

Caleo Global Flexible Cell

**Supplementary Information,
Annual Report and Audited Financial Statements for**

**Caleo Global Flexible Fund IC Limited
("Caleo Global Flexible Cell")**

Momentum Mutual Fund ICC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2018

Caleo Global Flexible Cell

Supplementary Information

| | 30.06.18 | 30.06.17 |
|---|-----------------|-----------------|
| 1. NUMBER OF SHARES OUTSTANDING | | |
| Class A | 56,334,286 | 64,863,980 |
| 2. NET ASSET VALUE PER SHARE - USD | | |
| Class A | 1.32 | 1.14 |
| 3. HIGHEST/LOWEST PRICE - USD* | | |
| Class A | 1.34 / 1.14 | 1.15 / 1.09 |
| 4. NUMBER OF SHARES SUBSCRIBED | | |
| Class A | 5,057,487 | 11,950,255 |
| 5. NUMBER OF SHARES REDEEMED | | |
| Class A | 13,587,181 | 13,365,454 |

*The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2018. The NAV on the 30.06.2018 was specifically calculated for financial reporting purposes and therefore may differ slightly from the most recent published price at that time. No class B shares have been issued.

Momentum Mutual Fund ICC Limited

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Caleo Global Flexible Fund

Portfolio Statement

| | Holdings | Fair Value <u>USD</u> | % of Net Assets |
|--|-----------|--------------------------|-----------------|
| Financial assets at fair value through profit or loss | | | |
| Collective Investment Schemes 94.85% (2017: 92.34%) | | | |
| Alternative Fund | | | |
| Oasis Investments Solutions PCC - Cell A - Caleo Alternative Income Fund | 137,636 | 13,814,525 | 18.56 |
| | | 13,814,525 | 18.56 |
| Equity Funds | | | |
| Ashburton Indian Equity Opportunities Fund | 109,774 | 2,078,861 | 2.79 |
| Contrarius Global Equity Fund | 376,252 | 21,732,303 | 29.20 |
| Fundsmith Equity Fund | 5,572,859 | 28,688,627 | 38.54 |
| ProShares Russell 2000 Dividend Growers ETF | 22,050 | 1,260,158 | 1.69 |
| ProShares S&P 500 Aristocrats ETF | 48,580 | 3,028,477 | 4.07 |
| | | 56,788,426 | 76.29 |
| Total Collective Investment Schemes | | 70,602,951 | 94.85 |
| Financial assets at fair value through profit or loss | | 70,602,951 | 94.85 |
| Other Net Assets: 5.15% (2017: USD5,673,651; 7.66%) | | 3,833,261 | 5.15 |
| Net Assets Attributable to Holders of Participating Redeemable Shares | | 74,436,212 | 100.00 |

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Caleo Global Flexible Cell

Statement of Financial Position

| | Notes | 30.06.18 USD | 30.06.17 USD |
|---|--------|--------------------------|--------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Financial assets at fair value through profit or loss | 5 | 70,602,951 | 68,418,482 |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 3,931,883 | 14,924,995 |
| Securities sold receivable | | - | 11,217,542 |
| Other receivables | 7 | 520 | 571 |
| | | <u>3,932,403</u> | <u>26,143,108</u> |
| Total assets | | <u>74,535,354</u> | <u>94,561,590</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Bank overdraft | 6 | - | 8,923,642 |
| Securities purchased payable | | - | 11,432,402 |
| Due on redemption of participating redeemable shares | | - | 11,906 |
| Other payables | 8 | 99,042 | 101,407 |
| Liabilities (excluding net assets attributable to holders of participating redeemable shares) | | <u>99,042</u> | <u>20,469,357</u> |
| Net assets attributable to holders of participating redeemable shares | 2 & 10 | <u>74,436,212</u> | <u>74,092,133</u> |
| Total liabilities | | <u>74,535,254</u> | <u>94,561,490</u> |
| SHAREHOLDERS' EQUITY | | | |
| Management Shares | 9 | 100 | 100 |
| Total equity | | <u>100</u> | <u>100</u> |
| Total equity and liabilities | | <u>74,535,354</u> | <u>94,561,590</u> |
| Net asset value per participating redeemable share | | | |
| Class A | 10 | 1.32 | 1.14 |

