

## **VPFP Cells**

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

**VPFP International Cautious Fund IC Limited ("Cautious Cell")**

**VPFP International Growth Fund IC Limited ("Growth Cell")**

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

**VPFP Cells**

**Supplementary Information**

	<b>Cautious Cell</b>		<b>Growth Cell</b>	
	<b>30.06.17</b>	<b>30.06.16</b>	<b>30.06.17</b>	<b>30.06.16</b>
<b>1. NUMBER OF SHARES OUTSTANDING</b>				
Class A	24,906,320	22,906,960	27,179,476	29,722,249
Class B	9,031,846	8,748,271	13,420,190	14,659,548
<b>2. NET ASSET VALUE PER SHARE - USD</b>				
Class A	1.18	1.10	1.38	1.22
Class B	1.14	1.06	1.36	1.20
<b>3. HIGHEST/LOWEST PRICE - USD*</b>				
Class A	1.19 / 1.10	1.13 / 1.03	1.39 / 1.22	1.28 / 1.11
Class B	1.14 / 1.06	1.09 / 0.99	1.36 / 1.20	1.26 / 1.10
<b>4. NUMBER OF SHARES SUBSCRIBED</b>				
Class A	1,999,360	-	-	-
Class B	1,954,753	1,985,578	2,148,101	688,648
<b>5. NUMBER OF SHARES REDEEMED</b>				
Class A	-	-	2,542,773	3,547,012
Class B	1,671,178	395,625	3,387,459	3,166,070

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

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

**VPFP Cells**

**Portfolio Statements**

**VPFP International Cautious Fund**

	<b>Holdings at 30.06.17</b>	<b>Fair Value 30.06.17</b>	<b>% of Net Assets 30.06.17</b>
		<u>USD</u>	
<b>Collective Investment Schemes: 98.79% (2016: 89.62%)</b>			
Coronation Global Strategic USD Income Fund Class A	235,435	2,723,256	6.85
Epoch Investment Funds - Global Choice Fund Class A	269,649	3,780,475	9.50
Insight Liquidity Funds - USD Liquidity Fund	337	337	-
Investec Global Strategy Fund - Global Franchise Fund Class I	96,669	5,020,025	12.62
Maitland Luxembourg Sesfikile Global Property B	31,698	3,177,018	7.99
Nedgroup Investments Funds Global Flexible Fund Class C	3,181,710	4,068,770	10.23
PIMCO Funds Global Investors Series - Diversified Income Fund Class I	182,197	5,484,121	13.78
Prescient Global Income Fund Class A	4,019,059	4,863,062	12.23
Saffron African Yield Opportunity Fund Class B	17,833	1,920,045	4.83
Sanlam Universal Funds - Grindrod Global Property Income Fund	2,252,618	3,094,196	7.78
Schroder International Selection Fund Global Recovery Class C	39,023	5,164,737	12.98
<b>Total Collective Investment Schemes</b>		<b>39,296,042</b>	<b>98.79</b>
<b>Financial assets at fair value through profit or loss</b>		<b>39,296,042</b>	<b>98.79</b>
<b>Other Net Assets: 1.21% (2016: USD 3,591,197; 10.38%)</b>		479,703	1.21
<b>Net Assets Attributable To Holders of Participating Redeemable Shares</b>		<b>39,775,745</b>	<b>100.00</b>

