

Caleo Global Flexible Fund (Class A USD)

Month ended 28 August 2019

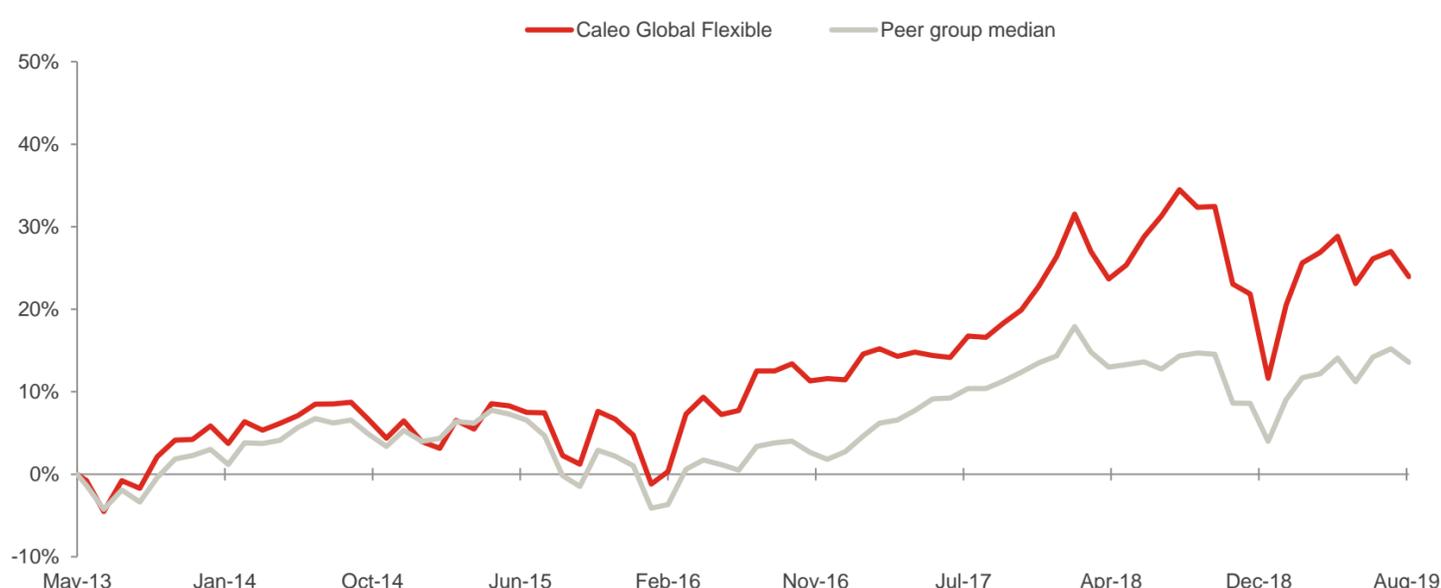
Fund details†

Investment manager: Momentum Global Investment Management	Inception date: 15 May 2013	Class A ISIN: GG00B97L2C47
Sub-investment manager: Caleo Capital (Pty) Limited	Subscriptions / redemptions: weekly	Minimum subscription: USD 7,500
Distribution partner: Caleo Capital (Pty) Limited	Investment timeframe: 5 years +	Currency: USD TER*: 2.20%
Peer group: Morningstar OE USD Flexible Allocation	Price per share: USD 1.2427	Distribution partner fee: none Initial fee: none

Investment objective

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

Cumulative returns



Past performance is not indicative of future returns. Fund performance is calculated on a total return basis, net of all fees and in US dollar terms. Peer group: Morningstar OE USD Flexible Allocation. Prior to July 2015 the peer group was Morningstar OE USD Moderate Allocation.

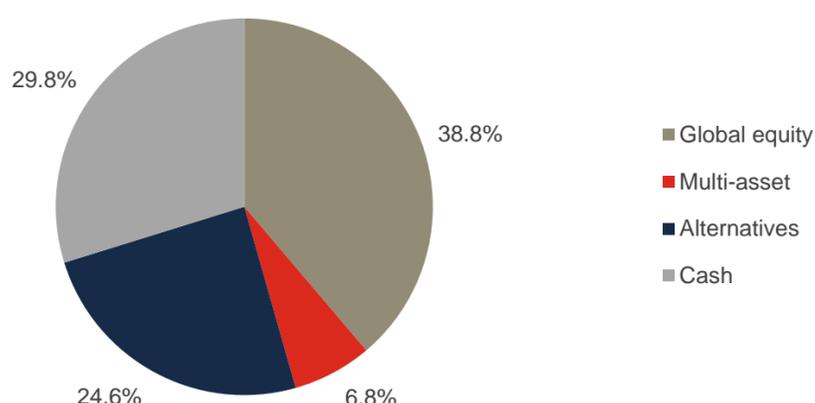
Top holdings

Holdings	Asset type	Weight
Fundsmith Equity	Equity	38.8%
Cash	Cash	29.8%
Caleo Alternative Income	Alternatives	24.6%
Prescient China Balanced	Multi-asset	6.8%

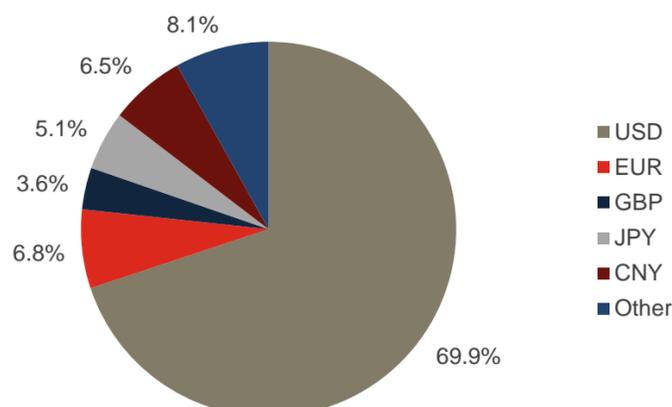
Investment statistics (since inception)

Current month return:	-2.4%
Cumulative return:	24.3%
Annualised return:	3.5%
Annualised volatility:	9.9%

Strategy allocation



Currency allocation



Sources: Morningstar, Momentum Global Investment Management Limited, Northern Trust International Fund Administration Services (Guernsey) Limited.

† Refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts.

* Total Expense Ratio (TER) as at 28 June 2019. 2.20% of the Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio.

■ Market commentary

The month started off with a tweet from President Trump which announced an intention to impose a 10% tariff on the remaining USD 300 billion of Chinese imports that were not yet subject to tariffs. This naturally set the tone for the rest of August. The Chinese soon after retaliated with tariffs of their own, saying that they too would increase tariffs on roughly USD 75 billion of US imports, including agricultural goods, crude oil and cars. In the usual back and forth manner, the US President fired off another tweet saying that the existing and planned tariff rates will both rise by 5 percentage points. Tempers cooled off towards the end of the month, but the damage to investor and business sentiment had already been done. Investors used the dispute as a chance to take profits which led to developed market equities dropping 1.9% for the month.

Recession fears began creeping into the headlines over the month, but the general consensus is that although the US economy is slowing, there are no signs that it is about to stall. Fed chair Jerome Powell's comments over the month were in line with market expectations as he set the stage for another possible 25 basis point rate cut in September followed perhaps by one more towards the end of the year.

The S&P 500 ended the month down 1.58%.

In Europe, week economic data and increasing political uncertainties were the flavour of the month. The GDP release confirmed the economic slowdown, as growth was left unrevised at just 0.2% compared to the prior quarter. Looking deeper into Europe, Germany continues to struggle as they sit on the verge of a recession, as its economy contracted by 0.1% in the second quarter. The slowdown has got many hoping for a fiscal package that helps the struggling country get back on its feet. Overall, Europe's growth stabilised in August, which reaffirms the view that the European economy is slowing but not yet approaching a recession, as the service sector continues to grow.

FSE DAX TR and Euronext Paris CAC 40 GR returned -2.05% and -0.69% respectively for the month while the MSCI Europe ex UK GR ended down 0.63% for the month.

In the UK, Boris Johnson has still not been able to solve the Brexit issue, as it continues to put pressure on the UK economy. Second quarter GDP shrank by 0.2% with the outlook for retail sales also slipping lower.

FTSE 100 TR finished the month down -4.08%.

Due to the trade war, the Chinese were forced to try and stimulate the economy by both fiscal and monetary stimulus, but this wasn't enough as data came in below expectations. Due to this, further measures were taken as they announced a lending rate reform to lower financing costs and let the renminbi break the psychological barrier of 7 versus the US dollar.

Emerging markets (MSCI EM 50 NR) ended the month 5.23% lower.

The Caleo Global Flexible fund ended -2.39% for the month.

Source: Caleo Capital (Pty) Limited.

■ Risk warnings and important notes

Investment in the Fund may not be suitable for all investors and financial advice should be sought before proceeding with an investment. Past performance is not indicative of future returns and there can be no assurance that the performance of the Fund will achieve its stated objective. All performance is calculated on a total returns basis, net of all fees and commissions and in US dollar terms.

Collective investments are generally medium to long term investments and are traded at ruling prices. The value of the Fund and any income arising from it are not guaranteed and may fall, as well as rise, due to the value of its holdings, the income derived from them, and changes in interest rates. The Fund will hold shares or units in underlying funds which invest internationally, which will be exposed to exchange rate fluctuations, and may erode any potential gains.

Higher risk investments, such as small companies (even in developed markets), emerging markets, single country debt, equity funds, high yield and sub-investment grade debt may be more prone to sudden and larger falls in value in comparison to other investments. Unregulated funds may permit a greater degree of leverage than is permitted with regulated funds that are available to the general public in South Africa, which increases volatility and the risk of larger losses should the fund's value decrease.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. It is not possible to immediately assess the proper market price of these investments, as they will only be realisable on their dealing days.

A fund of fund collective investment scheme only invests in other collective investments, which levy their own charges. The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and are subject to change thereby impacting the Fund's performance. Commissions and incentives may be paid and, if so, would be included in the overall costs. Deductions of charges and expenses mean that you may not get back the amount you invested.

Momentum Global Investment Management Limited is the Investment Manager, authorised and regulated by the UK Financial Conduct Authority, with its registered address at The Rex Building, 62 Queen Street, London EC4R 1EB. Momentum Global Investment Management Limited is also an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

Momentum Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised as a Class B Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

Caleo Global Flexible Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 56161. The Cell was registered with the name "Caleo Global Balanced Fund IC Limited and changed its name to "Caleo Global Flexible Fund IC Limited" on 12 June 2015.

Momentum Wealth International Limited is the Fund Manager, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF. Momentum Wealth International Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

Caleo Capital (Pty) Limited, a South African registered company, is the appointed Sub-Investment Manager and Distribution Partner of the fund, with its registered office is at Atlantic House, Glenhove Square, 71 4th Street, Houghton, South Africa, 2198.

Northern Trust International Fund Administration Services (Guernsey) Limited is the Fund Administrator, licensed by the Guernsey Financial Services Commission, with its registered office at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

This document should be read in conjunction with the Prospectus of Momentum Mutual Fund ICC Limited and the Fund Supplement, in which all the current fees and expenses charged to the Fund are disclosed. For a detailed description of such fees and expenses, please refer to these Scheme Particulars which are available upon request from Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF.

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