&P Global REIT	-4.6%	-8.2%	Bloomberg Livestock Subindex	-1.2%	6.5%
Vanguard US REITs ETF	-3.6%	-8.9%	Bloomberg Precious Metals Subindex	6.3%	5.6%
Vanguard Global ex-US REITs ETF	-4.0%	-9.6%	Bloomberg Agriculture Subindex	2.3%	-1.9%
			Bloomberg Commodity Index	0.3%	-3.2%
			Bloomberg Energy Subindex	-2.7%	-6.9%
			Bloomberg Industrial Metals Subindex	-4.1%	-13.0%

Source: Bloomberg, Yahoo Finance

Our Global Multi-Asset portfolio and Fund, though down 2.1-2.8% in October 2023, has been more or less in line with its benchmarks, the Bloomberg 80:20 and Bloomberg 60:40 indices that are also down 2.2-2.5%.

Our well diversified portfolio, positions in Japan, Denmark, Netherlands and positions in Financials and Mega stocks like Microsoft, Amazon, Novo Nordisk contributed to the portfolio's performance. Our positions in Gold also added some performance points to the portfolio. However, this was offset by the negative returns from all other sectors and asset classes.

Our well-diversified portfolio, though it may seem a bit conservative now and then, generates steady, consistent returns over a period, without major drawdowns.

That is indeed what we aim to do and our systems are designed that way!

We are in the midst of our quarterly portfolio rebalance. In view of the uncertain geopolitical conditions, we have brought down our Equity exposure from 79% to 68% and increased fixed income exposure from earlier 16% to 25%. Within Equities, we have reduced US exposure from 55% to 44%, increased Europe exposure from earlier 10% to 12% and remain overweight on Japan.

As the table below shows, specific security winners were well diversified across sectors and geographies.

Our Winners in October '23

Name	Return	Name	Return	Name	Return
Tradeweb Markets Inc.	12.2%	Microsoft Corp	7.1%	Adobe Inc.	4.3%
Fastenal Co	7.4%	Novo Nordisk A/S	6.2%	Republic Services Inc.	4.2%
SPDR Gold Shares	7.4%	Cintas Corp	5.4%	Vertex Pharmaceuticals Inc.	4.1%
FUGRO NV	7.1%	Amazon.com Inc.	4.7%	CACI International Inc.	3.4%

FG-GFIP Performance Analysis

October's Bond Market: More Trick Than Treat

The bond market carnage from September, where the global aggregate bond index tumbled almost 3% spilled over into October. The global investment grade benchmark slipped another 1.4%, pushing its year-to-date (YTD) losses to ~4%. Yield curves steepened across the world, as long term bond yields (10-year and above) surged more than their short-term counterparts.

Ten-year yields surged 34 basis points (bps) in the U.S. to 4.9%, but not before we saw a brief jump to the psychological 5% number, which saw buyers coming in. A major chunk i.e. 28 bps of the 36 bps increase in the U.S. 10-year treasury yield was owed to a rise in real interest rates (inflation-adjusted).

We witnessed a buyer’s strike owing to increased bond issuance from the U.S. treasury -- which is running a ~6% budget deficit during a period of 4.9% real GDP growth (Q3 2023). The continued reduction of balance sheet by the Federal Reserve combined with poor 10 and 30-year bond auctions only added fuel to the fire.

Our sizeable underweight to interest rate risk exposure since mid-August, helped us outperform the benchmark by 1 percentage point in October and by 1.7 percentage points YTD.

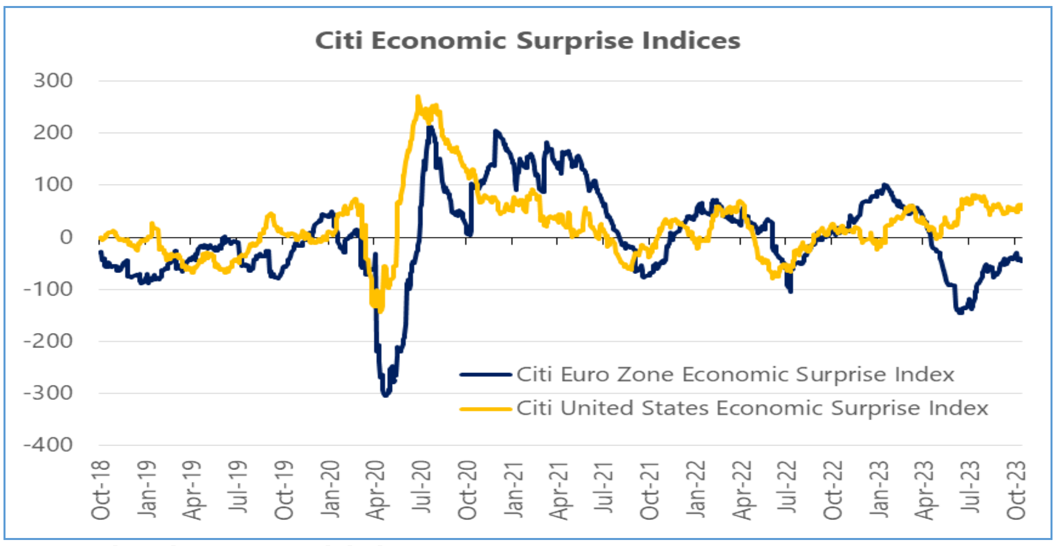
Getting Real

Real interest rates in the U.S. have soared to 2.5% for longer maturity bonds and to 3.2% for short maturities (1-5 year) i.e. you receive the realized inflation rate **plus** a 2.5% to 3% annualized return, by buying treasury inflation protected securities (TIPS) at current levels. We find incredible value here and plan to increase our exposure to U.S. TIPS.