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

**VPFP Cells**

**Portfolio Statements**

**VPFP International Growth Fund**

	<b>Holdings at 30.06.17</b>	<b>Fair Value 30.06.17</b>	<b>% of Net Assets 30.06.17</b>
		<u>USD</u>	
<b>Collective Investment Schemes: 99.03% (2016: 96.61%)</b>			
Coronation Global Strategic USD Income Fund Class A	55	638	-
Epoch Investment Funds - Global Choice Fund Class A	556,809	7,806,467	14.01
Insight Liquidity Funds - USD Liquidity Fund	487	487	-
Investec Global Strategy Fund - Global Franchise Fund Class I	220,749	11,463,519	20.58
Maitland Luxembourg Sefikile Global Property B	38,214	3,830,090	6.88
Nedgroup Investments Funds Global Flexible Fund Class C	8,437,078	10,789,335	19.37
PIMCO Funds Global Investors Series - Diversified Income Fund Class I	80,486	2,422,636	4.35
Prescient Global Income Fund Class A	13,460	16,287	0.03
Saffron African Yield Opportunity Fund Class B	17,880	1,925,128	3.46
Sanlam Universal Funds - Grindrod Global Property Income Fund	2,737,674	3,760,469	6.75
Schroder International Selection Fund Global Recovery Class C	99,389	13,154,377	23.60
<b>Total Collective Investment Schemes</b>		<b>55,169,433</b>	<b>99.03</b>
<b>Financial assets at fair value through profit and loss</b>		<b>55,169,433</b>	<b>99.03</b>
<b>Other Net Assets: 0.97% (2016: USD 1,823,567; 3.39%)</b>		538,507	0.97
<b>Net Assets Attributable To Holders of Participating Redeemable Shares</b>		<b>55,707,940</b>	<b>100.00</b>

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

**VFPF Cells**

**Statement of Financial Position**

	Notes	Cautious Cell		Growth Cell	
		30.06.17 USD	30.06.16 USD	30.06.17 USD	30.06.16 USD
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Financial assets at fair value through profit or loss	5	39,296,042	30,992,238	55,169,433	51,966,686
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	559,380	3,642,460	638,420	1,889,317
Other receivables	7	6,424	1,967	7,684	1,398
		<u>565,804</u>	<u>3,644,427</u>	<u>646,104</u>	<u>1,890,715</u>
<b>Total assets</b>		<b><u>39,861,846</u></b>	<b><u>34,636,665</u></b>	<b><u>55,815,537</u></b>	<b><u>53,857,401</u></b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Due on redemption of participating redeemable shares		38,651	10,947	44,344	5,697
Other payables	8	47,350	42,183	63,153	61,351
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		86,001	53,130	107,497	67,048
Net assets attributable to holders of participating redeemable shares	2 & 10	39,775,745	34,583,435	55,707,940	53,790,253
<b>Total liabilities</b>		<b><u>39,861,746</u></b>	<b><u>34,636,565</u></b>	<b><u>55,815,437</u></b>	<b><u>53,857,301</u></b>
<b>SHAREHOLDERS' EQUITY</b>					
Management Shares	9	100	100	100	100
<b>Total equity</b>		<b><u>100</u></b>	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>100</u></b>
<b>Total equity and liabilities</b>		<b><u>39,861,846</u></b>	<b><u>34,636,665</u></b>	<b><u>55,815,537</u></b>	<b><u>53,857,401</u></b>
<b>Net asset value per participating redeemable share</b>					
Class A	10	1.18	1.10	1.38	1.22
Class B		1.14	1.06	1.36	1.20

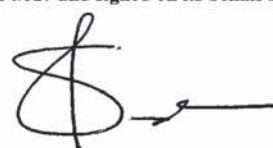
The notes 1 to 14 on pages 117 to 124 form part of these financial statements.

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

Director



Director



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

**VFPF Cells**

**Statement of Comprehensive Income**

		Cautious Cell		Growth Cell	
		Year ended	Year ended	Year ended	Year ended
		30.06.17	30.06.16	30.06.17	30.06.16
Notes		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>INCOME</b>					
		794	-	348	-
		28,003	-	34,580	-
		271,080	75,585	1,063,606	1,995,289
5		2,773,829	256,316	6,283,718	(2,990,437)
		171	(18)	(534)	(4,002)
		26,133	3,821	27,913	13,995
		<b>3,100,010</b>	<b>335,704</b>	<b>7,409,631</b>	<b>(985,155)</b>
<b>EXPENSES</b>					
		(7,833)	(8,145)	(7,840)	(8,465)
12		(17,777)	(16,369)	(24,783)	(26,283)
12		(326,263)	(284,307)	(472,006)	(508,724)
12		(108,985)	(97,549)	(148,827)	(158,195)
		(3,659)	(5,276)	(3,742)	(5,352)
		<b>(464,517)</b>	<b>(411,646)</b>	<b>(657,198)</b>	<b>(707,019)</b>
		<b>2,635,493</b>	<b>(75,942)</b>	<b>6,752,433</b>	<b>(1,692,174)</b>
		<b>2,635,493</b>	<b>(75,942)</b>	<b>6,752,433</b>	<b>(1,692,174)</b>

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

The notes 1 to 14 on pages 117 to 124 form part of these financial statements.

