Momentum Mutual Fund ICC Limited

Annual Report and Audited Financial Statements
For the year ended 30 June 2017

Momentum Mutual Fund ICC Limited
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Address and registered office

PO Box 255
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3QL

Incorporated Cells

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Fintax International Balanced Fund IC Limited
Fintax International Growth Fund IC Limited

FGAM Cells

FGAM Global Cautious Fund IC Limited
FGAM Global Growth Fund IC Limited

Momentum Balanced Cells

Momentum Global Balanced Fund IC Limited
Momentum Sterling Balanced Fund IC Limited

Flagship Cell

Flagship International Flexible Fund IC Limited

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Momentum Global Growth Fund IC Limited
Momentum Global Managed Fund IC Limited

VPFP Cells

VPFP International Cautious Fund IC Limited
VPFP International Growth Fund IC Limited

Discipline + Diversified Cell

Discipline + Diversified Balanced Fund IC Limited

Brenthurst Global Cell

Brenthurst Global Balanced Fund IC Limited

PB Global Flexible Cell

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Caleo Global Flexible Cell

Caleo Global Flexible Fund IC Limited

Renaissance Cells

Renaissance Global Best Ideas Fund IC Limited
Renaissance Global Equity Fund IC Limited

Incorporated Cells (continued)

Credo Global Cell

Credo Global Equity Fund IC Limited

GF Worldwide Cell

GF Worldwide Fund IC Limited

Directors (of the Company and all Incorporated Cells)

Robert Alastair Rhodes
Stefan Strumpher Jordaan
Marie Curutchet
Roxanne Power
Louise Mary Usher (resigned 30 January 2017)

Investment Manager

All Incorporated Cells

Momentum Global Investment Management Limited
The Rex Building
62 Queen Street
London
EC4R 1EB
United Kingdom

Sub-Investment Managers (by Incorporated Cell)

FGAM Cells

Firstglobal Asset Management (Pty) Ltd
Ground Floor, Waterfront Terraces
Block 1, Carl Cronje Drive, Tyger Waterfront
Bellville
South Africa, 7530

Flagship Cell

Flagship Asset Management (Pty) Ltd
ICR House, Alphen Office Park
Constantia Main Road
Constantia, Cape Town
South Africa

VPFP Cells

Ampersand Asset Management (Pty) Ltd
2nd Floor
1 Melrose Boulevard
Melrose Arch
South Africa

General Information (continued)

Sub-Investment Managers (by Incorporated Cell) (continued)

PB Global Flexible Cell

Portfolio Bureau Investments (Pty) Limited
17th Floor, No 1 Thibault Square
1 Long Street
Cape Town
South Africa, 8001

Caleo Global Flexible Cell

Caleo Capital (Pty) Ltd
Atlantic House
Glenhove Square
71 4th Street, Houghton
South Africa, 2198

Renaissance Cells

Renaissance Equity (Pty) Limited
21 The Broads
Mulbarton, Johannesburg
2059, South Africa

Credo Global Cell

Credo Capital Plc
York Gate
100 Marylebone Road
London
NW1 5DX

GF Worldwide Cell

AS Collier Financial Consulting
PO Box 24035
Claremont
7735, South Africa

Distribution Partners (by Incorporated Cell)

Fintax Cells

Fintax Consulting Group (Pty) Ltd
No. 2 Seventh Avenue
Parktown North
South Africa, 2193

Distribution Partners (by Incorporated Cell) (continued)

FGAM Cells

Firstglobal Asset Management (Pty) Ltd
Ground Floor, Waterfront Terraces
Block 1, Carl Cronje Drive, Tyger Waterfront
Bellville
South Africa, 7530

Momentum Balanced Cells

Momentum Wealth International Limited
La Plaiderie House
La Plaiderie
St Peter Port, Guernsey
GY1 4HE
Channel Islands

Flagship Cell

Flagship Asset Management (Pty) Ltd
ICR House, Alphen Office Park
Constantia Main Road
Constantia, Cape Town
South Africa

Momentum Global Cells

Momentum Wealth International Limited
La Plaiderie House
La Plaiderie
St Peter Port, Guernsey
GY1 4HE
Channel Islands

VPFP Cells

Vickers & Peters Financial Planning (Pty) Ltd
2nd Floor, 1 Melrose Boulevard
Melrose Arch, South Africa

Discipline + Diversified Cell

Wealth Management Group
Suite 609, 6/F, New World Tower One
16 - 18 Queen's Road Central
Hong Kong

General Information (continued)

Distribution Partners (by Incorporated Cell) (continued)

Brenthurst Global Cell
Brenthurst Wealth Management (Pty) Ltd
Building 3, Prism Business Park
Corner Fourways Boulevard & William Nicol Drive
Fourways, Gauteng
2055, South Africa

PB Global Flexible Cell
The Portfolio Bureau (Pty) Ltd
17th Floor, 1 Thibault Square
1 Long Street
Cape Town
South Africa, 8001

Caleo Global Flexible Cell
Caleo Capital (Pty) Ltd
Atlantic House
Glenhove Square
71 4th Street, Houghton
South Africa, 2198

Renaissance Cells
Renaissance Wealth Management (UK) Limited
45 Clarges Street
London, England
W1J 7EP

Credo Global Cell
Credo Capital Plc
York Gate
100 Marylebone Road
London
NW1 5DX

GF Worldwide Cell
AS Collier Financial Consulting
PO Box 24035
Claremont
7735, South Africa

Administrator, Registrar & Secretary
Northern Trust International Fund Administration
Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3QL

Legal Advisors
Carey Olsen
Carey House
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 4BZ

Manager
Momentum Wealth International Limited
La Plaiderie House
La Plaiderie
St Peter Port, Guernsey
GY1 1WF
Channel Islands

Custodian
Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3DA

Independent Auditor
PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St Peter Port, Guernsey
Channel Islands
GY1 4ND

Investment Manager's Report

Fintax Cells

Global equities have returned 21.1% in US dollar terms over the past 12 months compared to -1.5% for global bonds. Government bonds, to which we have had and continue to have a very low allocation in the Funds, have returned -4.0% over the period, compared to +2.6% for US investment grade bonds and +10.0% for US short duration high yield in which we have much larger investments. Asset allocation and manager selection were both positive in the Balanced Fund over 12 months, but these contributions were not sufficient to offset the impact of fees with the result that the Fund slightly underperformed its benchmark. In the Growth Fund, our allocations to Europe and Japan, which both materially outperformed in US dollar terms, were sufficient to offset our equity underweight, while we also benefited from being almost fully invested throughout the period. The property component of both Funds, with its bias to Europe including the UK, was a strong negative contributor with the result that the Growth Fund also ended up underperforming its benchmark over the period. Manager selection in the equity component of both Funds was strongly positive, with the majority of our underlying equity managers comfortably outperforming their reference benchmarks.

The key fundamental factor underpinning markets has been the pick-up in growth globally, the first synchronised recovery since the financial crisis. While the US has continued to grow at around 2%-2.5%, the Eurozone has picked up to 2% this year, Japan has also expanded modestly and emerging markets have generally benefitted from easy monetary conditions globally and the acceleration in global growth. This in turn has been good for corporate profits, with earnings lifting out of the sluggish conditions of the past 2 years.

At the same time, inflation has remained remarkably subdued enabling central banks to keep monetary policy extremely loose without fear of an inflationary surge. While headline inflation rates have moved up somewhat as the impact of the collapse in oil prices fades, underlying core inflation has fallen recently and generally remains well below central bank targets of around 2%, even in the US.

With inflation low, debt levels high and confidence in the sustainability of the recovery still fragile, central banks maintained exceptionally loose policy. This combination of factors – accelerating growth, low inflation, few if any signs of excess or credit fuelled booms, and loose monetary policy – proved favourable for risk assets.

We added several liquid alternatives strategies as well as a position in gold to both Funds during the second half of 2016, as diversifying investments with low correlation to equities or bonds. Rising interest rates driven by President Trump’s reflationary agenda gave us an opportunity to add a position in inflation-protected US Treasuries to the Balanced Fund at the start of 2017, along with some dollar-denominated emerging market bonds which increase our interest rate sensitivity moderately while at the same time offering a relatively attractive all-in yield. We reduced our European property manager, Stenprop, over the period in both Funds – as a relatively thinly-traded stock with a primary listing on the Johannesburg Stock Exchange, Stenprop were having an outsized impact on performance and introducing too much volatility, despite the relative stability of their underlying property portfolio. In recent weeks we have reduced our equity exposure in the Balanced Fund slightly in mind of the progress made by equity markets over the period and their slight rerating – investors are now paying 17 times next year’s expected earnings for US equities compared to 16 times 12 months ago. We have also switched our position in gold to a cheaper provider in both Funds – while we continue to own an interest in gold bars physically stored in London there is an ongoing cost advantage of 14 basis points (0.14%) a year which we are happy to take advantage of.

