

Flagship Cell

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

**Flagship International Flexible Fund IC Limited
("Flagship Cell")**

Momentum Mutual Fund ICC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2017

Flagship Cell

Supplementary Information

	30.06.2017	30.06.2016
1. NUMBER OF SHARES OUTSTANDING		
Class A	34,234,005	35,450,310
Class B	3,005,749	3,355,749
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.03	0.94
Class B	1.09	0.97
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.06 / 0.93	1.16 / 0.89
Class B	1.12 / 0.97	1.19 / 0.93
4. NUMBER OF SHARES SUBSCRIBED		
Class A	2,267,345	3,807,082
Class B	-	281,762
5. NUMBER OF SHARES REDEEMED		
Class A	3,483,650	4,062,177
Class B	350,000	256,917

*The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2017.

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Flagship Cell

Portfolio Statement

	Holdings at 30.06.2017	Fair Value at 30.06.2017	% of Net assets 30.06.2017
USD			
Equities: 43.29% (2016: 69.81%)			
Basic Materials			
Gemfields	1,029,655	429,662	1.11
Petra Diamonds	797,060	1,130,592	2.93
Rockwell Diamonds	500,000	23,100	0.06
Sedibelo Platinum Mines	2,000,000	214,315	0.56
Total Basic Materials		1,797,669	4.66
Communications			
Alibaba	10,310	1,452,679	3.76
Alphabet Class C	180	163,571	0.42
Amazon	1,160	1,122,880	2.91
Facebook Class A	11,850	1,789,113	4.63
Walt Disney	3,300	350,625	0.91
Total Communications		4,878,868	12.63
Consumer, Cyclical			
Firstextile Class A	44,300	-	-
Total Consumer, Cyclical		-	-
Consumer, Non-cyclical			
Celgene	8,890	1,154,544	2.99
Valeant Pharmaceuticals International	34,260	592,698	1.54
Total Consumer, Non-Cyclical		1,747,242	4.53
Energy			
Anadarko Petroleum	300	13,602	0.03
Conocophillips	400	17,584	0.05
Halliburton	800	34,168	0.09
Parsley Energy	500	13,875	0.04
PSP Permian	500	16,135	0.04
Total Energy		95,364	0.25

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Portfolio Statement (continued)

	Holdings at 30.06.2017	Fair Value at 30.06.2017 USD	% of Net assets 30.06.2017
Finance			
Air Lease	22,860	854,050	2.21
Alpha Real Trust	10,601	16,559	0.04
Mastercard	8,050	977,673	2.53
Sirius Real Estate	673,290	500,691	1.30
Visa	14,300	1,341,054	3.48
Total Finance		3,690,027	9.56
Technology			
Adobe Systems	4,800	678,912	1.76
Apple	7,695	1,108,234	2.87
Broadcom	2,800	652,540	1.69
Micron Tech.	25,000	746,500	1.93
Samsung Electronics	770	796,950	2.06
Western Digital	5,900	522,740	1.35
Total Technology		4,505,876	11.66
Total Equities		16,715,046	43.29
Collective Investment Schemes: 26.60% (2016: 18.65%)			
Equity Funds			
iShares All Country Ex Japan IDX ETF	38,000	2,563,100	6.64
iShares Currency Hedged MSCI Emerging Markets ETF	83,000	2,000,300	5.18
iShares Currency Hedged MSCI Germany ETF £ Acc	79,700	2,230,803	5.78
iShares Currency Hedged MSCI Japan ETF	30,100	896,980	2.32
Powershares NASDAQ Internet Portfolio	24,700	2,541,877	6.59
Total Equity Funds		10,233,060	26.51

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Portfolio Statement (continued)

	Holdings at 30.06.17	Fair Value at 30.06.17 USD	% of Net assets 30.06.17
Property Funds			
Glanmore Property Fund	7,018	26,499	0.07
Karoo Investmentsicav A 1	2	7,526	0.02
Total Property Funds		34,025	0.09
Total Collective Investment Schemes		10,267,085	26.60
Financial assets at fair value through profit or loss		26,982,131	69.89
Other Net Assets: 30.11% (2016: USD4,214,322; 11.55%)		11,623,057	30.11
Net Assets Attributable to Holders of Participating Redeemable Shares		38,605,188	100.00

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Statement of Financial Position

