

Caleo Global Flexible Fund (Class A USD)

Month ended 29 May 2019

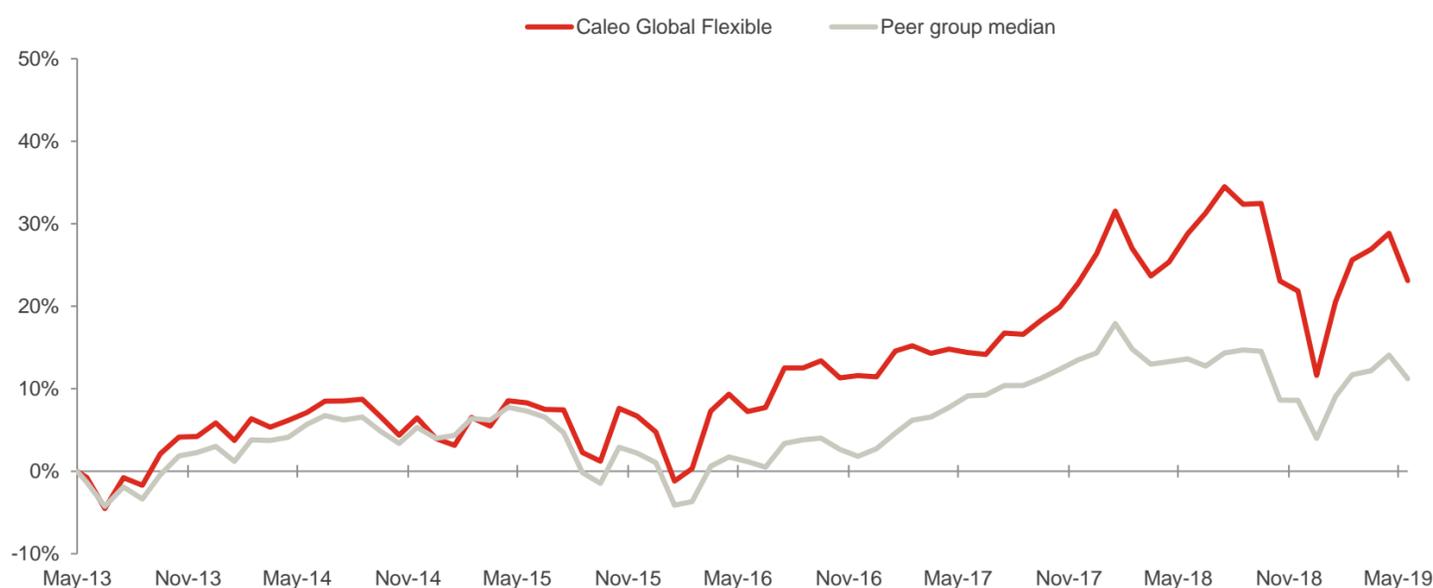
Fund details†

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	Currency: USD	Distribution partner fee: none Initial fee: none
Investment timeframe: 5 years +	Price per share: USD 1.2342	Peer group: Morningstar OE USD Flexible Allocation

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.

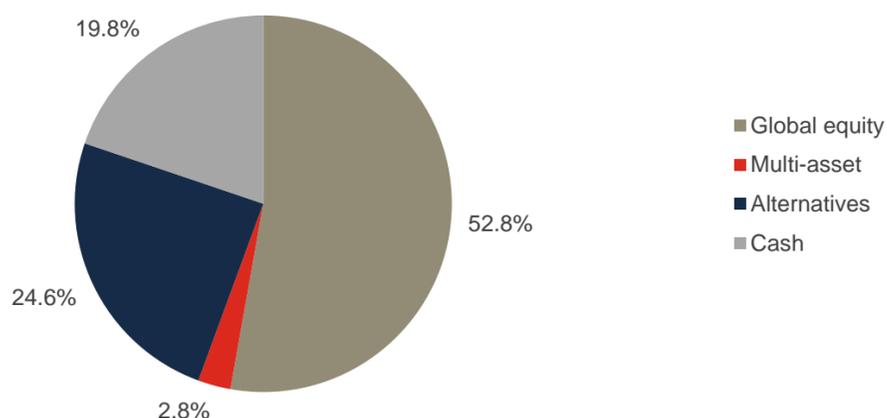
Top holdings

Holdings	Asset type	Weight
Fundsmith Equity	Equity	37.8%
Caleo Alternative Income	Alternatives	24.6%
Cash	Cash	19.8%
Contrarius Global Equity	Equity	15.0%
Prescient China Balanced	Multi-asset	2.8%