The broad global environment remains favourable for risk assets: the synchronised expansion we are seeing appears sustainable with few signs of excess credit, and while deflationary forces are being replaced by reflationary ones, inflation still remains very subdued, hence our preference for a diversified blend of growth assets (equities, listed property and – in the case of the Balanced Fund – high yield, dollar emerging market bonds and convertibles) alongside some diversifying asset classes (inflation-linked bonds – in the case of the Fintax International Balanced Fund – gold and cash) that do not appear as richly valued to us as government bonds.

There are risks ahead: high global debt levels, China’s credit bubble, forces of populism and nationalism – all of which we have discussed over the past 12 months. For the first time since the crisis however, we are now at the stage of the cycle where an unwinding of ultra loose monetary policy is no longer speculation but reality. The US Federal Reserve Bank (“Fed”) is already tightening and the European Central Bank ("ECB") has made its first move with a reduction in monthly asset purchases, with more certain to follow. This process is likely to be a key determinant of short term market moves; too much tightening would cut short the expansion and damage markets, too little could let in the inflationary problem that excess liquidity in previous cycles has triggered. At the same time valuations of most assets are at historically high levels, leaving markets vulnerable to a correction in the short term.

However the fundamentals for the global economy are good, the economic recovery generally is broadening on what appears to be a sustainable basis, and tightening of monetary policy from current very loose levels will be gradual. We therefore expect this cycle to be sustained for some considerable time ahead, supporting equities over bonds.

FGAM Cells

Global equities have returned 18.8% in US dollar terms over the past 12 months compared to -1.9% for global bonds. Government bonds, to which we have had and continue to have a very low allocation in both Funds, have returned -4.4% over the period, compared to +2.3% for US investment grade bonds and +9.8% for US short duration high yield in which we have more significant investments. Asset allocation and manager selection were strongly positive in both Funds over 12 months. Fixed income was the key contributor from an asset allocation perspective, while conversely both Funds higher relative cash balances acted as drags on performance. In the Cautious Fund our allocation to physical gold was also a small drag. Manager selection within the equity component of both Funds was strongly positive, with First State, the Momentum Global Equity Fund (GEF), Orbis and Sands all outperforming their respective benchmarks materially.

The key fundamental factor underpinning markets has been the pick-up in growth globally, the first synchronised recovery since the financial crisis. While the US has continued to grow at around 2%-2.5%, the Eurozone has picked up to 2% this year, Japan has also expanded modestly and emerging markets have generally benefitted from easy monetary conditions globally and the acceleration in global growth. This in turn has been good for corporate profits, with earnings lifting out of the sluggish conditions of the past 2 years.

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With inflation low, debt levels high and confidence in the sustainability of the recovery still fragile, central banks maintained exceptionally loose policy. This combination of factors – accelerating growth, low inflation, few if any signs of excess or credit fuelled booms, and loose monetary policy – proved favourable for risk assets.

Investment Manager's Report (continued)

FGAM Cells (continued)

We added a position in gold to the Cautious Fund during the second half of 2016, as a diversifying investment with low correlation to equities or bonds. We increased the Fund's euro and sterling exposure at the same time and this proved sensible, with the euro appreciating by 7.3% against the US dollar and sterling +3.8% during the final quarter, despite the uncertainty created by June's election result in the UK. Finally we switched the Cautious Fund's gold position to a cheaper provider in June – while we continue to own an interest in gold bars physically stored in London there is an ongoing cost advantage of 14 basis points (0.14%) a year which we are happy to take advantage of.

The broad global environment remains favourable for risk assets: the synchronised expansion we are seeing appears sustainable with few signs of excess credit, and while deflationary forces are being replaced by reflationary ones, inflation still remains very subdued, hence our preference for a diversified blend of growth assets (equities, high yield, listed property) alongside some diversifying asset classes (credit, gold – in the case of the FGAM Global Cautious Fund – and cash) that do not appear as richly valued to us as government bonds.

There are risks ahead: high global debt levels, China's credit bubble, forces of populism and nationalism – all of which we have discussed over the past 12 months. For the first time since the crisis however, we are now at the stage of the cycle where an unwinding of ultra loose monetary policy is no longer speculation but reality. The Fed is already tightening and the ECB has made its first move with a reduction in monthly asset purchases, with more certain to follow. This process is likely to be a key determinant of short term market moves; too much tightening would cut short the expansion and damage markets, too little could let in the inflationary problem that excess liquidity in previous cycles has triggered. At the same time valuations of most assets are at historically high levels, leaving markets vulnerable to a correction in the short term.

However the fundamentals for the global economy are good, the economic recovery generally is broadening on what appears to be a sustainable basis, and tightening of monetary policy from current very loose levels will be gradual. We therefore expect this cycle to be sustained for some considerable time ahead, supporting equities over bonds.

Momentum Balanced Cells

Global equities have returned 18.8% in US dollar terms (sterling +21.2%) terms over the past 12 months compared to -1.9% for global bonds (sterling +0.1%). Government bonds, to which we have had and continue to have a very low allocation in both Funds, have returned -4.4% (sterling -2.5%) over the period, compared to +2.3% (sterling +4.3%) for US investment grade bonds and +12.7% (sterling +14.9%) for US high yield in which we have much larger investments. Asset allocation and manager selection were positive in both Funds over 12 months. Fixed income was the key contributor from an asset allocation perspective, while our positions in liquid alternatives strategies and physical gold acted as small drags on performance. Manager selection within the equity component of the Funds was also strongly positive.

The key fundamental factor underpinning markets has been the pick-up in growth globally, the first synchronised recovery since the financial crisis. While the US has continued to grow at around 2%-2.5%, the Eurozone has picked up to 2% this year, Japan has also expanded modestly and emerging markets have generally benefitted from easy monetary conditions globally and the acceleration in global growth. This in turn has been good for corporate profits, with earnings lifting out of the sluggish conditions of the past 2 years.

At the same time, inflation has remained remarkably subdued enabling central banks to keep monetary policy extremely loose without fear of an inflationary surge. While headline inflation rates have moved up somewhat as the impact of the collapse in oil prices fades, underlying core inflation has fallen recently and generally remains well below central bank targets of around 2%, even in the US.

With inflation low, debt levels high and confidence in the sustainability of the recovery still fragile, central banks maintained exceptionally loose policy. This combination of factors – accelerating growth, low inflation, few if any signs of excess or credit fuelled booms, and loose monetary policy – proved favourable for risk assets.

We added several liquid alternatives strategies as well as a position in gold to the Funds during the second half of 2016, as diversifying investments with low correlation to equities or bonds. We also took advantage of rising interest rates driven by President Trump's reflationary agenda to add a position in inflation-protected US Treasuries at the start of 2017. In recent weeks we have reduced our equity exposure in the Global Balanced Fund and purchased put options in the Sterling Balanced Fund in mind of the progress made by equity markets over the period and their slight rerating – investors are now paying 17 times next year's expected earnings for US equities compared to 16 times 12 months ago. Finally we switched our position in gold to a cheaper provider in June – while we continue to own an interest in gold bars physically stored in London there is an ongoing cost advantage of 14 basis points (0.14%) a year which we are happy to take advantage of.

The broad global environment remains favourable for risk assets: the synchronised expansion we are seeing appears sustainable with few signs of excess credit, and while deflationary forces are being replaced by reflationary ones, inflation still remains very subdued, hence our preference for a diversified blend of growth assets (equities, convertibles, high yield, liquid alternatives and – in the case of the Sterling Balanced Fund – listed property) alongside some diversifying asset classes (credit, inflation-linked bonds and gold) that do not appear as richly valued to us as government bonds.

There are risks ahead: high global debt levels, China's credit bubble, forces of populism and nationalism – all of which we have discussed over the past 12 months. For the first time since the crisis however, we are now at the stage of the cycle where an unwinding of ultra loose monetary policy is no longer speculation but reality. The Fed is already tightening and the ECB has made its first move with a reduction in monthly asset purchases, with more certain to follow. This process is likely to be a key determinant of short term market moves; too much tightening would cut short the expansion and damage markets, too little could let in the inflationary problem that excess liquidity in previous cycles has triggered. At the same time valuations of most assets are at historically high levels, leaving markets vulnerable to a correction in the short term.