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

**VPFP Cells**

**Statement of Cash Flows**

	Cautious Cell		Growth Cell	
	Year ended 30.06.17 USD	Year ended 30.06.16 USD	Year ended 30.06.17 USD	Year ended 30.06.16 USD
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations	2,635,493	(75,942)	6,752,433	(1,692,174)
<b>ADJUSTMENT FOR:</b>				
Net realised gains on financial assets at fair value through profit or loss	(271,080)	(75,585)	(1,063,606)	(1,995,289)
Net unrealised (gains)/losses on financial assets at fair value through profit or loss	(2,773,829)	(256,316)	(6,283,718)	2,990,437
Other foreign exchange (gains)/losses	(171)	18	534	4,002
Dividend income	(28,003)	-	(34,580)	-
Deposit interest	(794)	(1,426)	(348)	(8,904)
<b>Operating losses before working capital changes</b>	<b>(438,384)</b>	<b>(409,251)</b>	<b>(629,285)</b>	<b>(701,928)</b>
Net (increase)/decrease in other receivables	(4,457)	19,437	(6,286)	10,395
Net increase/(decrease) in other payables	5,167	(2,391)	1,802	(15,264)
Purchase of financial assets at fair value through profit or loss	(8,504,527)	(6,100,429)	(3,086,358)	(15,686,560)
Sale of financial assets at fair value through profit or loss	3,245,632	8,076,334	7,230,935	24,910,918
Dividend received	28,003	-	34,580	-
Deposit interest	794	1,426	348	8,904
<b>Net cash (used in)/generated from operating activities</b>	<b>(5,667,772)</b>	<b>1,585,126</b>	<b>3,545,736</b>	<b>8,526,465</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Cash received from issuance of participating redeemable shares	4,401,668	2,028,248	2,709,774	819,982
Cash paid on redemption of participating redeemable shares	(1,817,147)	(409,210)	(7,505,873)	(8,213,908)
<b>Net cash generated from/(used in) financing activities</b>	<b>2,584,521</b>	<b>1,619,038</b>	<b>(4,796,099)</b>	<b>(7,393,926)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,083,251)</b>	<b>3,204,164</b>	<b>(1,250,363)</b>	<b>1,132,539</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,642,460</b>	<b>438,314</b>	<b>1,889,317</b>	<b>760,780</b>
Exchange gains/(losses) on cash and cash equivalents	171	(18)	(534)	(4,002)
<b>Cash and cash equivalents at the end of the year</b>	<b>559,380</b>	<b>3,642,460</b>	<b>638,420</b>	<b>1,889,317</b>

The notes 1 to 14 on pages 117 to 124 form part of these financial statements.

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

**VPFP Cells**

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

	Notes	Cautious Cell		Growth Cell	
		Year ended 30.06.17 <u>USD</u>	Year ended 30.06.16 <u>USD</u>	Year ended 30.06.17 <u>USD</u>	Year ended 30.06.16 <u>USD</u>
<b>Net assets attributable to holders of participating redeemable shares at the beginning of the year</b>		34,583,435	33,051,286	53,790,253	62,870,503
Proceeds receivable from issuance of participating redeemable shares	9	4,401,668	2,028,248	2,709,774	819,982
Payments on redemption of participating redeemable shares	9	(1,844,851)	(420,157)	(7,544,520)	(8,208,058)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		2,635,493	(75,942)	6,752,433	(1,692,174)
<b>Net assets attributable to holders of participating redeemable shares at the end of the year</b>	10	<b>39,775,745</b>	<b>34,583,435</b>	<b>55,707,940</b>	<b>53,790,253</b>

The notes 1 to 14 on pages 117 to 124 form part of these financial statements.