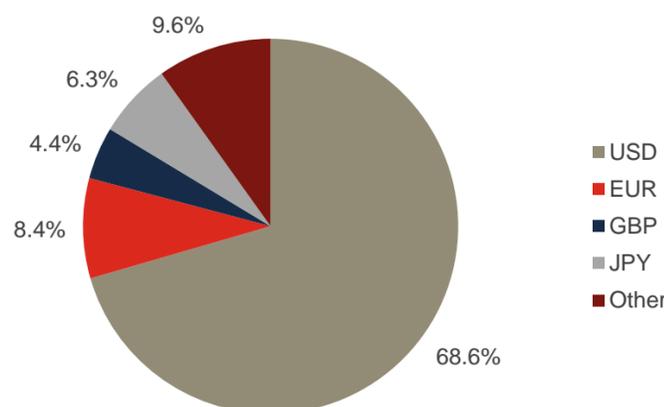
Investment statistics (since inception)

Current month return:	-4.4%
Cumulative return:	23.4%
Annualised return:	3.5%
Annualised volatility:	10.0%

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.

* This includes the fees relating to management and administration, investment management and custody.

■ Market commentary

Risk assets had a tough time during May with all major indices finishing in the red for the month, tracking most major global indices. Increasing trade tensions between the US and China were the main culprits of the pullback.

The year started with a bang as equity markets rallied off the back of a sharp correction in the US at the end of 2018. Other drivers include a more dovish tilt from central banks and whispers surrounding a possible trade deal between the US and China. The S&P 500 digested the news well, coming into May at an all-time high. However, this all changed when the US announced that it would be moving ahead with tariff increases on US imports from China. Equity markets took most of the pain as most global indices closed the month well into the red. Manufacturing PMI fell to 50.6, while the new orders component followed suite as it fell to below 50, signalling that it is now in contractionary territory. Consumer confidence still looks attractive with May's reading coming in at 134.1, up from 129.2 last month. Personal consumption expenditure index (PCE), the Fed's preferred measure of inflation, was just 1.5% year on year. Policymakers agreed that the current inflation shortfall is transitory, which tells us that the Fed is comfortable with rates being on hold rather than delivering the cuts that the market is pricing in. However, the latest news coming from the Fed is that they would be comfortable with cutting rates if there was a material deterioration in the economic outlook. Earnings growth came in better than expected as there was no fall from a year ago, but overall numbers were a lot weaker than the 20% earnings growth seen last year.

The S&P ended the month down 6.58%.

In Europe, data for May came out in a mixed fashion. There were some concerns around flash manufacturing PMI, which came out at 47.7, indicating a contraction, with the employment component sliding below 50. On the plus side, the new export orders component started to tick up as well as eurozone consumer confidence which saw it reach its highest level this year.

FSE Dax TR and Euronext Paris CAC 40 GR returned -5.00% and -6.99% respectively for the month while the MSCI Europe ex UK GR ended -4.44% for the month.

In the UK, the recent polls make it clear that the UK population remains just as divided as it was during the referendum in 2016, with both leave and remain parties unable to gain any significant ground. Although there have been concerns surrounding a no-deal Brexit, the consensus is that the likelihood of a no-deal has not increased, as there still isn't a majority for it in parliament. The news saw the Sterling fall 3.3% vs the Dollar over the month.

FTSE 100 TR finished the month lower -2.87%.

In China, trade wars have again re-ignited, which is likely to have economic and policy implications for China. The new round of tariffs could drag on China's GDP growth by around 0.8% points across this year and next. The risk is that this number could worsen on the back of further tariff hikes on the remainder of exports, but naturally, could improve if a further policy response is delivered by Chinese authorities. The latest data to come out of China was much weaker than expected, with retail sales and industrial production looking particularly poor, with industrial production falling to 5.4% year on year in April, from 8.5% the month before.

Emerging Markets (MSCI EM 50 NR) ended the month -10.13% lower.

The Caleo Global Flexible fund ended -4.44% 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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