However the fundamentals for the global economy are good, the economic recovery generally is broadening on what appears to be a sustainable basis, and tightening of monetary policy from current very loose levels will be gradual. We therefore expect this cycle to be sustained for some considerable time ahead, supporting equities over bonds.

Flagship Cell

Over the past year the global economy finally gathered momentum in a synchronised manner with growth around the globe moving stridently ahead. The favourable backdrop has been embraced by equity markets which have advanced strongly, buoyed by both earnings growth and multiple expansion.

The already high equity valuations at the start of the year have become even more stretched compared with virtually every traditional measure of value. The sole exception is the rating of equities compared with bonds. And, as bonds – the main investment alternative – remain decidedly unattractive, the high valuations currently being commanded by equities may well be sustained longer than many imagine. Nevertheless, growth from these elevated levels is likely to be well below historical precedents and the risk of a meaningful correction remains high.

Investment Manager's Report (continued)

Flagship Cell (continued)

Over the year to 30 June 2017 the Fund advanced by 10.1%, well ahead of the benchmark's return of 6.6%. (Our benchmark is 50% equities, 30% bonds and 20% money market). The main reason for the outperformance was maintaining an above-benchmark exposure to equities throughout the year.

Momentum Global Cells

Global equities have returned 18.8% in US dollar terms over the past 12 months compared to -1.9% for global bonds. Government bonds, to which we have had and continue to have a very low allocation in the Funds, have returned -4.4% over the period, compared to +2.3% for US investment grade bonds and +9.8% for US short duration high yield in which we have much larger investments. Asset allocation and manager selection were strongly positive in the Cautious and Managed Funds over 12 months, with fixed income acting as the largest single contributor. In the Growth Fund, which is structurally invested 100% in equities, our diversifying positions in cash and gold failed to keep pace with the strong equity bull run, with the result that asset allocation acted as a drag on performance. This was offset however by the contribution from manager selection which was strongly positive in all three Funds.

The key fundamental factor underpinning markets has been the pick-up in growth globally, the first synchronised recovery since the financial crisis. While the US has continued to grow at around 2%-2.5%, the Eurozone has picked up to 2% this year, Japan has also expanded modestly and emerging markets have generally benefitted from easy monetary conditions globally and the acceleration in global growth. This in turn has been good for corporate profits, with earnings lifting out of the sluggish conditions of the past 2 years.

At the same time, inflation has remained remarkably subdued enabling central banks to keep monetary policy extremely loose without fear of an inflationary surge. While headline inflation rates have moved up somewhat as the impact of the collapse in oil prices fades, underlying core inflation has fallen recently and generally remains well below central bank targets of around 2%, even in the US.

With inflation low, debt levels high and confidence in the sustainability of the recovery still fragile, central banks maintained exceptionally loose policy. This combination of factors – accelerating growth, low inflation, few if any signs of excess or credit fuelled booms, and loose monetary policy – proved favourable for risk assets.

We added a position in gold to all three Funds during the second half of 2016, as a diversifying investment with low correlation to equities or bonds. We subsequently switched our position in gold to a cheaper provider in June – while we continue to own an interest in gold bars physically stored in London there is an ongoing cost advantage of 14 basis points (0.14%) a year which we are happy to take advantage of. We took advantage of rising interest rates driven by President Trump's reflationary agenda to add a position in inflation-protected US Treasuries to the Cautious and Managed Funds at the start of 2017. We reduced our euro credit positions at the same time, which were looking extremely expensive in sympathy with European government bonds, particularly German bonds. We also added a position in dollar emerging market bonds which increase our interest rate sensitivity moderately while at the same time offering a relatively attractive all-in yield.

The broad global environment remains favourable for risk assets: the synchronised expansion we are seeing appears sustainable with few signs of excess credit, and while deflationary forces are being replaced by reflationary ones, inflation still remains very subdued, hence our preference for a diversified blend of growth assets (equities and – in the case of the Cautious and Managed Funds – high yield and dollar emerging market bonds) alongside some diversifying asset classes (gold, cash and – in the case of the Cautious and Managed Funds – credit and inflation-linked bonds) that do not appear as richly valued to us as government bonds.

There are risks ahead: high global debt levels, China's credit bubble, forces of populism and nationalism – all of which we have discussed over the past 12 months. For the first time since the crisis however, we are now at the stage of the cycle where an unwinding of ultra loose monetary policy is no longer speculation but reality. The Fed is already tightening and the ECB has made its first move with a reduction in monthly asset purchases, with more certain to follow. This process is likely to be a key determinant of short term market moves; too much tightening would cut short the expansion and damage markets, too little could let in the inflationary problem that excess liquidity in previous cycles has triggered. At the same time valuations of most assets are at historically high levels, leaving markets vulnerable to a correction in the short term.

However the fundamentals for the global economy are good, the economic recovery generally is broadening on what appears to be a sustainable basis, and tightening of monetary policy from current very loose levels will be gradual. We therefore expect this cycle to be sustained for some considerable time ahead, supporting equities over bonds.

VPFP Cells

2016 finished strongly and 2017 has been met with mixed emotions. We have seen a number of gyrating events, but through all of this, equity markets have continued to push higher. Global equity increased by 18.8%, mostly supported by a strong set of first quarter earnings. Global bonds declined by -4.41% and global listed property lost -2.6% for the year.

On the global front, the election of President Trump as the 45th President of the United Stated of America was met with massive optimism and resulted in a significant rally in US and most other global risk assets. The trend continued well past the president's inauguration and lasted until the end of February 2017. Global markets peaked a little later in the middle of March 2017 but political and policy surprises out of the US at the start of the second quarter played havoc with markets during April.

We have witnessed the extraordinary beginnings to President Trump's presidency. At least President Trump has not yet carried out most of his extreme policy threats, but we need to keep in mind that he still has another four years to serve in the normal course of events.

The Fed raised interest rates by a quarter of a percent on two occasions, in December 2016 and March 2017.

In Europe market-friendly and moderate Emmanuel Macron won the French elections in a very strong showing. This has provided massive support for the longer term EU-friendly environment in Europe's second largest economy, while it has also provided more sanity with regards to political impact on markets.

Macron's victory also provided some much needed support for Ms Merkel in Germany as her pro-EU views have attracted continued negative responses from right wing opposition. This has greatly subsided since Macron's strong showing and positive sentiment from most of Europe.

The European Central Bank ("ECB") has also continued to loosen their monetary policy and will continue quantitative easing until the end of 2017 and beyond if necessary.

In the UK, British Prime Minister, Theresa May, triggered Article 50 of the Lisbon Treaty, initiating a two year countdown to exit the European Union. The negotiations are expected to be tough and will create political and economic uncertainty in both the UK and in Europe.

Investment Manager's Report (continued)

VPFP Cells (continued)

The uncertainty in the macro environment remains elevated and we believe this will contribute to a continuation of supportive central bank policies across the developed world. A further contributor would be lacklustre inflation figures that continue to remain below long term targets of most central banks and should support the "lower for longer" narrative that has been in place for the last 5 years.

This narrative should continue to provide support for global growth assets like global equity and listed property although uncertainty could result in increased short term volatility – especially when short term negative surprises arise.

The VPFP International Cautious and Growth Funds have both showed strong outperformance of their respective benchmarks as a result of our overweight position in global equities and the underweight position in global bonds. Our overweight listed property position was under pressure as bond yields started to normalise and global growth expectations disappointed.

The VPFP International Cautious Fund returned 7.3% against the benchmark performance of 2.7% while the VPFP International Growth Fund returned 13.3% against the benchmark performance of 9.6%. (Our benchmark is 30% MSCI AC World, 60% Citi WorldBIG, 10% Cash for VPFP International Cautious Fund and 60% MSCI AC World, 30% Citi WorldBIG, 10% Cash for VPFP International Growth Fund).

Growth assets contributed significantly to performance. Manager selection also added value – especially in the global equity component as cyclical assets showed strong outperformance and our allocation to global value strategies provided strong performance. The position in listed property was under pressure yet we are confident that this component will provide long term support – especially if global growth surprises on the upside.

The portfolios remain well diversified across geography, asset class and strategy while the portfolios should benefit from a bias towards growth assets. We remain diligent and committed to finding the best possible outcomes for our investors yet we still remain uncomfortable and cautious in the prevailing market conditions. Opportunities will arise but for now we have to wait, patiently.

