

Caleo Global Flexible Fund (Class A USD)

Month ended 24 December 2018

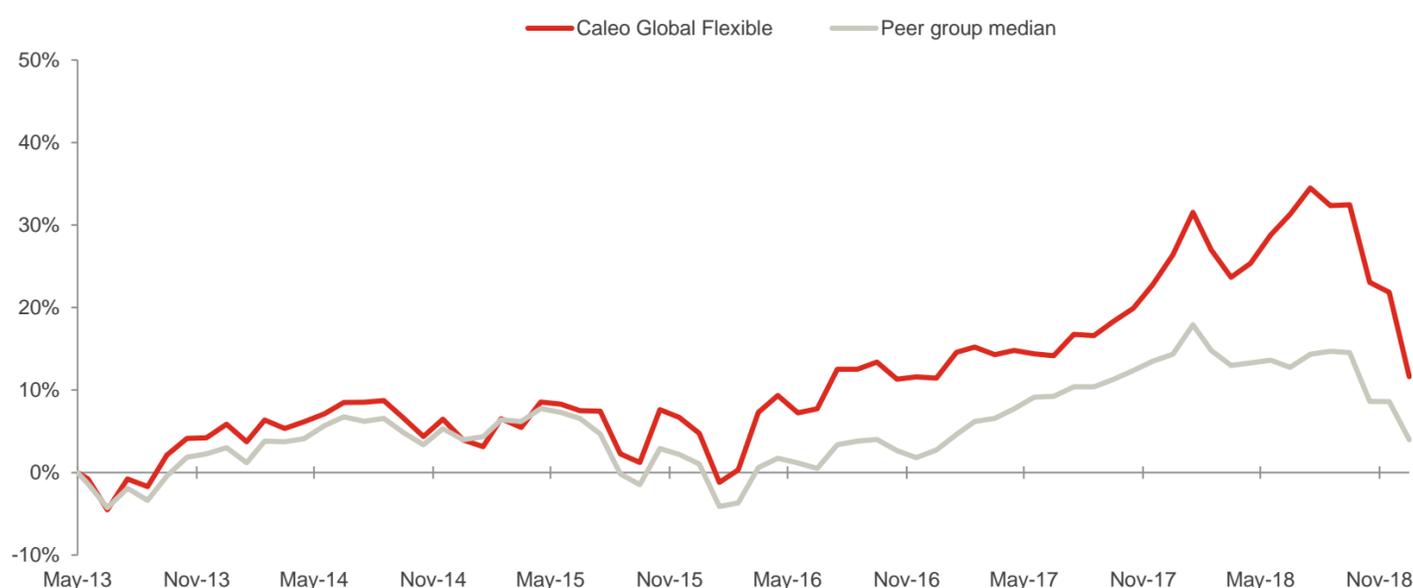
Fund details†

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 1.1211	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.

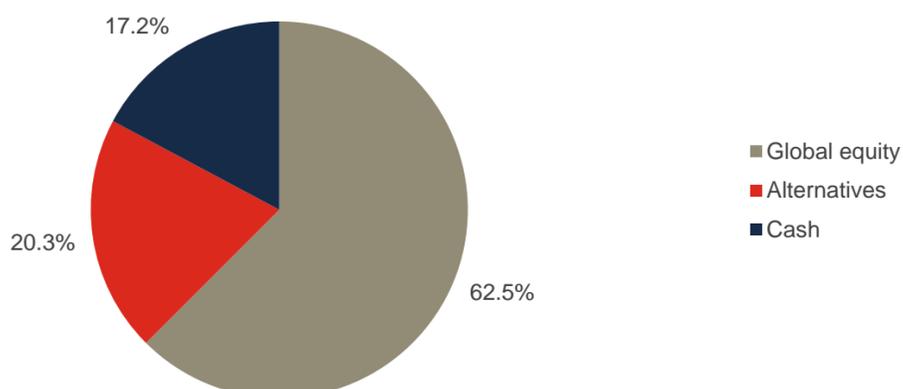
Top holdings

Holdings	Asset type	Weight
Fundsmith Equity	Equity	40.0%
Contrarius Global Equity	Equity	22.5%
Caleo Alternative Income	Alternatives	20.3%
Cash	Cash	17.2%

