

Schedule of Similarities and Differences
between
Guernsey and South African regulations
as applicable to the
Momentum Mutual Fund ICC Limited scheme
in relation to Flagship International Flexible Fund IC Limited
and a South African Collective Investment Scheme

Item	Guernsey regulation Scheme: Momentum Mutual Fund ICC scheme <u>Mixed Asset Fund</u> : Flagship International Flexible Fund IC Limited (the “Fund”)	South African regulation A South African multi asset class Collective Investment Scheme
1. Investment restriction on a class of security regarding equity securities	Maximum holding of 5% of the market value of the Cell in any class of security of a single issuer. May increase to a maximum of 10% if the market capitalisation of the security class exceeds \$350 million.	Maximum holding of 5% of any one class of an issuer if its market cap is less than R2 billion; otherwise a maximum of 10%. Proviso: An overall limit of 15% of the aggregate amount of securities of any one class issued by a concern within the same group as the manager across the portfolios in all the schemes he administers. Proviso: An overall limit of 24% of the aggregate amount of securities of any one class issued by a concern other than a concern within the same group as the manager across the portfolios in all the schemes he administers.
2. Investment restriction on an issuer of securities regarding equity securities	Maximum holding of 15% of the aggregate amount of securities of all security classes issued by the issuer.	Maximum holding of 5% of the market value of a portfolio if the issuer’s market cap is less than R2 billion; otherwise a maximum of 10%.
3. Investment restriction on Government issued instruments	Maximum holding of 15% of the market value of the Cell.	No limit.
4. Non-equity securities (other than issued by Government)	At least 90% of all fixed income security investments will have an “investment grade” credit rating by Moody’s, S&P or Fitch.	Must comply with limits as prescribed in regulation.
5. Investment in other collective investment schemes	Investment in collective investment schemes is restricted to 20% of the market value of the Cell. The risk profile of such collective investment schemes to qualify for inclusion in the Fund will be characterised by either: 1. being authorised in terms of section 65 of the Collective Investment Schemes Control Act 2002 of South Africa; OR	A maximum of 20% of the market value of the portfolio may be invested in local or foreign collective investment schemes. Foreign funds to be included must have a risk profile similar to SA unit trust funds; provided that the foreign funds must meet the following additional minimum requirements:

	<p>2. if not authorised in terms of section 65 of the Collective Investment Schemes Control Act 2002 of South Africa, the portfolio must meet the following minimum requirements:</p> <ul style="list-style-type: none"> a) 90% of equity securities held by the CIS must be listed on exchanges having obtained membership of the World Federation of Exchanges or be listed on exchanges that have been subject to the due diligence guidelines prescribed in FSB Board Notice 90 of 2014, Chapter VI or listed on exchanges (such as the New York and London Stock Exchanges) approved for this purpose by the FSB; b) borrowings permitted only to the amount of 10% of the value of the portfolio and only for purposes of meeting obligations in relation to the administration of a scheme relating to settlement of purchase and sale transactions and redemptions of shares; c) derivatives only permitted for purposes of efficient portfolio management of the portfolios; d) unlisted derivative instruments only allowed for the portfolios as unlisted forward currency, interest rate or exchange rate swap transactions; e) no uncovered derivative positions will be allowed for the portfolios; f) no gearing or leveraging is allowed; g) no scrip borrowing is allowed; <p>No unregulated collective investment schemes or exchange traded funds may be held;</p> <p>No collective investment schemes and exchange traded funds that invest in synthetic instruments may be held.</p> <p>Investment in commodities will be restricted to instruments that track the performance of certain commodities that derive their value from precious metals (such underlying metals will be those defined in terms of the South African Precious Metals Act, 37 of 2005). Investment in an instrument that compels the acceptance of physical delivery of a commodity is prohibited.</p>	<ul style="list-style-type: none"> i) 90% of equity securities held by the CIS must be listed on exchanges having obtained membership of the World Federation of Exchanges. Non equity securities (other than issued by the Government) must comply with limits as prescribed in Regulation; ii) borrowings permitted only to an amount of 10% of the value of the funds and only for purposes of redemptions in the funds; iii) no unlisted derivative instruments or uncovered exposures included; provided that the funds may hold unlisted forward currency, interest rate or exchange rate swap transactions where the inclusion is to utilise for efficient portfolio management; iv) no gearing or leveraging is allowed.
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6. Investment restrictions on the use of derivative instruments (general)	Derivative instruments will only be utilised to hedge existing investments. No net negative exposure to equity securities through derivatives, or short sales or purchase on margin will be allowed.	Exposure limits for derivative instruments requires the sum of nominal exposures to assets in liquid form, together with the market value of all physical underlying assets in the portfolio, to not exceed 100% of the portfolio market value. Derivative instruments to be used for purposes of efficient portfolio management. No gearing allowed.
7. Investment restrictions on option contracts and sufficient liquidity for any sum unpaid on a security	<p>Purchased call options may be utilised, provided that underlying obligations are limited to 7.5% of the Cell's market value. Writing of uncovered options prohibited.</p> <p>Securities may only be included if a call for a sum unpaid on a security can be met in full out of cash or near cash. No negative exposures allowed.</p>	Purchased call options may be utilised, provided that exposures be covered by liquid assets and that the required exposure limit of not exceeding 100% of the portfolio market value is met.
8. Forward currency contracts	May only be utilised for hedging purposes. Permitted maximum exposure of 50% of the market value of the Cell.	May only be utilised for purposes of efficient portfolio management.
9. Investment in unlisted instruments	Will not include more than 10% of its market value in securities that are not listed or quoted on an exchange that has not obtained full membership of the World Federation of Exchanges or exchanges that have been approved for this purpose by the FSB (such as the New York and London Stock Exchanges).	Instrument must be listed within 12 months of purchase date or disposed of, max 10% of portfolio value.
10. Investment of own resources into the fund	No requirement for investment.	Manager must invest 10% of own resources in each fund; can be limited to R1,000,000 maximum per fund that may be reduced by 10% for every R1m invested.
11. Borrowing	Maximum 10% of the market value of the Cell to meet short-term liquidity requirements regarding redemptions and to finance investments in anticipation of receipt of subscription monies and repurchase or cancellation of participatory interests.	10 % of the value of the underlying portfolio permitted for redemption of participatory interests only.
Leveraging/Gearing (refer to 5)	No gearing or leveraged permitted.	Leverage/Gearing not allowed.