Discipline + Diversified Cell

The Discipline + Diversified Balanced fund returned 13.2% (USD share class) over twelve months to the end of June 2017, outperforming the composite benchmark by 2.4%. (Our benchmark is 60% MSCI AC World, 40% Citi WorldBIG).

Global equities have returned 18.8% in US dollar terms over the past 12 months compared to -1.9% for global bonds. Government bonds, to which we have had and continue to have a very low allocation in the Fund, have returned -4.4% over the period, compared to +2.3% for US investment grade bonds and +12.7% for US high yield in which we have much larger investments. Asset allocation and manager selection were positive contributors to performance over 12 months. Fixed income was the key contributor from an asset allocation perspective, while our positions in liquid alternatives strategies and physical gold acted as small drags on performance. Manager selection within the equity component of the Fund was also strongly positive.

The key fundamental factor underpinning markets has been the pick-up in growth globally, the first synchronised recovery since the financial crisis. While the US has continued to grow at around 2%-2.5%, the Eurozone has picked up to 2% this year, Japan has also expanded modestly and emerging markets have generally benefitted from easy monetary conditions globally and the acceleration in global growth. This in turn has been good for corporate profits, with earnings lifting out of the sluggish conditions of the past 2 years.

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With inflation low, debt levels high and confidence in the sustainability of the recovery still fragile, central banks maintained exceptionally loose policy. This combination of factors – accelerating growth, low inflation, few if any signs of excess or credit fuelled booms, and loose monetary policy – proved favourable for risk assets.

We added several liquid alternatives strategies as well as a position in gold to the Fund during the second half of 2016, as diversifying investments with no correlation to equities or bonds. We also took advantage of rising interest rates driven by President Trump's reflationary agenda to add a position in inflation-protected US Treasuries at the start of 2017.

The broad global environment remains favourable for risk assets: the synchronised expansion we are seeing appears sustainable with few signs of excess credit, and while deflationary forces are being replaced by reflationary ones, inflation still remains very subdued, hence our preference for a diversified blend of growth assets (equities, convertibles, high yield, liquid alternatives) alongside some diversifying asset classes (credit, inflation-linked bonds and gold) that do not appear as richly valued to us as government bonds.

There are risks ahead: high global debt levels, China's credit bubble, forces of populism and nationalism – all of which we have discussed over the past 12 months. For the first time since the crisis however, we are now at the stage of the cycle where an unwinding of ultra-loose monetary policy is no longer speculation but reality. The Fed is already tightening and the ECB has made its first move with a reduction in monthly asset purchases, with more certain to follow. This process is likely to be a key determinant of short term market moves; too much tightening would cut short the expansion and damage markets, too little could let in the inflationary problem that excess liquidity in previous cycles has triggered. At the same time valuations of most assets are at historically high levels, leaving markets vulnerable to a correction in the short term.

However the fundamentals for the global economy are good, the economic recovery generally is broadening on what appears to be a sustainable basis, and tightening of monetary policy from current very loose levels will be gradual. We therefore expect this cycle to be sustained for some considerable time ahead, supporting equities over bonds.

Brenthurst Global Cell

Global equities have returned 21.1% in US dollar terms over the past 12 months compared to -1.5% for global bonds. Government bonds, to which we have had and continue to have a very low allocation in the portfolio, have returned -4.0% over the period, compared to +2.6% for US investment grade bonds and +10.0% for US short duration high yield in which we have much larger investments. Both asset allocation and manager selection were strongly positive over 12 months. Fixed income was the key contributor from an asset allocation perspective while our position in physical gold acted as a small drag on performance. Manager selection within the equity component of the Fund was also strongly positive.

Investment Manager's Report (continued)

Brenthurst Global Cell (continued)

The key fundamental factor underpinning markets has been the pick-up in growth globally, the first synchronised recovery since the financial crisis. While the US has continued to grow at around 2%-2.5%, the Eurozone has picked up to 2% this year, Japan has also expanded modestly and emerging markets have generally benefitted from easy monetary conditions globally and the acceleration in global growth. This in turn has been good for corporate profits, with earnings lifting out of the sluggish conditions of the past 2 years.

At the same time, inflation has remained remarkably subdued enabling central banks to keep monetary policy extremely loose without fear of an inflationary surge. While headline inflation rates have moved up somewhat as the impact of the collapse in oil prices fades, underlying core inflation has fallen recently and generally remains well below central bank targets of around 2.0%, even in the US.

With inflation low, debt levels high and confidence in the sustainability of the recovery still fragile, central banks maintained exceptionally loose policy. This combination of factors – accelerating growth, low inflation, few if any signs of excess or credit fuelled booms, and loose monetary policy – proved favourable for risk assets.

The Fund sought and received regulatory approval from the Financial Services Board ("FSB") during November. As part of this process we made several changes to the portfolio's asset allocation policy, divesting from our liquid alternatives strategy managed by Goldman Sachs along with our convertible bond positions. We also rotated out of several managers in the equity and fixed income components of the Fund, into eligible alternatives. Other changes over the period included adding a position in physical gold during the second half of 2016 as a diversifying investment with no correlation to equities or bonds. We took advantage of rising interest rates driven by President Trump's reflationary agenda to add a position in inflation-protected US Treasuries at the start of 2017, along with some dollar-denominated emerging market bonds. We also reduced our euro credit positions at the start of the year, which were looking extremely expensive in sympathy with European government bonds, particularly German bunds. Finally in recent weeks we have switched our position in gold to a cheaper provider – while we continue to own an interest in gold bars physically stored in London there is an ongoing cost advantage of 14 basis points (0.14%) a year which we are happy to take advantage of.

The broad global environment remains favourable for risk assets: the synchronised expansion we are seeing appears sustainable with few signs of excess credit, and while deflationary forces are being replaced by reflationary ones, inflation still remains very subdued, hence our preference for a diversified blend of growth assets (equities, high yield, dollar emerging market bonds) alongside some diversifying asset classes (credit, inflation-linked bonds and gold) that do not appear as richly valued to us as government bonds.

There are risks ahead: high global debt levels, China's credit bubble, forces of populism and nationalism – all of which we have discussed over the past 12 months. For the first time since the crisis however, we are now at the stage of the cycle where an unwinding of ultra loose monetary policy is no longer speculation but reality. The Fed is already tightening and the ECB has made its first move with a reduction in monthly asset purchases, with more certain to follow. This process is likely to be a key determinant of short term market moves; too much tightening would cut short the expansion and damage markets, too little could let in the inflationary problem that excess liquidity in previous cycles has triggered. At the same time valuations of most assets are at historically high levels, leaving markets vulnerable to a correction in the short term.

However the fundamentals for the global economy are good, the economic recovery generally is broadening on what appears to be a sustainable basis, and tightening of monetary policy from current very loose levels will be gradual. We therefore expect this cycle to be sustained for some considerable time ahead, supporting equities over bonds.

PB Global Flexible Cell

Performance
Global equities delivered a strong performance of 18.8% over the past 12 months while global bonds returned -1.9% in US dollar terms. Against this backdrop the PB Global Flexible Fund has returned 10.1% net of all fees, compared to 10.4% for the composite benchmark. (Our benchmark is 60% MSCI AC World, 30% Citi WorldBIG, 10% LIBOR USD 7-Day). The Fund's marginal underperformance of the composite benchmark over the past year stems from its generally more cautious positioning against the backdrop of relatively lofty valuations in the US stock market and significant global geopolitical risks as well as policy uncertainty in the US following the surprise election of President Trump.

Portfolio Changes
A number of changes were implemented in the Fund during the past year. In the last quarter of 2016 a fairly significant restructure of the Fund was undertaken. The number of holdings was reduced to make the Fund more focused and manageable. Most notable was the introduction of a passive global multi-asset fund as a core holding in the Fund that decreases the overall management cost of the Fund. A number of positions representing global equity, European equity, emerging market bonds and an absolute return mandate were sold out of the Fund. New investments were into global multi-asset managers, namely the Nedgroup Global Cautious, Investec Global Strategic Managed, Nedgroup Core Global (passive) and Investec Global Multi-Asset Income Funds. During the second quarter of 2017 the equity exposure of the Fund was increased marginally to reduce the underweight position and to position the portfolio to take account of the current environment of more synchronised global economic growth and the expected positive implication this will likely have for risk asset classes.