The notes 1 to 15 on pages 180 to 188 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 5 December 2018 and signed on its behalf by:


 Director


 Director

Momentum Mutual Fund ICC Limited
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Caleo Global Flexible Cell

Statement of Comprehensive Income

| | Notes | Year ended 30.06.18 <u>USD</u> | Year ended 30.06.17 <u>USD</u> |
|--|-------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Dividend income | | 267,915 | 463,274 |
| Net realised gains on financial assets at fair value through profit or loss | 5 | 657,439 | 5,283,552 |
| Net unrealised gains/(losses) on financial assets at fair value through profit or loss | 5 | 10,366,394 | (1,376,284) |
| Other foreign exchange gains | | 108,921 | 213,256 |
| Total net income | | 11,400,669 | 4,583,798 |
| EXPENSES | | | |
| Audit fee | | (12,201) | (10,487) |
| Custodian fee | 12 | (30,083) | (25,832) |
| Investment Management fee | 12 | (712,289) | (770,385) |
| Management and Administration fee | 12 | (222,948) | (237,596) |
| Interest paid | | (13,976) | (9,071) |
| Sundry expenses | | (3,523) | (5,742) |
| Total operating expenses | | (995,020) | (1,059,113) |
| Net profit before tax | | 10,405,649 | 3,524,685 |
| Withholding tax | | (27,158) | (43,944) |
| Increase in net assets attributable to holders of participating redeemable shares from operations | | 10,378,491 | 3,480,741 |

All items in the above statement derive from continuing operations. There is no difference between the increase in net assets attributable to holders of participating redeemable shares and comprehensive income.

The notes 1 to 15 on pages 180 to 188 form part of these financial statements.

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Caleo Global Flexible Cell

Statement of Cash Flows

| | Year ended 30.06.18 | Year ended 30.06.17 |
|---|--------------------------------|--------------------------------|
| | <u>USD</u> | <u>USD</u> |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Increase in net assets attributable to holders of participating redeemable shares from operations | 10,378,491 | 3,480,741 |
| ADJUSTMENTS FOR: | | |
| Net realised gains on financial assets at fair value through profit or loss | (657,439) | (5,283,552) |
| Net unrealised (gains)/losses on financial assets at fair value through profit or loss | (10,366,394) | 1,376,284 |
| Net settlement on derivatives and other foreign exchange | (108,921) | (213,256) |
| Dividend income | (267,915) | (463,274) |
| Withholding tax | 27,158 | 43,944 |
| Operating loss before working capital changes | (995,020) | (1,059,113) |
| Net decrease in other receivables | 51 | 4,084 |
| Net decrease in other payables | (2,365) | (8,842) |
| Purchase of financial assets at fair value through profit or loss | (11,436,638) | (46,517,442) |
| Sale of financial assets at fair value through profit or loss | 20,061,142 | 41,747,757 |
| Dividend received | 240,757 | 419,330 |
| Net cash generated from/(used in) operating activities | 7,867,927 | (5,414,226) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Cash received from issuance of participating redeemable shares | 6,227,882 | 13,584,951 |
| Cash paid on redemption of participating redeemable shares | (16,274,200) | (15,028,705) |
| Net cash used in from financing activities | (10,046,318) | (1,443,754) |
| Net decrease in cash and cash equivalents | (2,178,391) | (6,857,980) |
| Cash and cash equivalents at the beginning of the year | 6,001,353 | 12,646,077 |
| Exchange gains on cash and cash equivalents | 108,921 | 213,256 |
| Cash and cash equivalents at the end of the year | 3,931,883 | 6,001,353 |

The notes 1 to 15 on pages 180 to 188 form part of these financial statements.