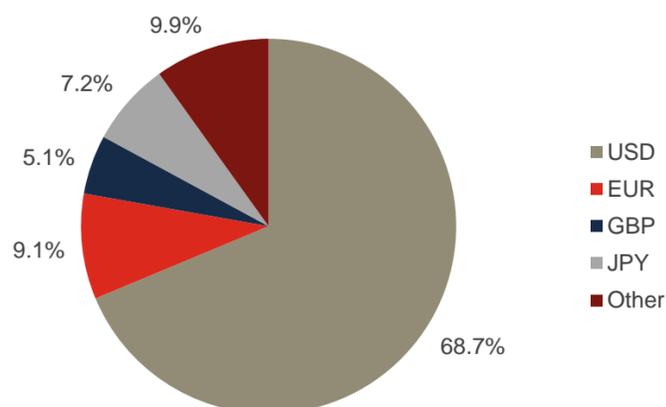
Investment statistics (since inception)

Current month return:	-8.4%
Cumulative return:	12.1%
Annualised return:	2.1%
Annualised volatility:	9.5%

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

Global turbulence continued through the fourth quarter with equity markets being punished the most. Rising US interest rates, Eurozone slowdown, weaker Chinese growth and continued geopolitical concerns were leading factors of this decline.

In the US, tax cuts introduced by President Trump created an artificial stimulus into the US stock market pushing equities higher. As the current bull run extends, market participants are becoming more concerned as this runs into a later than normal economic cycle. Extended into 2019, this stimulus will fade causing growth concerns in company earnings. During December, interest rates were hiked 25bps taking the rate to 2.50% which was in line with market expectations. A more dovish tone was established with two hikes expected for the 2019 year which will likely take pressure off the equity market. The unemployment rate took a turn for the worse with the December reading increasing from 3.7% to 3.9%. Over the past year, the rate however is still improved from last year's reading of 4.1%.

The S&P ended the month -9.03% lower and -4.38% for the 2018 year.

In Europe, data remained on the back foot with concerns around the strength of the economy. Markit PMI Composite has been on a declining trend since Feb 2018 with the latest reading falling further to 51.1. Although this remains in expansionary territory is it far of the 58.8 mark seen in February. The slowdown here can be attributed to the decline in the manufacturing sector's export orders which is caused by the cutback in demand from China. Preliminary CPI data for December fall to 1.6% from the 1.9% previously.

FSE Dax TR and Euronext Paris CAC 40 GR returned -6.2% (-18.26% for 2018) and -5.21% (-8% for 2018) respectively for the month while the MSCI Europe ex UK GR ended -5.82% for the month and -10.1% for the year.

In the UK, wage growth has been on the rise, increasing at its fastest pace since the financial crisis. The 3-month reading ending October grew at 3.3%. Retail sales in November saw a massive 3.6% YoY increase. Retailers reported strong growth due to the Black Friday promotions seen. "Online sales as a portion of all sales exceeded 20% for the first time with all online retailing accounting for 21.5% of total retailing on a non-seasonally adjusted basis" according to the Office of National Statistics. Despite the positive data here, it is evident that geopolitics negatively affected equity markets with the FTSE 100 TR closing negative for the month.

FTSE 100 TR finished the month -3.49% lower and -8.73% for the year.

As with the continued theme of 2018, emerging markets have been heavily on the back foot with threatening trade wars and there is little to suggest tensions between the US and China will subside. China saw a growth slowdown with imports decreasing from 37% YoY in January to 3% in November. Retail sales also saw a slowdown in November with a print of 8.1% YoY against a market expectation 8.8%.

Emerging Markets (MSCI EM 50 NR) ended the month -4.02% and -16.67% for the year.

The Caleo Global Flexible fund ended -8.39% for the month and -11.68% for the year.

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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