Looking Forward
Notwithstanding continued signs of synchronised global economic growth, low market volatility, solid reported and expected earnings, and general risk-on conditions prevailing, there are risks that remain. Apart from geo-political risks, most notable are the moves to policy normalisation by the Fed and other central banks combined with not inexpensive market valuations, especially for US Equities. Interest rate differentials between the US and other developed market economies will rise – the Fed seems intent to raise rates further in 2017, whilst among other developed markets, only the UK might increase rates to check inflation brought about by the weaker pound. The major risk is that of policy error by the Fed raising rates too aggressively and thereby choking off US economic growth and tipping the US (and eventually the world) into recession. US share markets are discounting a substantial increase in earnings for 2017 and 2018 with little room for any disappointments.

Against this backdrop the Fund retains its bias towards the US dollar and its near benchmark equity position to reflect the balance between opportunities and risks prevailing.

Caleo Global Flexible Cell

The Caleo Global Flexible Cell is a global flexible fund that provides investors with a significant participation in equity markets, however allows the manager to scale down to moderate or even lower equity market exposures when deemed fit. This Fund will use asset allocation on a tactical basis to take advantage of valuation opportunities in the markets. This has particularly been the case over recent periods where markets have seen increased volatility.

Investment Manager's Report (continued)

Caleo Global Flexible Cell (continued)

Over the past 12 months, the Fund has produced returns that were in line with expectations as capital protection has been a driving force during these uncertain times. During the year we saw increased volatility around the Trump presidential campaign as well as in Europe as Macron took the win in France. Going into both elections, we, as the investment committee, took a more neutral stance holding around 40% cash. As markets picked up and positive sentiment was flowing, we increased our allocations to particular areas where we found value. Over the period we have remained above our market peers, however the last 3 months there has been some muted performance. The Fund returned 6% net of all fees compared to a benchmark return of 8.1%, USD flexible allocation.

Over the course of the year we have been active with the Fund's asset allocation, making changes to ensure that the Fund is best placed, in our opinion, to generate the necessary return and risk levels for our investors. The main theme in the Fund has been to exclude bond exposure as we feel the risk far out ways the return. We have favoured cash to de-risk in the past, however, looking forward we have introduced different manager styles to take advantage of the changing cycle while adding to return.

Within the equity allocation of the Fund, we have spent much of the year with significant exposure to the US rather than Europe in terms of first world exposer. The Fund holds a total of 69.5% in global equities. Compared with other managers, we have maintained a lower exposure to emerging markets. There have been strategic allocations to India which have played in our favour.

In recent months, markets have experienced a reasonable number of volatility spikes. We will continue to remain alert for attractive investment opportunities and adding to high conviction investments when markets sell off. Looking forward we believe that the Fund is well positioned to withstand increased likelihood of market volatility and together with a diversified approach, large spikes in the portfolio can be avoided.

Renaissance Cells

Renaissance Global Best Ideas Cell

The start of the financial year and Q3 2016 turned out to be a solid but uneventful quarter. Uneventful is good when compared with the Q3 that investors experienced last year. Much of the third quarter's market rally occurred in July right after the Brexit vote. Worries around Brexit felt like the hysteria surrounding Y2K in that 'Brexit' opponents' worst fears didn't materialise. When the UK's economy didn't collapse nor did the global financial system melt down, the market took off. Following the initial fallout from the Brexit vote, the markets settled down and didn't do much, at least with US large caps where the S&P 500 was roughly flat in August and September. Bond markets were strikingly calm during the first quarter of the financial year, particularly when compared to the tumultuous final week of June. An initially negative market reaction to the surprise Brexit vote passed quickly and in July markets returned to the more familiar ground of assessing policy moves from the world's major central banks. The Chicago Board Options Exchange SPX Volatility Index (the VIX) – as a broad measure of market stability – reached lows in the quarter seen only a handful of times in the past 25 years. This was obviously the calm before the storm of Q4 2016.

Q4 2016 saw government bond yields rise amid expectations for higher inflation after the US election victory for President Trump. The 10-year US Treasury yield rose rapidly from 1.6% to 2.4% in Q4 2016. The five-year yield rose from 1.2% to 1.9% and the two-year yield rose from 0.8% to 1.2%. The European Central Bank ("ECB") confirmed in December that it will trim its bond buying programme from March 2017, but carefully avoided suggestions that the move constituted "tapering". The 10-year Bund yield at last climbed out of negative territory, moving from -0.12% to 0.21%.Equity markets generally gained, with financial stocks performing well. The build-up to the presidential election and subsequent victory of Republican candidate Donald Trump dominated markets over the period. Trump's plans to cut taxes, boost infrastructure spending and reduce regulations were seen as positive for domestic growth and small and mid-cap equities performed particularly well, with the Russell 2000 and Russell 2500 recording respective gains of 8.8% and 6.1%. The Federal Open Market Committee raised interest rates against the backdrop of continued strength in the US economy. This strength was underlined by a further run of robust non-farm payrolls data and decline in the unemployment rate, which dipped to 4.6% by November. Meanwhile, it was confirmed that GDP grew 3.5% year-on-year in the third quarter, a pronounced pick-up in activity from the first half of 2016. Eurozone equities made gains. Financials performed well amid higher bond yields and the ECB extended its quantitative easing programme.

Through the first half of 2017, equities continued to deliver solid and steady gains with very little in the way of interruptions. The Dow, S&P 500 and Nasdaq have been no more than about 3% off their 2017 highs at any point during the year. The first quarter earnings season was a huge success. According to FactSet, the S&P 500 delivered nearly 14% year-over-year earnings growth, the highest growth rate since 2011, finally supporting some of those outsized valuations with 75% of companies exceeding their earnings expectations. Analysts are again forecasting double digit growth in the second quarter. The jobs situation looks solid. Total non-farm payrolls increased by 581,000 jobs in the quarter while the official unemployment rate closed the quarter at 4.4%. Wage growth, however, remains a disappointment as a flood of new and available jobs hasn't translated into higher incomes yet. With inflation slipping back below the Fed 2% target, it puts the path of future interest rate hikes into some question. The odds of another Fed rate hike before the end of the year, according to the Fed futures market, currently sits at around 60%.

Events in Washington continue to throw a wrench into the global geopolitical environment but that hasn't translated into much volatility in the financial markets. President Trump is still attempting to push through his first piece of major legislation without any clear picture of when that might be. Healthcare reform is front and centre but the Senate's version of "repeal and replace" doesn't look like it has the necessary votes to pass unless several revisions are made. We hear rumblings about tax reform but no concrete agenda yet. North Korea's ongoing threat of missile attacks remind us that we're still just one event away from things turning upside down!

Active management has seen a resurgence post the Trump election in November 2016 and interest rate normalisation in the US. Correlation between stocks has been falling towards normal levels, since the recent increase in bond yields and monetary policy normalisation are causing investments to show widely varying behaviour and returns depending on the fundamentals. This means that stock selection is once again adding value, including within individual sectors. What many people overlook is that the active vs passive tug of war is cyclical and not a new phenomenon. A bottom in relative performance appears to have been reached last year. Much to the relief of hedge and mutual funds alike, 2017 has been characterised by lower correlations and greater stock dispersion. Simply put, fundamentals have started to matter once again and this has translated into improved alpha generation for mutual funds.

In a year that has been characterised by historically low volatility and been a one way ticket for risk assets, the Renaissance Funds have taken a more cautious approach for this end of cycle top and maintained a relatively high cash balance while using quality managers to capture upside in their respective assets classes. Manager selection has paid off with the majority of managers outperforming their associated benchmarks. The higher cash balance, bond and property exposure meant that the Funds didn't capture all the equity upside but Renaissance Best Ideas USD class delivered 7% over the financial year. Cash will be deployed during pull backs as better entry points avail later on in the year.

Investment Manager's Report (continued)

Renaissance Cells (continued)

Renaissance Global Best Ideas Cell (continued)

Looking forward this dynamic of active over passive is expected to continue so the general move out of actively managed funds is arguably coming at exactly the wrong point in the cycle. As global growth recovers, rates normalise and central banks look to step back and unwind their large balance sheets we feel the landscape has improved significantly for active management. Bouts of increased volatility going forward should offer stock pickers the opportunity to outperform and add tremendous value. Leverage on US corporate balance sheets has increased marked from the Global Financial Crisis ("GFC") and isn't something a passive instrument can differentiate between. The potential normalisation in US interest rate policy is likely to weigh more on leveraged businesses, increasing dispersion and playing into the hands of stock pickers. We advise caution in this late-cycle, momentum-driven market and believe investors in the US market have embraced a type of cognitive dissonance: equity valuations are sky-high, but Treasuries are overbought and low yields warn of lacklustre growth. We see better opportunities outside of the US market and have seen our Global equity managers allocate accordingly to more favourably valued markets like Europe. We still view government bonds as expensive across markets, especially in Germany and the UK, indicating yields will trend upward in the medium term after remaining in a range for the next few months.

