

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 2018

Flagship Cell

Supplementary Information

	30.06.2018	30.06.2017
1. NUMBER OF SHARES OUTSTANDING		
Class A	31,624,828	34,234,005
Class B	3,005,749	3,005,749
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.10	1.03
Class B	1.17	1.09
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.18 / 1.03	1.06 / 0.93
Class B	1.25 / 1.08	1.12 / 0.97
4. NUMBER OF SHARES SUBSCRIBED		
Class A	51,815	2,267,345
Class B	-	-
5. NUMBER OF SHARES REDEEMED		
Class A	2,660,991	3,483,650
Class B	-	350,000

*The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2018.

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Flagship Cell

Portfolio Statement

	Holdings at 30.06.2018	Fair Value at 30.06.2018	% of Net assets 30.06.2018
Financial assets at fair value through profit or loss			
USD			
Equities: 25.91% (2017: 43.29%)			
Basic Materials			
Firstextile	44,300	-	-
Petra Diamonds	1,295,222	962,740	2.52
Rockwell Diamonds	500,000	3,801	0.01
Sedibelo Platinum Mines	2,000,000	211,586	0.55
Total Basic Materials		1,178,127	3.08
Communications			
Alibaba	355	65,863	0.17
Alphabet Class C	60	66,939	0.18
Amazon	580	985,884	2.58
Tencent	14,500	727,823	1.90
Total Communications		1,846,509	4.83
Consumer, Non-cyclical			
Celgene	5,190	412,190	1.08
Total Consumer, Non-Cyclical		412,190	1.08
Energy			
Cabot Oil & Gas	4,400	104,720	0.27
Centennial Resource Development	7,300	131,838	0.34
Cimarex Energy	1,000	101,740	0.27
EQT	5,900	325,562	0.85
Extraction Oil & Gas	17,200	252,668	0.66
Halliburton	3,800	171,228	0.45
Newfield Exploration	5,300	160,325	0.42
Oasis Petroleum	8,500	110,245	0.29
Parsley Energy	6,100	184,708	0.48
Pioneer Natural Resources	950	179,778	0.47
PSP Permian	3,900	171,678	0.45
Total Energy		1,894,490	4.96
Finance			
Air Lease	21,460	900,676	2.36
Mastercard	9,160	1,800,123	4.71
Pallinghurst Resources	1,966,641	358,712	0.94
Visa	11,300	1,496,685	3.92
Total Finance		4,556,196	11.93
Total Equities		9,887,512	25.88

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Portfolio Statement (continued)

	Holdings at 30.06.18	Fair Value at 30.06.18	% of Net assets 30.06.18
		<u>USD</u>	
Collective Investment Schemes: 38.41% (2017: 26.60%)			
Equity Funds			
iShares Core S&P Small-Cap ETF	34,700	2,896,063	7.58
iShares North American Tech ETF	4,300	829,427	2.17
iShares North American Tech-Software ETF	9,950	1,817,666	4.76
iShares U.S. Consumer Services ETF	6,200	1,201,250	3.14
iShares U.S. Financial Services ETF	5,400	699,948	1.83
iShares U.S. Healthcare Providers ETF	11,200	1,967,168	5.15
iShares U.S. Financials ETF	9,300	1,089,867	2.85
iShares U.S. Oil & Gas Exploration & Production ETF	30,000	2,229,300	5.83
SPDR S&P Oil & Gas Exploration & Production ETF	45,600	1,963,536	5.14
Total Equity Funds		<u>14,694,225</u>	<u>38.43</u>
Property Funds			
Glanmore Property Fund	7,018	-	-
Total Property Funds		<u>-</u>	<u>-</u>
Total Collective Investment Schemes		<u>14,694,225</u>	<u>38.43</u>
Financial assets at fair value through profit or loss		24,581,737	64.30
Other Net Assets: 35.68% (2017: USD11,623,057; 30.11%)		13,643,421	35.70
Net Assets Attributable to Holders of Participating Redeemable Shares		<u><u>38,225,158</u></u>	<u><u>100.00</u></u>