## Momentum Mutual Fund ICC Limited

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

#### VFPF Cells

#### Notes to the Financial Statements

##### 1. General Information

The VFPF International Cautious Fund IC Limited (the "Cautious Cell") and VFPF International Growth Fund IC Limited (the "Growth Cell") (collectively the "VFPF International Cells" or the "Cells") with company numbers 50897 and 50898 respectively, are Guernsey registered, Limited Liability Incorporated Cells of Momentum Mutual Fund ICC Limited (the "Company").

The Cells operate differing investment objectives. The Cautious Cell aims to operate a diversified portfolio consisting of assets in liquid form and participatory interests of portfolios of collective investment schemes or other similar schemes, which invest into a wide range of asset classes including cash, fixed income, equities, commodities, and property. The portfolio aims to provide a balance between capital preservation and capital growth over the full investment cycle. The Cell is ideally suited to investors with a moderate risk tolerance and with an investment horizon of 3 years or longer.

The Growth Cell focuses primarily on long-term capital growth over the full investment cycle through a relatively high exposure to international growth assets. The portfolio will retain a good level of diversification, however, and will invest into a wide range of asset classes including cash, bonds, equities, commodities and property. The Cell is ideally suited to investors with an investment horizon of 5 years and longer and an intermediate (between moderate and high) risk tolerance.

The Cells intend to achieve their investment objective through a diversified global portfolio as described above. The portfolios have flexibility in terms of currencies and asset allocation both between and within asset classes, countries and regions. The Cells may invest in the units or shares of collective investment schemes which are also managed or operated by the Manager or an associate of the Manager. Neither the Manager nor any such associated company shall be liable to account to investors for any profit, charges or remuneration made or received by the Manager or any such associated company and the Manager's fee shall not be abated thereby.

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

On 18 July 2016, additional amendments were made to the Supplemental Prospectus of the Cells which were as follows:

- The minimum redemption will no longer be expressed as a minimum number of Participating Redeemable Shares but in USD terms (USD10 or currency equivalent); and
- Amendment of some of the intended exposures.

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

##### 2. Financial risk management

###### 2.1 Strategy in using financial instruments

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

###### 2.2 Market price risk

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

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

The Cells' market price risk is managed through diversification of the investment portfolio by exposures to varying product categories, hence concentration of risk is minimised, which are subject to market price risk, are as follows:

	Cautious Cell				Growth Cell			
	2017		2016		2017		2016	
	Fair Value USD	% of net assets	Fair Value USD	% of net assets	Fair Value USD	% of net assets	Fair Value USD	% of net assets
Collective Investment Schemes	39,296,042	98.79	30,992,238	89.62	55,169,433	99.03	51,966,686	96.61
	<b>39,296,042</b>	<b>98.79</b>	<b>30,992,238</b>	<b>89.62</b>	<b>55,169,433</b>	<b>99.03</b>	<b>51,966,686</b>	<b>96.61</b>

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

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	Change in fair value USD	Change in fair value USD	Change in fair value USD	Change in fair value USD
Collective Investment Schemes	3,929,604	3,099,224	5,516,943	5,196,669

## Momentum Mutual Fund ICC Limited

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

#### VFPF Cells

#### Notes to the Financial Statements

#### 2. Financial risk management (continued)

##### 2.3 Interest rate risk

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

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

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

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	39,216,365	30,940,975	55,069,520	51,900,936
Net floating rate financial assets	559,380	3,642,460	638,420	1,889,317

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

As at 30 June	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Net floating rate financial assets	5,594	36,425	6,384	18,893

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

##### 2.4 Cash flow risk

The Cells hold a limited amount of cash and cash equivalents that expose the Cells to cash flow interest rate risk. The risk exposure here is deemed minimal.

##### 2.5 Currency risk

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

The table below summarises the Cells' exposure to currency risks:

As at 30 June	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
GBP exposure	(7,935)	(7,905)	4,612	13,193
EUR exposure	6,694	6,561	10,938	10,719

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

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

As at 30 June	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
GBP exposure	(397)	(395)	231	660
EUR exposure	335	328	547	536

##### 2.6 Credit risk

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

There is a risk that an investee company may be unable to satisfy a valid redemption request made by a Cell. The Directors consider that the Investment Manager mitigates this risk by way of its investment process, as described in note 2.2. No such redemption problems have been encountered.