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Caleo Global Flexible Cell

Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares

| | Notes | Year ended 30.06.18 <u>USD</u> | Year ended 30.06.17 <u>USD</u> |
|--|-------|--------------------------------------|--------------------------------------|
| Net assets attributable to holders of participating redeemable shares at the beginning of the year | | 74,092,133 | 72,067,053 |
| Proceeds from issuance of participating redeemable shares | 9 | 6,227,882 | 13,584,951 |
| Payments on redemption of participating redeemable shares | 9 | (16,262,294) | (15,040,612) |
| Increase in net assets attributable to holders of participating redeemable shares from operations | | <u>10,378,491</u> | <u>3,480,741</u> |
| Net assets attributable to holders of participating redeemable shares at the end of the year | 10 | <u><u>74,436,212</u></u> | <u><u>74,092,133</u></u> |

The notes 1 to 15 on pages 180 to 188 form part of these financial statements.

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Caleo Global Flexible Cell

Notes to the Financial Statements

1. General information

The Caleo Global Flexible Fund IC Limited (the "Cell"), with company number 56161, is a Guernsey registered, Limited Liability Incorporated Cell of the Momentum Mutual Fund ICC Limited (the "Company").

The primary objective of the Cell is capital appreciation in real terms over the investment horizon. The Cell is ideally suited to investors with a moderate to aggressive risk tolerance (measured in the base currency of the Cell) over an investment cycle of five year or longer. The diversified portfolio invests into a wide range of asset classes including cash, fixed income, equities, property, commodities and alternative investment strategies. As this portfolio is global in nature, exposure will be taken in a wide range of currencies and markets.

The Cell intends to achieve its investment objective through a diversified global portfolio that invests, via other collective investment funds, exchange traded funds and transferable securities across a broad range of asset classes and currencies in varying proportions over time. These classes include international equities, bonds, alternative strategies, property, money market instruments, commodities and multi asset portfolios.

The Cell's investment activities are managed by Momentum Wealth International Limited (the "Manager"), with the investment management delegated to Momentum Global Investment Management Limited (the "Investment Manager") and Caleo Capital (Pty) Ltd acting as Sub-Investment Manager.

On 18 April 2018, amendments were made to the Supplemental Cell Prospectus of Caleo Global Flexible Fund Cell, implementing the following changes with effect from that date:

- The Cell will not be permitted to enter in any form of borrowing or loan arrangement with other Cells of the Company nor other collective investment schemes of the Manager.
- The share dealing has been changed in respect of subscriptions, whereby the application form and cleared funds must be provided no later than 12:00 noon (Guernsey time) on the relevant Dealing Day.

The Financial Statements were authorised for issue by the Board of Directors on 5 December 2018.

2. Financial risk management

2.1 Strategy in using financial instruments

The Cell's activities and investment objectives expose it to a variety of financial risks: market risk (which is made up of price risk, interest rate risk and currency risk), credit risk and liquidity risk. The Cell's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Cell's financial performance. The following policies and procedures to mitigate risk have been in place throughout the year.

2.2 Market price risk

Market price risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices, other than those arising from currency or interest rate risk. The Cell is subject to market price risk as it trades primarily in collective investment schemes. Through its investment in traded securities and instruments the Cell is subject to market movements in equity and bond markets.

All investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Cell's overall market positions are monitored on a regular basis by the Investment Manager and are reviewed by the Board of Directors periodically.

The Cell's market price risk is managed through diversification of the investment portfolio by exposures to varying product categories, hence concentration of risk is minimised. At the year end the financial assets at fair value through profit or loss, which are subject to market price risk, are as follows:

| | 2018 | | 2017 | |
|-------------------------------|-------------------|-----------------|-------------------|-----------------|
| | Fair Value | % of net assets | Fair Value | % of net assets |
| | <u>USD</u> | | <u>USD</u> | |
| Collective Investment Schemes | 70,602,951 | 94.85 | 68,418,482 | 92.34 |
| | 70,602,951 | 94.85 | 68,418,482 | 92.34 |