12.Markets/Exchanges 12.1 Listed	The Cell will not hold more than 10% of its market value in securities not listed on exchanges having obtained full membership of the WFE or exchanges that have been approved for this purpose by the FSB (such as the New York and London Stock Exchanges).	90% of foreign exchanges for acquiring listed securities must have been granted full membership of the World Federation of Exchanges (WFE); due diligence guidelines prescribed by regulation to be followed in assessing non-WFE exchanges.
12.2 OTC Markets	Not allowed	Not allowed
13.Expenses/Charges 13.1 Costs to investors	Full disclosure of costs in Supplemental Prospectus; written notice to shareholders of any increases.	Full disclosure in Deed; written notice to unit holders in case of increase.
13.2 Charges against income of the portfolio	Full disclosure of costs and charges chargeable against the income of the Fund (brokerage, audit fee, bank charges, investment manager/sub-investment manager/manager & administration/custodian fees, other permitted expenses, levies or taxes) in the Prospectus and Supplemental Prospectus.	Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee/custodian fees, other levies or taxes service charge and share creation fees payable to the Registrar of Companies.
14.Determination of market value of investments	Market price feed of prices of the investments.	Fair market price, or as determined by stockbroker.
15.Risk factors	Full details of investment risk analysis and investment warnings are detailed in the Prospectus and Fund Supplemental Prospectus. These include potential risks pertaining to currency, fixed income investments, equity investments, property and commodities, as well as general risks such as the reduction in capital due to deduction of charges and expenses.	Investment/return values are not guaranteed.
16.Capped or not capped	Not capped	Not capped
17.Redemption (repurchase) of participatory interests	In terms of the Cell's supplemental prospectus the Manager will carry out redemptions that are scheduled for each day that is a Business Day and at the Fund NAV calculated at 11pm on the same day.	Legally obliged to redeem at same day's or previous day's price as determined in Deed.
18.Independent Trustee/custodian	Manager Administrator & Custodian are all independent companies.	Trustee/custodian must be completely independent.

19. Taxation of Portfolio	No taxation	No taxation
20. Taxation of shareholders / unit holders		
20.1 Income - Dividends - Interest	The Company and its Cells are not required to deduct Guernsey income tax from dividends on any Share or Cell Share (if applicable) paid to Guernsey residents. No payments made by the Fund to non-Guernsey resident shareholders are subject to Guernsey tax.	Interest and dividends (dividend withholding tax introduced April 2012) are taxable in the hands of the unit holder.
20.2 Capital gains	Guernsey does not levy any capital gains tax (with the exception of a dwellings profit tax) on the Scheme, or the Fund or the shareholder.	Capital gains tax introduced on 1 October 2001.
21. Interval at which participatory interests are priced	Daily	Daily
22. Distributions	No dividends paid, all income received is automatically reinvested.	All income distributed regularly or reinvested at option of the investor.
23. Switching	Allowed. There is no limit on the number of switches that may be made between classes of Cell Shares in a Fund and no switch charge applies.	Allowed. Charges may differ among funds.
24. Pledging of securities (Refer Borrowing in par 10 above)	Allowed only for purposes of borrowing.	Allowed only for purposes of borrowing.
25. Scriplending	No provision is made in the Cell's Supplemental Prospectus for any scriplending or scripborrowing activities.	Allowed, may not exceed 50% of market value the portfolio, plus other conditions as prescribed in Deed.
Scripborrowing	Not allowed.	Not allowed.
26. Certificates, if issued and needed for redemption	Certificates for Cell Shares will not be issued; not required for redemption.	Certificates issued on request; not required for redemption.
27. Reporting to supervisory authority	Annually	Quarterly and annually
28. Inspection powers by supervisory authority	Yes	Yes
29. Reporting to investors	Annually	Annually

30. Legal structure if different from trust	Collective Investment Scheme set up as an open-ended investment company. (Incorporated Cell Company)	Collective Investment Scheme that can either be set up as a trust or as an open ended investment company.
31. Interest earned on funds pending investment and redemption	Any monies pending investment and redemption, including switches, will be held in a non-interest bearing separate bank account.	Interest paid to clients
32. Any other material difference: - Ring fence of fund assets	The legal recourse available to a creditor of:- (i) the Incorporated Cell Company (ICC) (i.e. the umbrella scheme) is limited to the assets of the ICC and not to any of its incorporated cells; and (ii) an Incorporated Cell (IC) (i.e. the specific fund in which investors have invested) of the ICC is limited to the assets of that IC. A creditor of an IC may not seize, attach or otherwise levy execution against the assets attributable to any other IC comprising the scheme, or the ICC itself.	There is a legal separation of the assets held in custody for each portfolio of a unit trust scheme and the Trustee must ensure that the legal entitlement of unit holders to the assets of each portfolio is safeguarded and assured.