Renaissance Global Equity Cell

The Cell aims to provide growth consistent with long term equity performance, but with reduced risk and volatility. Equity performance is measured over an entire market cycle (the market cycle is a period of time from which the market moves from a period of increasing prices and strong performance, to a period of weak performance and falling prices, and then back again), rather than at any one point in time. The Cell is an actively managed flexible portfolio that will allocate capital to those asset classes which reflect the best relative value to achieve a high long term total return.

Performance and Portfolio Changes

A flexible mandate for the fund means we can adopt a more cautious approach where appropriate to preserve capital, however, as agreed with shareholders prior to launch (May 2016), the portfolio was made up predominantly of SAB Miller (SAB) GBP shares until the acquisition of SAB by Anheuser-Busch InBev (ABI) was concluded in October 2016. This meant that the portfolio carried a 90% exposure to Sterling from launch through to mid-October which resulted in negative US Dollar price shocks on the back of the Brexit referendum and subsequent sterling devaluation.

From the middle of October 2016, and working closely with shareholders, the phasing in of an agreed Global Multi-Asset Cautious portfolio allocation began. This transition from passive to active management took five months to complete (in accordance with stipulated shareholder targets), at which point all non-USD currency exposure was cut and the fund reached its targeted asset allocation. Equity exposure was brought up to 37%, fixed income to 30%, property to 10% and cash (and cash equivalents) to 20%. The remaining 3% was allocated to gold in an effort to limit political and systematic risk within the portfolio.

Having had to endure a tough second half of 2016, we effectively reached our allocation targets in Q1 2017 and continued the cautious rhetoric for Q2 2017 (and moving forward) given continued question marks around the Trump agenda and heightened geopolitical risk out of Europe. The cautious approach adopted by the fund and healthy cash balance meant there was some relative underperformance vs the benchmark during this risk on rally. However, manager selection did add value with most equity managers outperforming their associated benchmarks at significantly lower risk given their cash balances.

Despite the performance of equities and the VIX, risks have certainly not disappeared. Any one of the following has the ability to cause a significant correction in what looks to be a very stretched rally; interest rate hikes and inflation; political dysfunction; geopolitical trouble spots; and the long-term impact of technology. In the vast majority of asset classes, prospective returns are just about the lowest they've ever been. Asset prices are high across the board. Almost nothing can be bought below its intrinsic value, and there are few bargains. In general, the best we can do is look for things that are less over-priced than others. People can't think of what will cause trouble and because of that there is no risk priced into the market with cash viewed as the most punitive asset allocation choice given its low return.

We maintained our asset allocations through the 2nd quarter of 2017 including a healthy cash balance to deploy during sell offs which have simply not been forthcoming. In fact, the MSCI World Index returned its ninth successive monthly positive return in July. This has only occurred 4 times since the inception of the World Index in 1969, and is only the 2nd time in 48 years when the market hasn't been down double digits in the preceding 12 months ahead of such a run.

Looking forward

Looking forward, this dynamic of active over passive is expected to continue so the general trend by investors to move out of actively managed funds is arguably coming at exactly the wrong point in the cycle. As global growth recovers, rates normalise and central banks look to step back and unwind their large balance sheets we feel the landscape has improved significantly for active management. Bouts of increased volatility going forward should offer stock pickers the opportunity to outperform and add tremendous value. Leverage on US corporate balance sheets has increased markedly from the GFC and isn't something a passive instrument can differentiate between. The potential normalisation in US interest rate policy is likely to weigh more on leveraged businesses, increasing dispersion and playing into the hands of stock pickers. We advise caution in this late-cycle, momentum-driven market and believe investors in the US market have embraced a type of cognitive dissonance: equity valuations are sky-high, but Treasuries are overbought and low yields warn of lacklustre growth. We see better opportunities outside of the US market and have seen our Global equity managers allocate accordingly to more favourably valued markets like Europe. We still view government bonds as expensive across markets, especially in Germany and the UK, indicating yields will trend upward in the medium term after remaining in a range for the next few months.

Equities

Equities have delivered attractive returns since February last year. Valuations are unattractive and, on some measures, sentiment is quite optimistic. What catalysts are there left to give risk assets further upside? We see two. First, earnings. The Q2 US results season has seen 77% of S&P 500 companies surprising on the upside at the sales line, with EPS rising 7% compared to the same quarter in 2016. Most indicators suggest that earnings have further to rise this year, yet the consensus EPS forecast for 2017 as a whole remains at just over 10%, where it has been since January. Strong earnings momentum is likely to remain a positive at least through the end of the year. Second, tax cuts. Our expectation is that the US Congress will pass tax legislation to come into effect in early 2018. The failure to repeal Obamacare means that the Republican Party will need a big legislative win going into the mid-term elections in November 2017. Tax cuts (which the market is no longer pricing in) is one policy on which there is little disagreement within the Grand Old Party. This however doesn't mean there won't be bumps in the road over the next 8 to 12 months and still want to see better entry points to take exposure higher. The aforementioned does mean we do favour equities over bonds . In particular Developed Markets equities over Emerging Markets equities. An appreciating US dollar, rising interest rates, weak industrial metals prices this year and uncertain growth prospects for China all represent headwinds for Emerging Markets equities. Our strong US dollar view points to an overweight in U.S. equities in USD terms but, in local currencies, our preference is for euro area and Japanese equities. Both are relatively high-beta, have strongly cyclical earnings momentum, and central banks that are likely to stay dovish.

Investment Manager's Report (continued)

Renaissance Cells (continued)

Renaissance Global Equity Cell (continued)

Bonds
The expectation is still for the 10-year US Treasury yield to move toward 3%. With faster rate hikes and rebounding inflation in the US, this is very negative for rates. We are underweight government bonds, and prefer inflation-linked bonds to nominal ones. Valuations in credit are no longer particularly attractive but, with a 100 bps spread for U.S. investment grade bonds and a 230 bps default adjusted spread for high-yield, returns are likely to be satisfactory as long as the economic cycle continues to improve.

Commodities
Oil inventories have begun to draw down in line with expectations. Continued discipline by Organisation of Petroleum Exporting Countries producers until next March, combined with a slowdown in the growth of US shale production (reflecting the weaker crude price this year) should bring inventories down further (despite production increases in such countries as Libya and Iran), and push the price of WTI above $55 a barrel by year end. Industrial commodity prices have rebounded somewhat in the past six weeks, mainly on the back of moderately brighter economic data out of China. But, given uncertain prospects about the sustainability of this growth, especially beyond the Communist Party Congress in the fall, and amid some signs of weakness in Chinese monetary and credit aggregates, we remain cautious about the outlook for metals prices over the next 12 months but maintain a 3% exposure to gold as a safeguard against systematic risk.

Property
Despite operating conditions having downshifted a notch we have kept our allocation to the asset class (via a single manager) at 10%. We are monitoring our position with a view to potentially cutting back the fund's exposure and taking some profits.

Credo Global Cell

The twelve months to 30 June 2017 will certainly be most remembered for a number of significant political events. The first major political event took place in June 2016, when the UK decided to exit from the European Union. This had not been anticipated by the markets, and led to some short term volatility in equity markets and significant movement in the currency markets - sterling weakening substantially versus the euro and US dollar.

The next significant event took place in November 2016, when the Republican candidate, Donald Trump, won the US presidential election. Despite initial expectations that the market would trade significantly lower on the back of such a result, once his domestic policies of lower corporation tax, less regulation and significant infrastructure spend fed into the markets, investors reassessed the implications. In general, the US market rallied significantly in the following months, with particularly strong performance coming from infrastructure, industrial, financials and tech names.

As we entered 2017, although the political backdrop had quietened somewhat, markets remained concerned over the growing popularity of far right political groups in Europe, and ultimately winning elections in countries like the Netherlands and France. With immigration and nationalism central to their campaigns, the risk of these groups gaining power and the prospect of further referendums resulting in rejection of EU membership led to significant instability, both economic and political, within the region. Ultimately, the elections, particularly in France, saw lower than anticipated support for these groups, and stability was resumed.

In June 2017, we saw a further twist as the UK government called a snap election, expecting to increase its majority and hence take a far more demanding stance into the Brexit negotiations. Not only did the party lose its majority, but it has had to form an alliance with the DUP, a small Northern Irish party, weakening its position, and bringing further concern to the leadership of the UK, and its mandate in the Brexit negotiations.