The Cell's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency exchange rates movements. Interest rate and foreign currency movements are covered in notes 2.3 and 2.5, respectively. If the market indices increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of participating redeemable shares would amount to:

| | 2018 | 2017 |
|-------------------------------|-------------------|-------------------|
| | Change in | Change in |
| | <u>fair value</u> | <u>fair value</u> |
| | <u>USD</u> | <u>USD</u> |
| Collective Investment Schemes | 7,060,295 | 6,841,848 |
| | 7,060,295 | 6,841,848 |

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Caleo Global Flexible Cell

Notes to the Financial Statements

2. Financial risk management (continued)

2.2 Market price risk (continued)

The Cell's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The majority of the Cell's financial assets and liabilities are non-interest bearing. As a result, the Cell is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

2.3 Interest rate risk

The table below summarises the Cell's exposure to interest rate risk. It includes the Cell's assets and trading liabilities at fair values, all of which have contractual re-pricing or maturity dates within one month.

| | 2018 | 2017 |
|---|-------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| Net financial assets on which no interest is paid | 70,504,329 | 68,090,780 |
| Net floating rate financial assets | 3,931,883 | 6,001,353 |

Should interest rates have increased by 100 basis points with all other variables remaining constant, the increase in the net assets attributable to participating redeemable shareholders would amount to approximately:

| As at 30 June | 2018 | 2017 |
|------------------------------------|-------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| Net floating rate financial assets | 39,319 | 60,014 |

A decrease of 50 basis points would have a minimal effect as interest received at year end was immaterial.

2.4 Cash flow risk

The Cell holds a significant amount of cash and cash equivalents at 30 June 2018. However, the Cell's exposure to cash flow interest rate risk is deemed minimal.

2.5 Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Cell holds assets, including investments, denominated in currencies other than the US Dollar, the functional currency, and therefore it is exposed to currency risk. The exposures are based on the currencies of the underlying assets in the Cell. Where the Cell invests via Collective Investment Funds, the funds are treated as a single asset with its currency of exposure being assumed to be its reporting currency.

The table below summarises the Cell's exposure to currency risks:

| As at 30 June | 2018 | 2017 |
|----------------------|-------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| EUR exposure | 187 | 3,490,328 |
| GBP exposure | 28,679,451 | 24,497,241 |

In accordance with the Cell's policy, the Investment Manager monitors the Cell's currency position on a regular basis, and the Board of Directors reviews it periodically. The Cell has the ability to enter into forward foreign exchange contracts in an attempt to mitigate any significant currency risk, however to date the Investment Manager and Board of Directors have deemed that such contracts have not been necessary.

Should the Cell's functional currency have strengthened, or weakened, by 5% against other currencies to which it is exposed and all other variables, including the price of all investments, had held constant, the net asset attributable to preference shareholders would have increased, or decreased, as follows:

| As at 30 June | 2018 | 2017 |
|----------------------|-------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| EUR exposure | 9 | 174,516 |
| GBP Exposure | 1,433,973 | 1,224,862 |

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Notes to the Financial Statements

2. Financial risk management (continued)

2.6 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

There is a risk that an investee company may be unable to satisfy a valid redemption request made by a Cell. The Directors consider that the Investment Manager mitigates this risk by way of its investment process, as described in note 2.2.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. Delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. Given the relatively short settlement period, and the high credit quality of the brokers used, the risk here is considered to be minimal.

The Cell manages their exposure to credit risk associated with their cash deposits by selecting Northern Trust (Guernsey) Limited as the counterparty to hold all cash deposits for the cell. The Northern Trust Company is a wholly owned subsidiary of the Northern Trust Corporation. The credit rating for Northern Trust Corporation from Standard and Poor's is A+. The credit rating from Moody's is A2.

The Cell's maximum exposure to credit risk is the carrying value of the assets on the Statement of Financial Position.

2.7 Liquidity risk

Liquidity risk is the risk that the Cell will encounter difficulty in meeting obligations associated with its financial liabilities. The main liquidity risk is the risk that the Cell may be unable to recover funds invested through the usual redemption processes which may result in the Cell having insufficient funds to settle a transaction on the due date. Due to the nature of the Cell, the majority of investments held are in marketable securities that are readily tradable and have reported no warnings regarding their ability to process redemptions as normal.