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

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

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

## Momentum Mutual Fund ICC Limited

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

#### VFPF Cells

#### Notes to the Financial Statements

#### 2. Financial risk management (continued)

##### 2.7 Liquidity risk

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

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

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

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	Less than 1 month	Less than 1 month	Less than 1 month	Less than 1 month
	USD	USD	USD	USD
Financial assets at fair value through profit or loss	39,296,042	30,992,238	55,169,433	51,966,686
Cash and cash equivalents	559,380	3,642,460	638,420	1,889,317
Other receivables	6,324	1,867	7,584	1,298
Other payables	(47,350)	(42,183)	(63,153)	(61,351)
Due on redemption of participating redeemable shares	(38,651)	(10,947)	(44,344)	(5,697)
Net assets attributable to participating redeemable shares	(39,775,745)	(34,583,435)	(55,707,940)	(53,790,253)
<b>Net liquidity position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

##### 2.8 Management of capital

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

The Cells have no externally imposed capital requirements.

##### 2.9 Fair value disclosure

In the opinion of the Directors there are no material differences between the net asset values of the underlying funds and fair values of the financial assets and liabilities.

#### 3. Critical accounting estimates and judgements

The fair value of investments have been based on the listed market bid prices, or prices as supplied by the fund administrators of the Cells' underlying investments.

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

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

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

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

#### 4. Portfolio analysis

The Cells' portfolios are organised by focusing on the type of security held, and then secondarily by geographical analysis based on the location of the investment.

The Cells operate using the main sector types disclosed in note 2.2 and the following main geographical areas:

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	USD	USD	USD	USD
Europe	35,227,272	26,844,793	44,380,098	41,382,286
Isle of Man	4,068,770	4,147,445	10,789,335	10,584,400
	<b>39,296,042</b>	<b>30,992,238</b>	<b>55,169,433</b>	<b>51,966,686</b>

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

**Momentum Mutual Fund ICC Limited**

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

**VFPF Cells**

**Notes to the Financial Statements**

**5. Financial assets at fair value through profit or loss**

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>Financial assets at fair value through profit or loss</b>				
Collective Investment Schemes	39,296,042	30,992,238	55,169,433	51,966,686
<b>Total financial assets at fair value through profit or loss</b>	<b>39,296,042</b>	<b>30,992,238</b>	<b>55,169,433</b>	<b>51,966,686</b>
<b>Movement on financial assets at fair value through profit or loss</b>				
Fair value of financial assets at the beginning of the year	30,992,238	32,636,242	51,966,686	62,186,192
Purchases of financial assets	8,504,527	6,100,429	3,086,358	15,686,560
Sales of financial assets	(3,245,632)	(8,076,334)	(7,230,935)	(24,910,918)
Net realised gains on financial assets	271,080	75,585	1,063,606	1,995,289
Movement in unrealised gains/(losses) on revaluation of financial assets	2,773,829	256,316	6,283,718	(2,990,437)
Fair value of financial assets at the end of the year	<b>39,296,042</b>	<b>30,992,238</b>	<b>55,169,433</b>	<b>51,966,686</b>
Comprising:				
Cost at the end of the year	34,208,819	28,678,844	45,789,145	48,870,116
Unrealised gains at the end of the year	5,087,223	2,313,394	9,380,288	3,096,570
	<b>39,296,042</b>	<b>30,992,238</b>	<b>55,169,433</b>	<b>51,966,686</b>

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

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

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

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

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

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

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

The following tables present the Cells' financial assets and financial liabilities measured at fair value by level within the valuation hierarchy as of 30 June 2017 and 30 June 2016:

30 June 2017	Cautious Cell			Total
	Level 1	Level 2	Level 3	
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>

**Financial assets at fair value through profit or loss**

Collective Investment Schemes	39,296,042	-	-	39,296,042
	<b>39,296,042</b>	<b>-</b>	<b>-</b>	<b>39,296,042</b>