Over the period from 1 July 2016 to 30 June 2017, the class A and class B share classes underperformed their benchmarks by 2.1% and 2.4% , respectively. To 28 June 2017, the class A and class B share classes have outperformed their benchmarks by 3.1% and 3.3% respectively since inception. (Our benchmark is 100% MSCI World).

GF Worldwide Cell

Price movement: 1 July 2016: 104.87 US cents
1 July 2017: 110.52 US cents +5.4%

The Fund's objective is to maximise total return over the long term, 7 years (and longer), in investments which are considered investment grade. Short term opportunistic trading does not form part of the investment process.

The Fund holds 51.92% in Peregrine Capital Growth fund, an overweight position, which returned 5.5% for the 12 months. This was due largely to being underweight the US, a position which appears reasonable given the relatively high valuations at which the market is trading. This underperformance together with the size of the investment has meaningfully reduced the overall twelve month returns. A review of Peregrine's information sheet records that the twelve months under review ranks amongst the lowest achieved since Peregrine's inception in October 2003. However the annualised return since inception is 20.1%. Given that the investment process used by Peregrine that has achieved these above average long term returns remains in place, the current pause in growth is viewed as a period when Peregrine is building/holding positions which are yet to mature and the benefits of which will reward patient investors.

The second investment which has underperformed is Orange Capital Fund, comprising 19% of the portfolio, and achieving only 4.2% growth. This investment is currently under review.

The remaining investments yielded the following returns:

Coronation Emerging Markets:	+22%
CM Global Fund:	+20%
Contrarius:	+14.6%

When reviewing the overall performance of the GF Worldwide Fund since inception in April 2016 with an initial price of 100 US cents, due regard needs to be taken that the Fund is now but 17% into its first seven year investment cycle.

Directors' Report

The Directors present their annual report together with the audited financial statements of Momentum Mutual Fund ICC Limited (the "Company"), and its Incorporated Cells (the "Incorporated Cells") for the year ended 30 June 2017.

Principal activities
The Company is an Incorporated Limited Liability Cell Company, incorporated and registered in Guernsey, with the Company number 44370. The Company has been authorised as an open ended Class B Collective Investment Scheme by the Guernsey Financial Services Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

The Company has established a number of Incorporated Cells whose activities and objectives are disclosed in the attached financial statements.

Renaissance Global Flexible Fund IC Limited has also been incorporated by the Company, but not yet launched so has not been included within these financial statements. The first accounting period of Renaissance Global Flexible Fund IC Limited will end on 30 June 2018 once it has been launched at the beginning of 2018.

Directors
The Directors of the Company during the year and at the date of this Report are set out on page 1.

Directors' interests
None of the Directors who held office during the year and at the date of this report had any disclosable interests in the shares of the Company or of any of the Incorporated Cells.

Directors' responsibilities
The Directors are responsible for preparing the financial statements for each financial year, which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company and the Incorporated Cells and of the profit or loss of the Company, and the Incorporated Cells for that period. In preparing these financial statements the Directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgements and estimates that are reasonable and prudent;

• state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

• prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company or its Incorporated Cells will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as each Director is aware, there is no relevant audit information of which the Company's and Incorporated Cells auditor is unaware and each Director has taken all the steps they ought to have as a Director to make themselves aware of any relevant audit information and to establish that the Company and Incorporated Cells' auditor is aware of that information.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and its Incorporated Cells and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the Company and its Incorporated Cells and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that, throughout the period covered by the Financial Statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

The annual report together with the audited financial statements of the Company and its Incorporated Cells are published on the Manager's website. The Manager is responsible for the maintenance and integrity of the website; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may occur to the financial statements after they are initially presented on the website. The Directors appreciate there is uncertainty regarding legal requirements of information published on the internet as it is accessible in many countries and legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors
PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office. A resolution to re-appoint PricewaterhouseCoopers CI LLP will be proposed at the forthcoming Annual General Meeting.

Director   **Director**

1 December 2017

Independent Auditor's Report to the Members of

Momentum Mutual Fund ICC Limited (the "Company")
and

Fintax International Balanced Fund IC Limited	VPFP International Cautious Fund IC Limited
Fintax International Growth Fund IC Limited	VPFP International Growth Fund IC Limited
FGAM Global Cautious Fund IC Limited	Discipline + Diversified Balanced Fund IC Limited
FGAM Global Growth Fund IC Limited	Brenthurst Global Balanced Fund IC Limited
Momentum Global Balanced Fund IC Limited	PB Global Flexible Fund IC Limited
Momentum Sterling Balanced Fund IC Limited	Caleo Global Flexible Fund IC Limited
Flagship International Flexible Fund IC Limited	Renaissance Global Best Ideas Fund IC Limited
Momentum Global Cautious Fund IC Limited	Renaissance Global Equity Fund IC Limited
Momentum Global Growth Fund IC Limited	Credo Global Equity Fund IC Limited
Momentum Global Managed Fund IC Limited	GF Worldwide Fund IC Limited

(the "Incorporated Cells")

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of its incorporated cells as of 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The Company and each of its incorporated cells' financial statements ("the financial statements") comprise:

- the Statement of financial position as at June 2017;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in net assets attributable to holders of participating redeemable shares for the year then ended;
- the Statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and its incorporated cells in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the General Information, Investment Manager's Report, Directors' Report and the Custodian's Report to the Members of the Company and its incorporated cells (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and its incorporated cell's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or its incorporated cells or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its incorporated cell's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its incorporated cell's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its incorporated cells to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

This report, including the opinion, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
4 December 2017

Custodian's Report to the Members of

Momentum Mutual Fund ICC Limited (the "Company")
and

Fintax International Balanced Fund IC Limited
Fintax International Growth Fund IC Limited
FGAM Global Cautious Fund IC Limited
FGAM Global Growth Fund IC Limited
Momentum Global Balanced Fund IC Limited
Momentum Sterling Balanced Fund IC Limited
Flagship International Flexible Fund IC Limited
Momentum Global Cautious Fund IC Limited
Momentum Global Growth Fund IC Limited
Momentum Global Managed Fund IC Limited
VPFP International Cautious Fund IC Limited
VPFP International Growth Fund IC Limited
Discipline + Diversified Balanced Fund IC Limited
Brenthurst Global Balanced Fund IC Limited
PB Global Flexible Fund IC Limited
Caleo Global Flexible Fund IC Limited
Renaissance Global Best Ideas Fund IC Limited
Renaissance Global Equity Fund IC Limited
Credo Global Equity Fund IC Limited
GF Worldwide Fund IC Limited

(the "Incorporated Cells")

In our opinion, the Company has, in all material aspects, been managed for the year ended 30 June 2017 in accordance with the provisions of the Principal Documents; Scheme Particulars and The Authorised Collective Investment Schemes (Class B) Rules 2013.

For and on behalf of
Northern Trust (Guernsey) Limited
1 December 2017

Keith Stubbington
Director

Stuart J Lawson
Director

Statement of Financial Position

	Notes	30.06.17 USD	30.06.16 USD
ASSETS			
CURRENT ASSETS			
Receivables	2	100	100
Total assets		100	100
EQUITY AND LIABILITIES			
Share Capital	2	100	100
Total equity and liabilities		100	100
Net asset value per Management Share		1.00	1.00

The notes on pages 17 to 20 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**

Notes to the Financial Statements

1. General Information

Momentum Mutual Fund ICC Limited (the "Company") is an Incorporated Limited Liability Cell Company, incorporated and registered in Guernsey, with Company number 44370. The Company has been authorised as an open ended Class B Collective Investment Scheme by the Guernsey Financial Services Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

The Company retains the right to create new Cells with different investment objectives and terms in the future.

On 1 July 2016, additional amendments were made to the Prospectus of the Company which were as follows:

• An update to the list of Directors and their biographies; and
• A reduction in the notice period to be given to the Administrator in respect of requests to redeem or switch, from two to one Business Day.

2. Summary of significant accounting policies

The principal accounting policies detailed below have been consistently applied in the preparation of the financial statements of the Company and of the Incorporated Cells.

2.1 Basis of preparation

The financial statements for the Company and its Incorporated Cells have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments).

The financial statements have been prepared at an individual Incorporated Cell level. The non cellular assets and liabilities are in respect of the management shares issued by the Company, are disclosed on page 19.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's and the Incorporated Cells' accounting policies.