Europe – A Defensive Play

The European Central Bank (ECB) recently decided to keep its policy rates unchanged after 10 consecutive interest rate hikes. This decision was influenced by concerns about disappointing economic data and signs of a weakening job market, which made ECB President Lagarde more cautious than in previous meetings. Unless there is a sudden economic recovery in the Eurozone, it is likely that this cautious stance will mark the end of the interest rate hiking cycle.

Additionally, Eurozone inflation in September dropped below 3%, and third-quarter GDP growth was negative, supporting the ECB's dovish tone. European government bonds have performed well, with shorter-term yields decreasing in October, while longer-term bonds experienced modest losses compared to those in the US and Asia-Pacific markets.



Source: Bloomberg, First Global

The Citi Economic Surprise Index for Eurozone remains in the negative territory since May while that in the US remains fairly positive and rising. Thus, given our material underweight in government bonds, we are warming up to the idea of adding more ex-US and Europe focused exposure through currency hedged fixed-rate government bonds.

Central Banks Remain On Guard

On the global stage, the meeting minutes of Reserve Bank of Australia (RBA) showed that the central bank considered raising rates in October. Meanwhile, the Bank of Canada (BoC) governor Tiff Macklem said higher longer term bond yields are "not a substitute for doing what needs to be done to get inflation to come back to our target," while adding that it is a concern that the BoC is not really seeing a downward momentum in underlying inflation.

LOCAL CURRENCY GOVERNMENT BOND YIELDS						
	2-Year			10-Year		
Regions	**YTM**	**Oct'23**	**YTD**	**YTM**	**Oct'23**	**YTD**
Americas						
United States	5.06%	+2.1	+63.9	4.90%	+33.6	+103.3
Canada	4.61%	-25.1	+56.5	4.03%	+4.3	+73.7
Europe						
Germany	3.00%	-19.4	+28.7	2.82%	-1.3	+26.7
France	3.37%	-10.0	+62.0	3.45%	+5.3	+35.5
Italy	3.85%	-15.4	+67.9	4.82%	+5.2	+14.4
United Kingdom	4.77%	-10.3	+127.5	4.55%	+11.3	+89.3
APAC						
Australia	4.46%	+38.0	+107.5	4.94%	+46.0	+89.8
New Zealand	5.51%	-20.4	+67.3	5.49%	+20.6	+105.4
Japan	0.15%	+10.7	+12.1	0.94%	+19.0	+53.9
China	2.33%	+11.1	+5.0	2.68%	+2.0	-14.8
India	7.33%	+12.2	+36.9	7.36%	+14.0	+2.7
Note: Yield Changes for Oct'23 and YTD are in basis points with 1 basis point = 0.01%						

Source: Bloomberg, First Global

In Japan, 10-year bond yields surged 20 bps to 0.95%, more than a decade high, as the Bank of Japan (BoJ) revised up the inflation outlooks and scrapped daily fixed-rate bond purchase operations. Thus, allowing yields to move more flexibly around the 1% reference point. As a result, the entire yield curve was pushed back into positive territory in Japan, enticing domestic life insurance companies, who have been large buyers of US treasuries historically, to reconsider.

Credit Spreads Start Widening

Turning to high yield bonds, spreads on global speculative-grade bonds increased by another 40 bps to 521 bps, providing a yield pickup of 5.21% over similar maturity government bonds. Since July, the decline in global equities has been led by a decline in valuations even as earnings estimates continue to rise. The contraction of forward multiples has been on the back of rising real interest rates.

As a result, the increase in credit spreads is not surprising. The global high yield benchmark declined by 0.9% in October, while our overweight on high yield investments, centered on floating rate US senior secured loans, outperformed significantly by trading flat to only marginally negative for the month.

Currently, our systems are avoiding emerging market credit and fixed-rate US credit. However, given the risk of further credit spread widening, we plan to reduce our overweight position in U.S. floating rate high yield loans to neutral while using the proceeds to switch into the investment grade counterparts which are currently yielding 6.5% to 7%. This would be in line with our defensive stance.

Concerning Real Estate Investment Trusts (REITs), our underweight position at 3.5% allocation versus the benchmark's 7.5% has helped stem the losses, with the asset class declining close to 5% during the month.

To reiterate, the way we do things around here are:

Our Investing Mantras

Avoid the Big Losses

Be the "House", not the "Gambler"

Protect in Down Markets
Participate in Up Markets

Play for Singles. Not for Sixers

Play Everything. Believe Nothing

Not Bullish. Not Bearish. Be Hare-ish

Great trades are like buses
There's always one coming

No Storification. Just Datafication

Rigidity Kills. In Arteries. And in Investing

And our Human+Machine delivers these Returns with the lowest possible risk.

As we've said before:

We do not run "High Conviction" risk.

We do not run "Storification" risk.

We do not run "High Concentration" risk.

Being neutral and systematic in investing, will absolutely make us win, barring the occasional pullback patches.

That's what our unique Human + Machine Model delivers.

Consistency. Not stomach churning yo-yos.

For those who aren't invested with us, but want in, just drop us a line on **http://tinyurl.com/4xrnkrh6** or **info@firstglobalsec.com and we will respond quick.**

By the way, you can also **WhatsApp** us on +**91 88501 69753**

Chat soon!

From Your Friends at First Global