The Cell has the ability to borrow to meet short term liquidity requirements, however to date the Cell has not entered into such arrangement.

The table below analyses the Cell's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| | 2018 | | | 2017 | | |
|--|----------------------|----------------------------|--------------|----------------------|----------------------------|--------------|
| | Less than 1 month | Between 1 and 12 months | Total | Less than 1 month | Between 1 and 12 months | Total |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Financial assets at fair value through profit or loss | 70,602,951 | - | 70,602,951 | 68,418,482 | - | 68,418,482 |
| Cash and cash equivalents | 3,931,883 | - | 3,931,883 | 14,924,995 | - | 14,924,995 |
| Securities sold receivable | - | - | - | 11,217,542 | - | 11,217,542 |
| Other receivables | 420 | - | 420 | 471 | - | 471 |
| Other payables | (99,042) | - | (99,042) | (101,407) | - | (101,407) |
| Bank overdraft | - | - | - | - | (8,923,642) | (8,923,642) |
| Due on redemption of participating redeemable shares | - | - | - | (11,906) | - | (11,906) |
| Securities purchased payable | - | - | - | (11,432,402) | - | (11,432,402) |
| Net assets attributable to participating redeemable shares | (74,436,212) | - | (74,436,212) | (74,092,133) | - | (74,092,133) |
| Net liquidity position | - | - | - | 8,923,642 | (8,923,642) | - |

Participating redeemable shares are redeemed on demand at the holder's option. However the Board of Directors does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash flows, as holders of these instruments typically retain them for the medium to long term.

2.8 Management of capital

The Board, with the assistance of the Investment Manager, manages the capital of the Cell in accordance with the investment objectives and policies. The overall strategy of the Cell remains unchanged.

The Cell has no externally imposed capital requirements.

2.9 Fair value disclosure

In the opinion of the Directors, there is no material difference between the net asset values of the underlying assets and fair values of the financial assets and liabilities of the Cell.

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Notes to the Financial Statements

3. Critical accounting estimates and judgments

The fair value of investments is considered to be the quoted, active market prices, or prices supplied by the fund administrators of the Cell's underlying investments.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

The fair value of investments in investee funds that are not quoted in an active market is determined primarily by reference to the latest available redemption price of such units for each investee fund, as determined by the administrator of such investee fund. The Investment Manager may make adjustments to the reported net asset value of various investee funds based on considerations such as:

- the liquidity of the investee fund or its underlying investments;
- the value date of the net asset value provided;
- any restrictions on redemptions; and
- the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the investee fund's advisors.

The prices are reviewed by the Investment Manager on a periodic basis.

4. Portfolio analysis

The Cell's portfolio is organised by focusing on the type of security held and then secondarily by geographical analysis based on the location of the investment.

The Cell operates using the main sector types disclosed in note 2.2 and the following main geographical areas:

| | 2018 | 2017 |
|--------------------------|-------------------|-------------------|
| | <u>USD</u> | <u>USD</u> |
| Europe | 35,546,828 | 32,405,164 |
| Mauritius | 2,078,861 | 2,051,549 |
| United Kingdom | 28,688,627 | 24,505,730 |
| United States of America | 4,288,635 | 9,456,039 |
| | 70,602,951 | 68,418,482 |

The geographical segment for listed non-monetary financial assets is considered to be the place of primary listing and for non-listed financial assets where the underlying investment is domiciled.