	Notes	30.06.2017 <u>USD</u>	30.06.2016 <u>USD</u>
ASSETS			
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	5	26,982,131	32,285,965
CURRENT ASSETS			
Cash and cash equivalents	6	11,207,314	4,206,061
Due from fund managers		479,740	581,042
Dividend receivable		6,184	42,057
Other receivables	7	473	1,297
		<u>11,693,711</u>	<u>4,830,457</u>
Total assets		<u>38,675,842</u>	<u>37,116,422</u>
LIABILITIES			
CURRENT LIABILITIES			
Other payables	8	70,652	69,392
Securities purchased payable		-	546,741
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		70,652	616,133
Net assets attributable to holders of participating redeemable shares	2 & 10	38,605,188	36,500,287
Total liabilities		<u>38,675,840</u>	<u>37,116,420</u>
SHAREHOLDERS' EQUITY			
Management Shares	9	2	2
Total equity		<u>2</u>	<u>2</u>
Total equity and liabilities		<u>38,675,842</u>	<u>37,116,422</u>
Net asset value per participating redeemable share			
Class A - USD	10	1.03	0.94
Class B - USD		1.09	0.97

The notes 1 to 14 on pages 81 to 87 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 1 December 2017 and signed on its behalf by:

Director



Director



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Statement of Comprehensive Income

		Year ended 30.06.2017	Year ended 30.06.2016
	Notes	<u>USD</u>	<u>USD</u>
INCOME			
Deposit income		267	11,000
Dividend income		356,999	436,097
Net realised gains/(losses) on financial assets at fair value through profit or loss	5	1,217,204	(100,155)
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	5	2,822,766	(7,018,002)
Other foreign exchange losses		(5,784)	(46,627)
Total net income/(loss)		<u>4,391,452</u>	<u>(6,717,687)</u>
EXPENSES			
Audit fee		(10,487)	(11,073)
Custodian transaction charges		-	(353)
Custodian fee	12	(21,464)	(21,538)
Investment Management fee	12	(537,785)	(585,574)
Management and Administration fee	12	(128,506)	(139,235)
Finance cost		-	(1,048)
Sundry expenses		(7,319)	(12,259)
Total operating expenses		<u>(705,561)</u>	<u>(771,080)</u>
Net profit/(loss) before tax		3,685,891	(7,488,767)
Withholding tax		(81,683)	(104,009)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		<u>3,604,208</u>	<u>(7,592,776)</u>

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

The notes 1 to 14 on pages 81 to 87 form part of these financial statements.

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Statement of Cash Flows

	Year ended 30.06.2017	Year ended 30.06.2016
	<u>USD</u>	<u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations	3,604,208	(7,592,776)
ADJUSTMENTS FOR:		
Net realised (gains)/losses on financial assets at fair value through profit or loss	(1,217,204)	100,155
Net unrealised (gains)/losses on financial assets at fair value through profit or loss	(2,822,766)	7,018,002
Other foreign exchange	5,784	46,627
Dividend income	(356,999)	(436,097)
Withholding tax	81,683	104,009
Operating loss before working capital changes	<u>(705,294)</u>	<u>(760,080)</u>
Net decrease in other receivables	824	201
Net increase/(decrease) in other payables	1,260	(14,284)
Purchase of financial assets at fair value through profit or loss	(49,039,802)	(45,159,329)
Sale of financial assets at fair value through profit or loss	57,938,167	48,934,198
Dividend received	311,189	308,867
Net cash generated from operating activities	<u>8,506,344</u>	<u>3,309,573</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	2,272,175	4,360,839
Cash paid on redemptions of participating redeemable shares	(3,771,482)	(4,296,346)
Net cash (used in)/generated from financing activities	<u>(1,499,307)</u>	<u>64,493</u>
Net increase in cash and cash equivalents	7,007,037	3,374,066
Cash and cash equivalents at the beginning of the year	4,206,061	878,622
Exchange losses on cash and cash equivalents	(5,784)	(46,627)
Cash and cash equivalents at the end of the year	<u><u>11,207,314</u></u>	<u><u>4,206,061</u></u>

The notes 1 to 14 on pages 81 to 87 form part of these financial statements.

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

	Notes	Year ended 30.06.2017 <u>USD</u>	Year ended 30.06.2016 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		36,500,287	44,028,570
Proceeds from issuance of participating redeemable shares	9	2,272,175	4,360,839
Payments on redemption of participating redeemable shares	9	(3,771,482)	(4,296,346)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		3,604,208	(7,592,776)
		<hr/>	<hr/>
Net assets attributable to holders of participating redeemable shares at the end of the year	10	<u>38,605,188</u>	<u>36,500,287</u>

The notes 1 to 14 on pages 81 to 87 form part of these financial statements.