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Flagship Cell

Statement of Financial Position

	Notes	30.06.2018 <u>USD</u>	30.06.2017 <u>USD</u>
ASSETS			
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	5	24,581,737	26,982,131
CURRENT ASSETS			
Cash and cash equivalents	6	11,465,897	11,207,314
Due from fund managers		2,231,841	479,740
Dividend receivable		19,999	6,184
Other receivables	7	836	473
		13,718,573	11,693,711
Total assets		38,300,310	38,675,842
LIABILITIES			
CURRENT LIABILITIES			
Other payables	8	70,477	70,652
Due on redemption of participating redeemable shares		4,673	-
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		75,150	70,652
Net assets attributable to holders of participating redeemable shares	2 & 10	38,225,158	38,605,188
Total liabilities		38,300,308	38,675,840
SHAREHOLDERS' EQUITY			
Management Shares	9	2	2
Total equity		2	2
Total equity and liabilities		38,300,310	38,675,842
Net asset value per participating redeemable share			
Class A - USD	10	1.10	1.03
Class B - USD		1.17	1.09

The notes 1 to 14 on pages 85 to 91 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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Flagship Cell

Statement of Comprehensive Income

	Year ended 30.06.2018	Year ended 30.06.2017
Notes	<u>USD</u>	<u>USD</u>
INCOME		
Deposit income	13,350	267
Dividend income	429,297	356,999
Net realised gains on financial assets at fair value through profit or loss	5 4,302,432	1,217,204
Net unrealised (losses)/gains on financial assets at fair value through profit or loss	5 (1,438,970)	2,822,766
Other foreign exchange gains/(losses)	18,467	(5,784)
Total net income	<u><u>3,324,576</u></u>	<u><u>4,391,452</u></u>
EXPENSES		
Audit fee	(12,231)	(10,487)
Custodian fee	12 (18,507)	(21,464)
Investment Management fee	12 (566,522)	(537,785)
Management and Administration fee	12 (134,783)	(128,506)
Sundry expenses	(9,414)	(7,319)
Total operating expenses	<u><u>(741,457)</u></u>	<u><u>(705,561)</u></u>
Net profit before tax	2,583,119	3,685,891
Withholding tax	(93,286)	(81,683)
Increase in net assets attributable to holders of participating redeemable shares from operations	<u><u>2,489,833</u></u>	<u><u>3,604,208</u></u>

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 14 on pages 85 to 91 form part of these financial statements.

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Flagship Cell

Statement of Cash Flows

	Year ended 30.06.2018	Year ended 30.06.2017
	USD	USD
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets attributable to holders of participating redeemable shares from operations	2,489,833	3,604,208
ADJUSTMENTS FOR:		
Net realised gains on financial assets at fair value through profit or loss	(4,302,432)	(1,217,204)
Net unrealised losses/(gains) on financial assets at fair value through profit or loss	1,438,970	(2,822,766)
Other foreign exchange (gains)/losses	(18,467)	5,784
Dividend income	(429,297)	(356,999)
Withholding tax	93,286	81,683
Operating loss before working capital changes	(728,107)	(705,294)
Net (increase)/decrease in other receivables	(363)	824
Net (decrease)/increase in other payables	(175)	1,260
Purchase of financial assets at fair value through profit or loss	(70,530,242)	(49,039,802)
Sale of financial assets at fair value through profit or loss	74,041,997	57,938,167
Dividend received	322,196	311,189
Net cash generated from operating activities	3,105,306	8,506,344
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	56,233	2,272,175
Cash paid on redemptions of participating redeemable shares	(2,921,423)	(3,771,482)
Net cash used in financing activities	(2,865,190)	(1,499,307)
Net increase in cash and cash equivalents	240,116	7,007,037
Cash and cash equivalents at the beginning of the year	11,207,314	4,206,061
Exchange gains/(losses) on cash and cash equivalents	18,467	(5,784)
Cash and cash equivalents at the end of the year	11,465,897	11,207,314

The notes 1 to 14 on pages 85 to 91 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 30.06.2018 <u>USD</u>	Year ended 30.06.2017 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		38,605,188	36,500,287
Proceeds from issuance of participating redeemable shares	9	56,233	2,272,175
Payments on redemption of participating redeemable shares	9	(2,926,096)	(3,771,482)
Increase in net assets attributable to holders of participating redeemable shares from operations		2,489,833	3,604,208
Net assets attributable to holders of participating redeemable shares at the end of the year	10	<u><u>38,225,158</u></u>	<u><u>38,605,188</u></u>

The notes 1 to 14 on pages 85 to 91 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 12 July 2017, amendments were made to the Supplemental Prospectus of the Cell. 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 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 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:

	2018		2017	
	Fair Value	% of net assets	Fair Value	% of net assets
	<u>USD</u>		<u>USD</u>	
Equities	9,887,512	25.88	16,715,046	43.29
Collective Investment Schemes	14,694,225	38.43	10,267,085	26.60
	24,581,737	64.30	26,982,131	69.89