5. Financial assets at fair value through profit or loss

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | <u>USD</u> | <u>USD</u> |
| Financial assets at fair value through profit or loss: | | |
| Collective Investment Schemes | 70,602,951 | 68,418,482 |
| Total financial assets at fair value through profit or loss | 70,602,951 | 68,418,482 |

Movement on financial assets at fair value through profit or loss

| | | |
|--|-------------------|-------------------|
| Fair value of financial assets at the beginning of the year | 68,418,482 | 59,987,595 |
| Purchases of financial assets | 4,236 | 54,950,268 |
| Sales of financial assets | (8,843,600) | (50,426,649) |
| Realised gains on sale of financial assets | 657,439 | 5,283,552 |
| Movement in unrealised gains/(losses) on revaluation of financial assets | 10,366,394 | (1,376,284) |
| Fair value of financial assets at the end of the year | 70,602,951 | 68,418,482 |

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | <u>USD</u> | <u>USD</u> |
| Comprising: | | |
| Cost at the end of the year | 58,210,895 | 66,392,820 |
| Unrealised gains at the end of the year | 12,392,056 | 2,025,662 |
| | 70,602,951 | 68,418,482 |

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5. Financial assets at fair value through profit or loss (continued)

IFRS 13 requires the Cell to classify fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy, within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Board. The Board considers observable market data that is readily available, readily distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The investments classified as Level 1 consist of financial assets that are actively traded with fair values readily available from recognised exchanges. The Level 1 hierarchy may also include investments in funds that are priced by the underlying administrator where the Company considers it to be the most advantageous market and would enter into transactions based on those prices.

The investments classified as Level 2 are investments in funds that are actively traded and priced less frequently than monthly but not greater than quarterly for which fair values are obtained from the underlying administrator or fund manager.

The investments classified as Level 3 are investments that are illiquid investments and investments that are traded but priced less frequently than quarterly.

The following table presents the Cell's financial assets and financial liabilities measured at fair value by level within the valuation hierarchy as of 30 June 2018 and 30 June 2017.

| 30 June 2018 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|----------------|----------------|-------------------|
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Financial assets at fair value through profit or loss | | | | |
| Collective Investment Schemes | 70,602,951 | - | - | 70,602,951 |
| | 70,602,951 | - | - | 70,602,951 |

| 30 June 2017 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|----------------|----------------|-------------------|
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Financial assets at fair value through profit or loss | | | | |
| Collective Investment Schemes | 68,418,482 | - | - | 68,418,482 |
| | 68,418,482 | - | - | 68,418,482 |

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table analyses within the fair value hierarchy the Cells' assets and liabilities (by class) not measured at fair value at 30 June 2018 but for which fair value is disclosed.

| | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|-------------------|----------------|-------------------|
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Assets | | | | |
| Cash and cash equivalents | 3,931,883 | - | - | 3,931,883 |
| Other receivables | - | 520 | - | 520 |
| Total | 3,931,883 | 520 | - | 3,932,403 |
| Liabilities | | | | |
| Other payables | - | 99,042 | - | 99,042 |
| Net assets attributable to holders of participating redeemable shares | - | 74,436,212 | - | 74,436,212 |
| Total | - | 74,535,254 | - | 74,535,254 |

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5. Financial assets at fair value through profit or loss (continued)

Assets and liabilities not carried at fair value but for which fair value is disclosed (continued)

The following table analyses within the fair value hierarchy the Cells' assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed.

| Assets | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|-------------------|------------|-------------------|
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Cash and cash equivalents | 14,924,995 | - | - | 14,924,995 |
| Securities sold receivable | - | 11,217,542 | - | 11,217,542 |
| Other receivables | - | 571 | - | 571 |
| Total | 14,924,995 | 11,218,113 | - | 26,143,108 |
| Liabilities | | | | |
| Bank overdraft | 8,923,642 | - | - | 8,923,642 |
| Due on redemption of participating redeemable shares | - | 11,906 | - | 11,906 |
| Other payables | - | 101,407 | - | 101,407 |
| Securities purchased payable | - | 11,432,402 | - | 11,432,402 |
| Net assets attributable to holders of participating redeemable shares | - | 74,092,133 | - | 74,092,133 |
| Total | 8,923,642 | 85,637,848 | - | 94,561,490 |

6. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

| | 2018 | 2017 |
|----------------|------------------|------------------|
| | <u>USD</u> | <u>USD</u> |
| Cash at bank | 3,931,883 | 14,924,995 |
| Bank overdraft | - | (8,923,642) |
| | 3,931,883 | 6,001,353 |

7. Other receivables

| | 2018 | 2017 |
|------------------------------|------------|------------|
| | <u>USD</u> | <u>USD</u> |
| Prepayments | 420 | 471 |
| Management shares receivable | 100 | 100 |
| | 520 | 571 |

8. Other payables

| | 2018 | 2017 |
|-----------------------------------|---------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| Management fee payable | 19,093 | 19,814 |
| Custodian fee payable | 2,587 | 2,674 |
| Investment management fee payable | 61,578 | 64,462 |
| Sundry fees payable | 4,306 | 3,703 |
| Audit fee payable | 11,478 | 10,754 |
| | 99,042 | 101,407 |

9. Share capital

Each Cell has an authorised share capital of 100 Management shares of USD1.00 each and an unlimited number of no par value participating redeemable shares.

Management Shares in Issue

| | 30.06.18 | 30.06.17 |
|-------------------|------------|------------|
| | <u>USD</u> | <u>USD</u> |
| Management shares | 100 | 100 |

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9. Share capital (continued)

| | 30.06.18 | 30.06.17 |
|--|-------------------|-------------------|
| | Class A | Class A |
| Participating Redeemable Shares in Issue | | |
| Balance at the beginning of the year | 64,863,980 | 66,279,179 |
| Issue of participating redeemable shares | 5,057,487 | 11,950,255 |
| Redemption of participating redeemable shares | (13,587,181) | (13,365,454) |
| Balance at the end of the year | 56,334,286 | 64,863,980 |
| | 30.06.18 | 30.06.17 |
| | <u>USD</u> | <u>USD</u> |
| Participating Redeemable Shares Capital Account | Class A | Class A |
| Balance at the beginning of the year | 67,662,435 | 69,118,096 |
| Issue of participating redeemable shares | 6,227,882 | 13,584,951 |
| Redemption of participating redeemable shares | (16,262,294) | (15,040,612) |
| Balance at the end of the year | 57,628,023 | 67,662,435 |

10. Net asset value per participating redeemable share

| | Net assets | | | Net assets | | |
|----------------------|---------------|--------------|-----------------|---------------|--------------|-----------------|
| | NAV per share | attributable | Shares in issue | NAV per share | attributable | Shares in issue |
| As at 30 June | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 |
| | <u>USD</u> | <u>USD</u> | | <u>USD</u> | <u>USD</u> | |
| Class A | 1.32 | 74,436,212 | 56,334,286 | 1.14 | 74,092,133 | 64,863,980 |

11. Dividends payable to participating redeemable shares

No dividends were paid during the year and the Board does not intend to pay any dividends. All available income will be reinvested.

12. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

12.1 Management and Administration fee

The Cell is managed by Momentum Wealth International Limited (the "Manager"), a management company incorporated in Guernsey, providing management services to the Cell under the terms of the management agreement in place.

The Manager is entitled to receive the following Management and Administration fee, chargeable on a sliding scale, payable monthly in arrears, based on the current valuation and subject to a minimum annual fee of USD22,000 or currency equivalent per Cell.

| <u>Fee% of NAV per annum</u> | <u>Cell NAV</u> |
|------------------------------|-----------------------|
| 0.35% | Up to USD30m |
| 0.30% | From USD30m to USD60m |
| 0.25% | Over USD60m |

The Administrator is entitled to such remuneration as agreed between the Manager and the Administrator from time to time and such remuneration is paid by the Manager out of the Management and Administration Fee received from the Cell.

Management and Administration Fee charged during the year and accrued at year end:

| | 2018 | 2017 |
|-------------------------|-------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| Charged during the year | 222,948 | 237,596 |
| Accrued at year end | 19,093 | 19,814 |

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12. Related-party transactions (continued)

12.2 Investment Management fee

The Manager has appointed an Investment Manager, Momentum Global Investment Management Limited, a UK registered company, to manage the investment portfolio of the Cell.