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Flagship Cell

Notes to the Financial Statements

1. General Information

The Flagship International Flexible Fund IC Limited (the "Cell"), with company number 48255, is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

The Cell aims to provide long term capital growth and in order to attempt to achieve this has invested in a portfolio biased toward equities, but also into a wide range of other asset classes including cash, fixed income, commodities and property and exposure will be taken in a wide range of currencies and markets. The Cell is ideally suited to investors with an above average risk tolerance and with an investment horizon of five years or longer.

The Cell intends to achieve its investment objective by actively-managed portfolio that is spread across a broad range of asset classes and currencies in varying proportions over time. These asset classes include equity, bond, property, as well as money market instruments. The Cell may invest in securities that directly represent the relevant asset class, or it may invest in underlying portfolios of collective investment schemes or other similar schemes that provide exposure to the relevant asset classes, or invest in a combination of the two. Out-performance is targeted through aggressive asset allocation, and focused security and underlying portfolio selection, based on in-house proprietary models of the Sub-Investment Manager and extensive internal and external research

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 Flagship Asset Management (Pty) Ltd acting as the Sub-Investment Manager.

On 11 July 2016, the Supplemental Prospectus of the Cell was amended for minor changes relating the minimum redemption which will no longer be expressed as a minimum number of Participating Redeemable Shares but in USD terms (USD 500 or currency equivalent).

The Financial Statements were authorised for issue by the Board of Directors on 1 December 2017.

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 equities and collective investment schemes. Through its investment in traded securities and instruments the Cell is subject to market movements in the 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 by the Investment Manager and are reviewed by the Board of Directors.

The Cell's market price risk is managed through diversification of the investment portfolio by exposure 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:

	2017 Fair Value USD	% of net assets	2016 Fair Value USD	% of net assets
Equities	16,715,046	43.29	25,483,705	69.81
Collective Investment Schemes	10,267,085	26.60	6,802,260	18.65
	26,982,131	69.89	32,285,965	88.45

The Cell's market price risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency exchange rates 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:

	2017 Change in fair value USD	2016 Change in fair value USD
Equities	1,671,505	2,548,371
Collective Investment Schemes	1,026,709	680,226
	2,698,214	3,228,597

2.3 Interest rate risk

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.

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.

As at 30 June	2017 USD	2016 USD
Net financial assets on which no interest is paid	27,397,874	32,294,226
Net floating rate financial assets	11,207,314	4,206,061
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	2017 USD	2016 USD
Movement in net floating rate financial assets	112,073	42,061

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Flagship Cell

Notes to the Financial Statements

2. Financial risk management (continued)

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 that expose the Cell to cash flow interest rate risk. The risk exposure here 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 each 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	2017	2016
	USD	USD
GBP exposure	2,096,982	3,629,763
EUR exposure	13,758	1,998,299
CAD exposure	237,415	248,325

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 participating redeemable shareholders would have increased, or decreased, as follows:

As at 30 June	2017	2016
	USD	USD
GBP exposure	104,849	181,488
EUR exposure	688	99,915
CAD exposure	11,871	12,416

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 the Cell. The Directors consider that the Investment Manager mitigates this risk by way of its investment process, as described in note 2.2. No such redemption problems have been encountered.

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 Cells manage 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.

	2017			2016		
	Less than 1 month	Between 1-12 months	Total	Less than 1 month	Between 1-12 months	Total
	USD	USD	USD	USD	USD	USD
Financial assets at fair value through profit or loss	26,955,632	26,499	26,982,131	32,139,130	146,835	32,285,965
Cash and cash equivalents	11,207,314	-	11,207,314	4,206,061	-	4,206,061
Due from fund managers	479,740	-	479,740	581,042	-	581,042
Dividend receivable	6,184	-	6,184	42,057	-	42,057
Other receivables	471	-	471	1,295	-	1,295
Other payables	(70,652)	-	(70,652)	(69,392)	-	(69,392)
Securities purchased payable	-	-	-	(546,741)	-	(546,741)
Net assets attributable to participating redeemable shareholders	(38,605,188)	-	(38,605,188)	(36,500,287)	-	(36,500,287)
Net liquidity position	(26,499)	26,499	-	(146,835)	146,835	-

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Flagship Cell

Notes to the Financial Statements

2. Financial risk management (continued)

2.7 Liquidity risk (continued)

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 are no material differences between the net asset values of the underlying assets and the fair values of the financial assets and liabilities of the Cell.

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 investments industrial sector. The Cell operates using two main sector types, which are disclosed in note 2.2.

The Cell operates using the following main geographical areas.