30 June 2017	Growth Cell			Total
	Level 1	Level 2	Level 3	
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>

**Financial assets at fair value through profit or loss**

Collective Investment Schemes	55,169,433	-	-	55,169,433
	<b>55,169,433</b>	<b>-</b>	<b>-</b>	<b>55,169,433</b>

30 June 2016	Cautious Cell			Total
	Level 1	Level 2	Level 3	
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>

**Financial assets at fair value through profit or loss**

Collective Investment Schemes	30,992,238	-	-	30,992,238
	<b>30,992,238</b>	<b>-</b>	<b>-</b>	<b>30,992,238</b>

30 June 2016	Growth Cell			Total
	Level 1	Level 2	Level 3	
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>

**Financial assets at fair value through profit or loss**

Collective Investment Schemes	51,966,686	-	-	51,966,686
	<b>51,966,686</b>	<b>-</b>	<b>-</b>	<b>51,966,686</b>

**Momentum Mutual Fund ICC Limited**

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

**VFPF Cells**

**Notes to the Financial Statements**

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

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

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

**30 June 2017**

	<b>Cautious Cell</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	
<b>Assets</b>				
Cash and cash equivalents	559,380	-	-	559,380
Other receivables	-	6,424	-	6,424
<b>Total</b>	<b>559,380</b>	<b>6,424</b>	<b>-</b>	<b>565,804</b>
<b>Liabilities</b>				
Due on redemption of participating redeemable shares	-	38,651	-	38,651
Other payables	-	47,350	-	47,350
Net assets attributable to holders of participating redeemable shares	-	39,775,745	-	39,775,745
<b>Total</b>	<b>-</b>	<b>39,861,746</b>	<b>-</b>	<b>39,861,746</b>

**30 June 2017**

	<b>Growth Cell</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	
<b>Assets</b>				
Cash and cash equivalents	638,420	-	-	638,420
Other receivables	-	7,684	-	7,684
<b>Total</b>	<b>638,420</b>	<b>7,684</b>	<b>-</b>	<b>646,104</b>
<b>Liabilities</b>				
Due on redemption of participating redeemable shares	-	44,344	-	44,344
Other payables	-	63,153	-	63,153
Net assets attributable to holders of participating redeemable shares	-	55,707,940	-	55,707,940
<b>Total</b>	<b>-</b>	<b>55,815,437</b>	<b>-</b>	<b>55,815,437</b>

The following table analyses within the fair value hierarchy the Cells' assets and liabilities (by class) not measured at fair value at 30 June 2016 but for which fair value is disclosed.

**30 June 2016**

	<b>Cautious Cell</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	
<b>Assets</b>				
Cash and cash equivalents	3,642,460	-	-	3,642,460
Other receivables	-	1,967	-	1,967
<b>Total</b>	<b>3,642,460</b>	<b>1,967</b>	<b>-</b>	<b>3,644,427</b>
<b>Liabilities</b>				
Due on redemption of participating redeemable shares	-	10,947	-	10,947
Other payables	-	42,183	-	42,183
Net assets attributable to holders of participating redeemable shares	-	34,583,435	-	34,583,435
<b>Total</b>	<b>-</b>	<b>34,636,565</b>	<b>-</b>	<b>34,636,565</b>

**30 June 2016**

	<b>Growth Cell</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	
<b>Assets</b>				
Cash and cash equivalents	1,889,317	-	-	1,889,317
Other receivables	-	1,398	-	1,398
<b>Total</b>	<b>1,889,317</b>	<b>1,398</b>	<b>-</b>	<b>1,890,715</b>
<b>Liabilities</b>				
Due on redemption of participating redeemable shares	-	5,697	-	5,697
Other payables	-	61,351	-	61,351
Net assets attributable to holders of participating redeemable shares	-	53,790,253	-	53,790,253
<b>Total</b>	<b>-</b>	<b>53,857,301</b>	<b>-</b>	<b>53,857,301</b>

**6. Cash and cash equivalents**

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

	<b>Cautious Cell</b>		<b>Growth Cell</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Cash at bank	559,380	3,642,460	638,420	1,889,317
<b>Total</b>	<b>559,380</b>	<b>3,642,460</b>	<b>638,420</b>	<b>1,889,317</b>