The Investment Manager is entitled to receive a fee equal to 1.00% of the NAV of the Cell attributable to the Class A USD Shares per annum and 0.40 % of the NAV of the Cell attributable to the Class B USD Shares per annum. The Investment Management Fee will accrue at each Valuation Point, based on the current valuation, subject to a minimum annual fee of USD 20,000 and is payable monthly in arrears.

The Investment Manager has appointed Caleo Capital (Pty) Ltd, a South African registered company, as Sub-Investment Manager (the "Sub-Investment Manager") to the Cell and to any Trading Subsidiaries of the Cell. The Sub-Investment Manager is entitled to receive a fee of up to 0.85% of the NAV of the Cell attributable to Class A USD Shares per annum and 0.25% of the NAV of the Cell attributable to the Class B USD Shares per annum (the "Sub-Investment Manager fee") which will be paid out of the fee received by the Investment Manager. The Sub-Investment Manager Fee will accrue as at each Valuation Point, based on the current valuation and are payable monthly in arrears.

The Cell will be subject to a minimum Investment Management Fee of USD 20,000 per annum. The minimum Investment Management Fee will be borne by the Classes on a pro rata basis by reference to their respective NAVs. This minimum excludes the Sub-Investment Management fees and relates to the net portion of Investment Management Fee of 0.15% only.

Investment Management fees charged during the year and accrued at year end:

| | 2018 | 2017 |
|-------------------------|---------------|---------------|
| | <u>USD</u> | <u>USD</u> |
| Charged during the year | 712,289 | 770,385 |
| Accrued at year end | <u>61,578</u> | <u>64,462</u> |

12.3 Custodian fee

Northern Trust (Guernsey) Limited was appointed to provide custodian services. The custodian is entitled to the payment of a fee chargeable on a sliding scale in respect of all Share Classes, as follows, subject to a minimum of USD 8,000 per annum.

| <u>Fee% of NAV per annum</u> | <u>Cell NAV</u> |
|------------------------------|--------------------------------------|
| 0.05% | Up to USD30 million |
| 0.04% | From USD30 million to USD60 million |
| 0.03% | From USD60 million to USD100 million |
| 0.02% | Over USD100 million |

Custodian fees charged during the year and accrued at year end:

| | 2018 | 2017 |
|-------------------------|--------------|--------------|
| | <u>USD</u> | <u>USD</u> |
| Charged during the year | 30,083 | 25,832 |
| Accrued at year end | <u>2,587</u> | <u>2,674</u> |

12.4 Distribution Partner fee

Caleo Capital (Pty) Ltd is appointed as distribution partner to promote and market the Cell. No distribution fee will be payable by the Cell to the distribution partner.

12.5 Board of Directors' remuneration

The Directors' fees in respect of each Cell shall not exceed USD 20,000 or currency equivalent in any twelve month period. In addition, the Directors shall be entitled to be repaid for all reasonable out of pocket expenses properly incurred by them in the performance of their duties to each Cell. Such fees and expenses shall be paid out of the assets of each Cell alone and not from the cellular assets of other cells of the Company or assets of the Company itself.

The Directors waived their right to a fee in 2018 (2017: Nil).

13. Ultimate controlling party

In the opinion of the Directors, on the basis of the shareholdings advised to them, the Cell has no ultimate controlling party.

14. Reconciliation of published valuation to financial statements

| | <u>USD</u> |
|---|-------------------|
| Net assets per financial statements | 74,436,212 |
| Adjustments: | |
| Adjustment in value of assets at financial assets at fair value through profit and loss | 146,738 |
| Net assets per published valuation | <u>74,582,950</u> |
| NAV per Class A per published valuation | 1.32 |
| NAV per Class A per financial statements | 1.32 |

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15. Subsequent events

These financial statements were approved for issuance by the Board on 5 December 2018. Subsequent events have been evaluated until this date.

No significant subsequent events have occurred in respect of the Cell that is considered material to the understanding of these audited financial statements.