	2017	2016
	USD	USD
Bermuda	1,130,592	818,856
British Virgin Islands	-	262,761
Canada	615,798	730,421
Cayman Islands	1,452,679	1,741,785
Channel Islands	758,064	2,097,096
Europe	7,526	1,512,892
Great Britain	429,662	1,909,230
Republic of Ireland	-	1,571,412
Singapore	652,540	-
South Korea	796,950	-
United States of America	21,138,320	21,641,512
	26,982,131	32,285,965

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

	2017	2016
	USD	USD
Designated as at fair value through profit or loss:		
Equities	16,715,046	25,483,705
Collective Investment Schemes	10,267,085	6,802,260
Total financial assets at fair value through profit or loss	26,982,131	32,285,965
Movement on financial assets at fair value through profit or loss		
Fair value of financial assets at the beginning of the year	32,285,965	43,213,292
Purchases of financial assets	48,493,061	45,706,070
Sales of financial assets	(57,836,865)	(49,515,240)
Realised gains/(losses) on sales of financial assets	1,217,204	(100,155)
Movement in unrealised gains/(losses) on revaluation of financial assets	2,822,766	(7,018,002)
Fair value of financial assets at the end of the year	26,982,131	32,285,965
Comprising:		
Cost at the end of the year	26,854,333	34,980,933
Unrealised gains/(losses) at the end of the year	127,798	(2,694,968)
	26,982,131	32,285,965

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Notes to the Financial Statements

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 to be 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 2017 and 30 June 2016.

30 June 2017	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets at fair value through profit or loss				
Collective Investment Schemes	10,233,060	7,526	26,499	10,267,085
Equities	16,715,046	-	-	16,715,046
	26,948,106	7,526	26,499	26,982,131
30 June 2016	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets at fair value through profit or loss				
Collective Investment Schemes	6,655,425	118,766	28,069	6,802,260
Equities	25,483,705	-	-	25,483,705
	32,139,130	118,766	28,069	32,285,965

The following investments have been categorised as level 3 investments at 30 June 2017 and 30 June 2016.

	2017	2016
	USD	USD
Glanmore Property Fund	26,499	28,069
	26,499	28,069
Movements in Level 3 investments	2017	2016
	USD	USD
Opening valuation	28,069	29,236
Movement in unrealised losses/(gains) on revaluation of financial assets	(1,570)	(1,167)
Closing valuation	26,499	28,069

As at 30 June 2017, the number of Glanmore Property Fund shares held by Flagship are 7,018. The Glanmore Property Fund went into Members' Voluntary Liquidation on 29 November 2016.

There were no movements or reclassifications of investments within the levels of the fair value hierarchy, during the year ended 30 June 2017.

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 Cell's assets and liabilities (by class) not measured at fair value at 30 June 2017 and 30 June 2016 but for which fair value is disclosed.

30 June 2017	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Cash and cash equivalents	11,207,314	-	-	11,207,314
Due from fund managers	479,740	-	-	479,740
Dividend receivable	-	6,184	-	6,184
Other receivables	-	473	-	473
Total	11,687,054	6,657	-	11,693,711
Liabilities				
Securities purchased payable	-	-	-	-
Other payables	-	70,652	-	70,652
Net assets attributable to holders of participating redeemable shares	-	38,605,188	-	38,605,188
Total	-	38,675,840	-	38,675,840

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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)

30 June 2016	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Cash and cash equivalents	4,206,061	-	-	4,206,061
Due from fund managers	581,042	-	-	581,042
Dividend receivable	-	42,057	-	42,057
Other receivables	-	1,297	-	1,297
Total	4,787,103	43,354	-	4,830,457
Liabilities				
Securities purchased payable	-	546,741	-	546,741
Other payables	-	69,392	-	69,392
Net assets attributable to holders of participating redeemable shares	-	36,500,287	-	36,500,287
Total	-	37,116,420	-	37,116,420

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:

	2017	2016
	USD	USD
Cash at bank	11,207,314	4,206,061
	11,207,314	4,206,061

7. Other receivables

	2017	2016
	USD	USD
Prepayments	471	1,295
Management shares receivable	2	2
	473	1,297

8. Other payables

	2017	2016
	USD	USD
Management fee payable	10,848	10,607
Custodian fee payable	1,529	1,496
Investment management fee payable	45,605	44,372
Audit fee payable	10,754	10,809
Other payables	1,916	2,108
	70,652	69,392

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	30.06.17	30.06.16
	USD	USD
Management shares	2	2