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:

	2018	2017
	Change in fair value	Change in fair value
	<u>USD</u>	<u>USD</u>
Equities	988,751	1,671,505
Collective Investment Schemes	1,469,423	1,026,709
	2,458,174	2,698,214

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	2018	2017
	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	26,759,261	27,397,874
Net floating rate financial assets	11,465,897	11,207,314
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>
Movement in net floating rate financial assets	114,659	112,073

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

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Notes to the Financial Statements

2. Financial risk management (continued)

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	2018	2017
	<u>USD</u>	<u>USD</u>
GBP exposure	1,257,492	2,096,982
EUR exposure	80,915	13,758
CAD exposure	215,387	237,415
HKD exposure	749,044	-
ZAR exposure	358,712	-

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	2018	2017
	<u>USD</u>	<u>USD</u>
GBP exposure	62,875	104,849
EUR exposure	4,046	688
CAD exposure	10,769	11,871
HKD exposure	37,452	-
ZAR exposure	17,936	-

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 Cell 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.

	2018			2017		
	Less than 1 month	Between 1-12 months	Total	Less than 1 month	Between 1-12 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	24,370,151	211,586	24,581,737	26,955,632	26,499	26,982,131
Cash and cash equivalents	11,465,897	-	11,465,897	11,207,314	-	11,207,314
Due from fund managers	2,231,841	-	2,231,841	479,740	-	479,740
Dividend receivable	19,999	-	19,999	6,184	-	6,184
Other receivables	834	-	834	471	-	471
Other payables	(70,477)	-	(70,477)	(70,652)	-	(70,652)
Due to fund managers	(4,673)	-	(4,673)	-	-	-
Net assets attributable to participating redeemable shareholders	(38,225,158)	-	(38,225,158)	(38,605,188)	-	(38,605,188)
Net liquidity position	(211,586)	211,586	-	(26,499)	26,499	-

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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 and the following main geographical areas

	2018	2017
	<u>USD</u>	<u>USD</u>
Bermuda	962,740	1,130,592
Canada	3,801	615,798
Cayman Islands	793,686	1,452,679
Channel Islands	570,299	758,064
Europe	-	7,526
Great Britain	-	429,662
Singapore	-	652,540
South Korea	-	796,950
United States of America	22,251,211	21,138,320
	<u>24,581,737</u>	<u>26,982,131</u>

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>
Designated as at fair value through profit or loss:		
Equities	9,887,512	16,715,046
Collective Investment Schemes	14,694,225	10,267,085
Total financial assets at fair value through profit or loss	<u>24,581,737</u>	<u>26,982,131</u>
Movement on financial assets at fair value through profit or loss		
Fair value of financial assets at the beginning of the year	26,982,131	32,285,965
Purchases of financial assets	70,530,242	48,493,061
Sales of financial assets	(75,794,098)	(57,836,865)
Realised gains on sales of financial assets	4,302,432	1,217,204
Movement in unrealised (losses)/gains on revaluation of financial assets	(1,438,970)	2,822,766
Fair value of financial assets at the end of the year	<u>24,581,737</u>	<u>26,982,131</u>
Comprising:		
Cost at the end of the year	25,892,909	26,854,333
Unrealised (losses)/gains at the end of the year	(1,311,172)	127,798
	<u>24,581,737</u>	<u>26,982,131</u>

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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 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 2018 and 30 June 2017.

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2018				
Financial assets at fair value through profit or loss				
Collective Investment Schemes	14,694,225	-	-	14,694,225
Equities	9,672,125	-	215,387	9,887,512
	24,366,350	-	215,387	24,581,737
30 June 2017				
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

The following investments have been categorised as level 3 investments at 30 June 2018 and 30 June 2017.

	2018 USD	2017 USD
Glanmore Property Fund	-	26,499
	-	26,499
Movements in Level 3 investments		
	2018	2017
	USD	USD
Opening valuation	26,499	28,069
Movement in unrealised gains/(losses) on revaluation of financial assets	188,888	(1,570)
Closing valuation	215,387	26,499

As at 30 June 2018, 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. Liquidation proceeds were paid to Glanmore Investors during 2018.

On 15 February 2018, the Board resolved to apply a 75% discount on the price of Sedibelo Platinum Mines. This discounting resulted in a reclassification of this investment from level 1 to level 3.

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 2018 and 30 June 2017 but for which fair value is disclosed.