Momentum Mutual Fund ICC Limited

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

VFPF Cells

Notes to the Financial Statements

7. Other receivables

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	USD	USD	USD	USD
Management fee rebate receivable	5,853	572	7,113	3
Prepayments	471	1,295	471	1,295
Management shares receivable	100	100	100	100
	<b>6,424</b>	<b>1,967</b>	<b>7,684</b>	<b>1,398</b>

8. Other payables

	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	USD	USD	USD	USD
Management fee payable	9,418	8,317	12,672	12,320
Custodian fee payable	1,556	1,380	2,077	2,020
Investment management fee payable	28,314	24,581	40,342	39,106
Audit fee payable	7,935	7,905	7,935	7,905
Sundry expense payable	127	-	127	-
	<b>47,350</b>	<b>42,183</b>	<b>63,153</b>	<b>61,351</b>

9. Share Capital

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

Management Shares in Issue	Cautious Cell		Growth Cell	
	2017	2016	2017	2016
	USD	USD	USD	USD
Management Shares	100	100	100	100

Participating Redeemable Shares in Issue Class A	Cautious Cell		Growth Cell	
	Year ended 30.06.17	Year ended 30.06.16	Year ended 30.06.17	Year ended 30.06.16
	USD	USD	USD	USD
Balance at the beginning of the year	22,906,960	22,906,960	29,722,249	33,269,261
Issue of participating redeemable shares	1,999,360	-	-	-
Redemption of participating redeemable shares	-	-	(2,542,773)	(3,547,012)
<b>Balance at the end of the year</b>	<b>24,906,320</b>	<b>22,906,960</b>	<b>27,179,476</b>	<b>29,722,249</b>

Participating Redeemable Shares in Issue Class B	Cautious Cell		Growth Cell	
	Year ended 30.06.17	Year ended 30.06.16	Year ended 30.06.17	Year ended 30.06.16
	USD	USD	USD	USD
Balance at the beginning of the year	8,748,271	7,158,318	14,659,548	17,136,970
Issue of participating redeemable shares	1,954,753	1,985,578	2,148,101	688,648
Redemption of participating redeemable shares	(1,671,178)	(395,625)	(3,387,459)	(3,166,070)
<b>Balance at the end of the year</b>	<b>9,031,846</b>	<b>8,748,271</b>	<b>13,420,190</b>	<b>14,659,548</b>

Participating Redeemable Share Capital Account	Cautious Cell		Growth Cell	
	Year ended 30.06.17	Year ended 30.06.16	Year ended 30.06.17	Year ended 30.06.16
	USD	USD	USD	USD
Balance at the beginning of the year	31,914,802	30,306,711	46,328,177	53,716,253
Issue of participating redeemable shares	4,401,668	2,028,248	2,709,774	819,982
Redemption of participating redeemable shares	(1,844,851)	(420,157)	(7,544,520)	(8,208,058)
<b>Balance at the end of the year</b>	<b>34,471,619</b>	<b>31,914,802</b>	<b>41,493,431</b>	<b>46,328,177</b>

10. Net asset value per participating redeemable share

As at 30 June	NAV	Net assets	Shares in issue	NAV	Net assets	Shares in issue
	per share	attributable		per share	attributable	
	2017	2017	2017	2016	2016	2016
	USD	USD		USD	USD	
<b>Cautious Cell</b>						
Class A	1.18	29,502,054	24,906,320	1.10	25,286,570	22,906,960
Class B	1.14	10,273,691	9,031,846	1.06	9,296,865	8,748,271
Total		<b>39,775,745</b>	<b>33,938,166</b>		<b>34,583,435</b>	<b>31,655,231</b>
<b>Growth Cell</b>						
Class A	1.38	37,520,705	27,179,476	1.22	36,212,581	29,722,249
Class B	1.36	18,187,235	13,420,190	1.20	17,577,672	14,659,548
Total		<b>55,707,940</b>	<b>40,599,666</b>		<b>53,790,253</b>	<b>44,381,797</b>

## Momentum Mutual Fund ICC Limited

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

#### VFPF Cells

#### Notes to the Financial Statements

##### 11. Dividends payable to participating redeemable shareholders

No dividends were paid during the year (2016: Nil) and the Board does not intend to pay any dividends. All available income will be reinvested.