	Class A	Class A	Class B	Class B
	Year ended	Year ended	Year ended	Year ended
	30.06.17	30.06.16	30.06.17	30.06.16
	USD	USD	USD	USD
Participating Redeemable Shares in Issue				
Balance at the beginning of the year	35,450,310	35,705,405	3,355,749	3,330,904
Issue of participating redeemable shares	2,267,345	3,807,082	-	281,762
Redemption of participating redeemable shares	(3,483,650)	(4,062,177)	(350,000)	(256,917)
Balance at the end of the year	34,234,005	35,450,310	3,005,749	3,355,749

	Class A	Class B	Total	Class A	Class B	Total
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	30.06.17	30.06.17	30.06.17	30.06.16	30.06.16	30.06.16
	USD	USD	USD	USD	USD	USD
Participating Redeemable Share Capital Account						
Balance at the beginning of the year	33,216,050	3,369,957	36,586,007	33,221,557	3,299,957	36,521,514
Issue of participating redeemable shares	2,272,175	-	2,272,175	4,030,839	330,000	4,360,839
Redemption of participating redeemable shares	(3,431,107)	(340,375)	(3,771,482)	(4,036,346)	(260,000)	(4,296,346)
Balance at the end of the year	32,057,118	3,029,582	35,086,700	33,216,050	3,369,957	36,586,007

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10. Net asset value per participating redeemable share

As at 30 June	NAV per share	Net assets attributable	Shares in issue	NAV per share	Net assets attributable	Shares in issue
	2017	2017	2017	2016	2016	2016
	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
Flagship Cell - Class A	1.03	35,332,736	34,234,005	0.94	33,220,375	35,450,310
Flagship Cell - Class B	1.09	3,272,452	3,005,749	0.97	3,267,878	3,355,749
Flagship Cell - Total		<u>38,605,188</u>	<u>37,239,754</u>		<u>36,488,253</u>	<u>38,806,059</u>

11. Dividends payable to participating redeemable shareholders

No dividends were paid during the year (2016: Nil) 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%	Over 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:

	2017	2016
	<u>USD</u>	<u>USD</u>
Charged during the year	128,506	139,235
Accrued at year end	<u>10,848</u>	<u>10,607</u>

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 (the "Investment Management fee") of 1.55% per annum of the NAV of the Cell in respect of Class A and 0.05% per annum in respect of Class B. The Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cell and payable monthly in arrears.

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

	2017	2016
	<u>USD</u>	<u>USD</u>
Charged during the year	537,785	585,574
Accrued at year end	<u>45,605</u>	<u>44,372</u>

12.3 Sub-Investment Management fee

The Cell has appointed Flagship Asset Management (Pty) Ltd as Sub-Investment Manager to the Investment Manager. The Sub-Investment Manager is entitled to receive a fee of 1.5% of the NAV of the Cell in respect of Class A per annum (the "Sub-Investment Management fee") and will be paid out of the fee received by the Investment Manager. No fee is charged in respect of Class B. The Sub-Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cell and is payable monthly in arrears.

12.4 Custodian fee

The Cell has engaged the services of Northern Trust (Guernsey) Limited to provide custodian services. The Custodian is entitled to the payment of a fee (the "Custody fee") chargeable on a sliding scale in respect of all Share Classes, as follows, subject to a minimum of USD8,000 per annum.

<u>Fee% of NAV per annum</u>	<u>Cell NAV</u>
0.05%	Up to USD30m
0.04%	Over USD30m up to USD60m
0.03%	Over USD60m up to USD100m
0.02%	Over USD100m

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12. Related party transactions (continued)

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

	2017	2016
	<u>USD</u>	<u>USD</u>
Charged during the year	21,464	21,538
Accrued at year end	1,529	1,496

12.5 Distribution Partner fee

The Cells have appointed Flagship Asset Management (Pty) Ltd as distribution partner to promote and market the Cells. The Distribution Partner will not be paid a fee.

12.6 Board of Directors' remuneration

The Directors' fees in respect of each Cell shall not exceed USD20,000 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 2017 (2016: 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. Subsequent events

These financial statements were approved for issuance by the Board on 1 December 2017. Subsequent events have been evaluated until this date.

On 12 July 2017, amendments were made to the Supplemental Prospectus of the Cells. These amendments include minor changes and the following:

- The Fund will not be permitted to enter into any form of borrowing or loan arrangement with other funds of the Company nor other collective investment schemes of the Manager; and
- The redemption settlement period will change from 30 Business Days to 5 Business Days after the relevant Dealing Day.
- The minimum redemption is no less than USD10 or currency equivalent

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