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2018				
Assets				
Cash and cash equivalents	11,465,897	-	-	11,465,897
Due from fund managers	2,231,841	-	-	2,231,841
Dividend receivable	-	19,999	-	19,999
Other receivables	-	836	-	836
Total	13,697,738	20,835	-	13,718,573
Liabilities				
Due on redemption of participating redeemable shares	-	4,673	-	4,673
Other payables	-	70,477	-	70,477
Net assets attributable to holders of participating redeemable shares	-	38,225,158	-	38,225,158
Total	-	38,300,308	-	38,300,308

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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 2017

Assets	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
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				
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

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
	USD	USD
Cash at bank	11,465,897	11,207,314
	11,465,897	11,207,314

7. Other receivables

	2018	2017
	USD	USD
Currency contracts receivable	417	-
Prepayments	417	471
Management shares receivable	2	2
	836	473

8. Other payables

	2018	2017
	USD	USD
Management fee payable	10,458	10,848
Custodian fee payable	1,474	1,529
Investment management fee payable	43,611	45,605
Audit fee payable	11,509	10,754
Currency contracts payable	417	-
Other payables	3,008	1,916
	70,477	70,652

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
	USD	USD
Management shares	2	2

	Class A	Class A	Class B	Class B
	Year ended	Year ended	Year ended	Year ended
	30.06.18	30.06.17	30.06.18	30.06.17
Participating Redeemable Shares in Issue				
Balance at the beginning of the year	34,234,005	35,450,310	3,005,749	3,355,749
Issue of participating redeemable shares	51,815	2,267,345	-	-
Redemption of participating redeemable shares	(2,660,991)	(3,483,650)	-	(350,000)
Balance at the end of the year	31,624,828	34,234,005	3,005,749	3,005,749

	Class A	Class B	Total	Class A	Class B	Total
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	30.06.18	30.06.18	30.06.18	30.06.17	30.06.17	30.06.17
	USD	USD	USD	USD	USD	USD
Participating Redeemable Share Capital Account						
Balance at the beginning of the year	32,057,118	3,029,582	35,086,700	33,216,050	3,369,957	36,586,007
Issue of participating redeemable shares	56,233	-	56,233	2,272,175	-	2,272,175
Redemption of participating redeemable shares	(2,926,096)	-	(2,926,096)	(3,431,107)	(340,375)	(3,771,482)
Balance at the end of the year	29,187,255	3,029,582	32,216,837	32,057,118	3,029,582	35,086,700

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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	
	2018	2017	2018	2017	2018	2017	2017	2017	2017	2017	2017	
	<u>USD</u>		<u>USD</u>				<u>USD</u>		<u>USD</u>		<u>USD</u>	
Flagship Cell - Class A	1.10		34,694,293		31,624,828		1.03		35,332,736		34,234,005	
Flagship Cell - Class B	1.17		3,530,866		3,005,749		1.09		3,272,452		3,005,749	
Flagship Cell - Total			38,225,158		34,630,577				38,605,188		37,239,754	

11. Dividends payable to participating redeemable shareholders

No dividends were paid during the year (2017: 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.

Fee% of NAV per annum

Fee% of NAV per annum	Cell NAV
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:

	2018	2017
	<u>USD</u>	<u>USD</u>
Charged during the year	134,783	128,506
Accrued at year end	10,458	10,848

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:

	2018	2017
	<u>USD</u>	<u>USD</u>
Charged during the year	566,522	537,785
Accrued at year end	43,611	45,605

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.

Fee% of NAV per annum

Fee% of NAV per annum	Cell NAV
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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Notes to the Financial Statements

12. Related party transactions (continued)

12.4 Custodian fee (continued)

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

	2018	2017
	<u>USD</u>	<u>USD</u>
Charged during the year	18,507	21,464
Accrued at year end	1,474	1,529

12.5 Distribution Partner fee

The Cell has appointed Flagship Asset Management (Pty) Ltd as distribution partner to promote and market the Cell. 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 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. Subsequent events

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

On 12 July 2018, amendments were made to the Supplemental Prospectus of the Cell. These amendments include minor changes and the following:

- The minimum redemption is no less than USD100 or currency equivalent;
- In accordance with the procedures set out in the Prospectus, the application form to subscribe must be completed and received, with cleared funds, by the Administrator by 12.00 noon (Guernsey time) on the relevant Dealing Day;
- The reference to South African FSB notice 569, has been updated to "FSB Board Notice 90 of 2014, Chapter VI."; and
- The reference to Financial Services Board, has been updated to "Financial Sector Conduct Authority."

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