##### 12. Related-party transactions

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

###### 12.1 Management and Administration fee

The Cells are managed by Momentum Wealth International Limited, a management company incorporated in Guernsey, providing management services to the Cells under the terms of the management agreement in place.

Pursuant to the Management and Administration Agreements, the Manager and the Administrator shall be entitled to receive a fee (the "Management and Administration fee") for the services rendered in connection with the Cells. The Management and Administration fee will accrue as at each Valuation Point, based on the current valuation of the Cells and is payable monthly in arrears, subject to a minimum annual fee of USD22,000 or currency equivalent per Cell.

The Management and Administration fee will be chargeable on a sliding scale, in respect of all Share Classes, as follows:

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.30%	Up to USD30m
0.25%	From USD30m to USD60m
0.20%	Over USD60m

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

	<u>Cautious Cell</u>		<u>Growth Cell</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Charged during the year	108,985	97,549	148,827	158,195
Accrued at year end	9,418	8,317	12,672	12,320

Management fee rebate received during the year and accrued at year end:

	<u>Cautious Cell</u>		<u>Growth Cell</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Received during the year	-	2,395	-	5,091
Accrued at year end	5,853	572	7,113	3

###### 12.2 Investment Management fee

The Manager has appointed an Investment Manager, Momentum Global Investment Management Limited, a UK registered company, to manage the investment portfolio of each Cell. The Investment Manager is entitled to receive a fee (the "Investment Management fee") of 0.80% of the NAV of each Cell per annum in respect of the Class A shares and 1.05% of the NAV of each Cell per annum in respect of the Class B shares. The Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cells and share classes and is payable monthly in arrears.

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

	<u>Cautious Cell</u>		<u>Growth Cell</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Charged during the year	326,263	284,307	472,006	508,724
Accrued at year end	28,314	24,581	40,342	39,106

###### 12.3 Sub-Investment Management fee

The Investment Manager has appointed Ampersand Asset Management (Pty) Ltd, a South African registered company as Sub-Investment Manager to the Cells (the "Sub-Investment Manager"). The Sub-Investment Manager is entitled to receive a fee (the "Sub-Investment Management fee") of 0.75% of the NAV of each Cell per annum in respect of the Class A shares and 1.00% of the NAV of each Cell per annum in respect of the Class B shares which will be paid out of the fee received by the Investment Manager. The Sub-Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cells and is payable monthly in arrears.

###### 12.4 Custodian fee

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

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.05%	Up to USD30m
0.04%	From USD30m to USD 60m
0.03%	From USD60m to USD100m
0.02%	Over USD100m

**Momentum Mutual Fund ICC Limited**

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

**VFPF Cells**

**Notes to the Financial Statements**

**12. Related-party transactions (continued)**

**12.4 Custodian fee (continued)**

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

	<b>Cautious Cell</b>		<b>Growth Cell</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Charged during the year	17,777	16,369	24,783	26,283
Accrued at year end	1,556	1,380	2,077	2,020

**12.5 Distribution Partner fee**

The Cells have appointed Vickers & Peters Financial Planning (Pty) Limited as distribution partner to promote and market the Cells. The Distribution Partner will not be paid a fee.

**12.6 Board of Directors' remuneration**

Directors' fees in respect of each Cell shall not exceed USD20,000 (or currency equivalent) in any twelve month period. In addition, the Directors shall be entitled to be repaid for all reasonable out of pocket expenses properly incurred by them in the performance of their duties to each Cell. Such fees and expenses shall be paid out of the assets of each Cell alone and not from the cellular assets of other Cells of the Company or assets of the Company itself.

The Directors waived their right to a fee in 2017 (2016: Nil).

**13. Ultimate controlling party**

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

**14. Subsequent events**

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

On 1 August 2017, amendments were made to the Supplemental Prospectus of the Cells which were as follows:

- the Fund will not be permitted to enter into any form of borrowing or loan arrangement with other funds of the Company nor other collective investment schemes of the Manager; and
- the redemption settlement period will change from 30 Business Days to 5 Business Days after the relevant Dealing Day.

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