The Directors have adopted a policy of applying new standards and interpretations when they become effective.

2.2 Adoption of new and revised standards

Standards and amendments to existing standards effective 1 January 2016

The following standards and amendments apply for the first time to financial reporting periods commencing on or after 1 January 2016:

- Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment entities - applying the consolidation exception"
- IAS 7 Cash Flow Statements
- IFRS 14 Regulatory Deferral Accounts

The Company and its Incorporated Cells did not have to change its accounting policies or make retrospective adjustments as a result of the above Annual Improvement.

New standards, amendments and interpretations effective after 1 January 2017 and have not been early adopted

The following new standards, amendments and interpretations are not yet effective but will be applied, where relevant. Where EU effective date differs from the IASB effective date, these are explained below:

- IFRS 9 – Financial instruments: Classification and measurement (effective date – 1 January 2018)
- IFRS 15 – Revenue from Contracts with Customers (effective date – 1 January 2018)
- IFRS 16 – Leases (effective date – 1 January 2019)

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption. The Company and its Incorporated Cells are currently assessing whether it should adopt IFRS 9 before its mandatory date.

The Company and its Incorporated Cells have yet to undertake a detailed assessment of the classification and measurement of its financial assets. As at 30 June 2017, the Company and its Incorporated Cells do not have debt instruments classified as available-for-sale financial assets that would appear to satisfy the conditions for classification as at fair value through other comprehensive income.

Accordingly the Company and its Incorporated Cells do not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Company and its Incorporated Cells' accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company and its Incorporated Cells do not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards (continued)

New standards, amendments and interpretations effective after 1 January 2017 and have not been early adopted (continued)

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Company and its Incorporated Cells' risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Company and its Incorporated Cells do not have hedge relationships that would qualify as continuing hedges upon the adoption of IFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Company and its Incorporated Cells have not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company and its Incorporated Cells' disclosures about its financial instruments particularly in the year of the adoption of the new standard.

2.3 Foreign currency translation

(a) Functional and presentation currency

The currency in which the financial information is shown in the financial statements of the Company and each Incorporated Cell is deemed to be its functional and presentational currency. In arriving at the functional currency, the Directors have considered the primary economic environment of the Company and each Incorporated Cell, and in doing so have considered the currency in which the original capital was raised, any distributions are to be made, performance is evaluated and ultimately the currency in which capital would be returned on break up basis. They have also considered the currency to which the majority of the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that the currencies selected best represent the functional currencies.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

2.4 Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Incorporated Cells classify their investments in collective investment schemes, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors at fair value through profit or loss at inception. Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. Derivatives are also categorised as financial assets or financial liabilities held for trading. The Incorporated Cells do not classify any derivatives as hedges in a hedging relationship. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Incorporated Cells' documented investment strategy. The Incorporated Cells' policies are for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date of the underlying security, so long as the underlying transaction has been confirmed by the relevant counterparty as at the statement of financial position date. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Incorporated Cells have transferred substantially all risks and rewards of ownership.

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company and its Incorporated Cells adopted to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. As a practical expedient to establish fair value within the bid-ask spread, management will use mid-market pricing. The market price used for assets which are not traded in active markets are those as supplied by their fund administrators.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.6 Forward currency contracts

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other losses and gains in the period in which they arise.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.8 Other financial instruments

For other financial instruments, including amounts due to and from brokers and all receivables and payables, the carrying amounts as shown in the Statement of Financial Position approximate to fair value due to the short-term nature of these financial instruments.

2.9 Share capital

Each Incorporated 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.

(a) Management shares

Management shares were issued to comply with Guernsey Company Law, prior to its revision in 2008, under which there had to be a class of non redeemable shares in issue in order that participating redeemable shares may be issued. The management shares are beneficially owned by the Manager, do not carry any right to dividends, are only entitled to vote at shareholder meetings where there are no participating redeemable shares in issue within the Incorporated Cell and are only entitled to be return of capital on the winding up of an Incorporated Cell.

Each Incorporated Cell has issued 2 management shares, with the exception of VPFP Cells, Discipline + Diversified Cell, Brenthurst Global Cell, PB Global Flexible Cell, Caleo Global Flexible Cell, Credo Global Cell, GF Worldwide Cell and Renaissance Global Equity Cell each of which has issued 100 management shares.

(b) Participating redeemable shares

Each Incorporated Cell's capital is represented by participating redeemable shares with no par value each carrying one vote, no matter which share class. Each share class carries identical rights, the only difference between the classes being either the management fee or the distribution partner fee which is charged to each class. These fees are disclosed in notes specific to each Incorporated Cell.

The participating redeemable shares are redeemable at the holder's option and are classified as financial liabilities. Participating redeemable shares can be put back to the Incorporated Cells at any time for cash equal to a proportionate share of the Incorporated Cells' net asset value. The participating redeemable share is carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the share back to the Incorporated Cells.

All participating redeemable shares will rank equally for all dividends and other distributions, as adjusted to reflect any differences in the fees to which each class of participating redeemable share is subject. They are entitled to payment of a proportionate share based on the Incorporated Cells' net asset value per share on the redemption date. The Incorporated Cells have no restrictions or specific capital requirements on the subscriptions and redemptions of shares. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares. In accordance with each Incorporated Cell's investment objectives, and their risk management policies, the Incorporated Cells endeavour to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

To determine the net asset value of the Incorporated Cells for subscriptions and redemptions, investments have been valued based on the last traded market prices as of the close of business on the relevant trading day.

2.10 Increase/(decrease) in net assets attributable to holders of redeemable shares from operations

Income not distributed is included in Net Assets Attributable to Holders of Participating Redeemable Shares.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.11 Capital risk management

The fair value of the Company's financial assets and financial liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, shares are considered to be capital.

The Company and its Incorporated Cells' objectives when managing capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders. There are no externally imposed capital requirements on the Company and its Incorporated Cells. The Incorporated Cells have no intention to borrow, other than to fund short-term liquidity requirements. The Incorporated Cells may arrange an overdraft facility for such purposes. The Company may pledge or otherwise grant security over its assets in connection with such borrowings. Other than borrowing to meet short-term liquidity requirements, no borrowing is permitted at the Company level.

2.12 Interest and dividend income

Dividend income is recognised when the right to receive payment is established. All deposit interest and other income is accounted for on an accruals basis.

2.13 Expenses

Expenses are accounted for on an accruals basis and all amounts have been allocated to the Statement of Comprehensive Income of each Incorporated Cell

2.14 Custodian bank charges

Custodian bank charges include additional fees on top of the asking price of the security. The bid-asking spread is not disclosed as part of a custodian bank charge. This spread is included in the Statement of Comprehensive Income within the fair value net gain or loss.

2.15 Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (30 June 2016: £1,200).

The Incorporated Cells incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

3. Share Capital

	30.06.17 USD	30.06.16 USD
Authorised		
100 Management Shares of USD1.00 each	100	100
	30.06.17	**30.06.16**
Issued, Called up and fully paid		
100 Management Shares of USD1.00 each	100	100

4. Related party transactions

Momentum Global Investment Management, the Investment Manager/Momentum Wealth International, the Principal Manager, have agreements in place with certain fund managers whereby the underlying funds are entitled to a rebate for management fees on Momentum holdings. To facilitate this, an accrual is maintained and these fees are receivable from the underlying funds and reflected in 'other income'.

5. Ultimate controlling party

The ultimate controlling party of the Company is Momentum Wealth International Limited, which is registered in Guernsey, Channel Islands.

6. 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 14 August 2017, additional amendments were made to the Prospectus of the Company which were as follows:

• An update to the list of Directors and their biographies;

• The removal of the paragraph under "Establishment Costs" as this referred to the ICC's set up cost from 2007, which is no longer relevant;

• Under "Underlying Investments' Fees", Renaissance Global Flexible Fund IC Limited and PB Global Flexible Fund IC Limited, have been added to the list of Cells where the GFSC have granted derogation from rule 2.08 (9) of the Rules;

• Under "Redemption of Participating Shares", the minimum redemption amount has been changed from 10 shares to $10 (or currency equivalent);

• Under "Minimum Holdings", the minimum value holding a Shareholder can retain in a Cell has been changes from "not less than US$25,000 (or currency equivalent)" to "the minimum investment amount as stated in the relevant Cell's Supplement"; and

• Under "Material Agreements" on the final page, the date of the Custodian agreement has been corrected to state that it was dated 26 May 2015, as it erroneously stated it was dated 7 May 2015.

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