

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Caleo Global Flexible Fund IC Limited**Annual Report and Audited Financial Statements for the year ended 30 June 2023****Contents****Page**

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Caleo Global Flexible Fund IC Limited

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General Information

Address and Registered Office

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

Investment Manager

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

Sub-Investment Manager and Distribution Partner

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

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
GY1 3DA
Channel Islands

Directors of the Incorporated Cell

Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ferdinand van Heerden
Ray Mhere - appointed 25 May 2023
Kapil Joshi - resigned 25 May 2023

Administrator, Registrar & Secretary

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

Legal Advisors

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

Independent Auditor

Ernst & Young LLP
PO Box 9
Royal Chambers
St Julian's Avenue
St Peter Port, Guernsey
GY1 4AF
Channel Islands

Caleo Global Flexible Fund IC Limited

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Investment Manager's Report

The Caleo Global Flexible Fund 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.

After a difficult 2022, the Fund has produced returns that were in line with expectations as 2023 began on a strong trajectory. Markets started pricing in a peak in interest rate hikes as inflation began to moderate. This created an anticipation of a soft landing in the US on the back of resilient economic data, signaling a recovery. Growth stocks were the primary driver behind the strong recovery as big tech stocks posted impressive earnings stemmed on the hype around Artificial Intelligence ("AI").

Over the past period 1 July 2022 to 30 June 2023, the Cell has managed to reclaim some of its losses from what was considered a torrid 2022, a tough period for financial markets. The Cell managed to outperform its market peers with the Fund returning 7.79% net of all fees compared to a benchmark return of 5.62% on the EAA USD Flexible Allocation as per Morningstar. We are happy with the outperformance and believe this to be testament to the current strategy.

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. 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. We turn positive on the US bond market as real yields are starting to emerge and note that all cash holdings are now interest bearing when compared to the previous period. These factors all bode well for the positioning of the Fund.

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 developed market exposure. We prefer the US as we feel that valuations are more attractive, and the likelihood of a recession when compared to the rest of the world is further away. There are however individual opportunities which are being used by the underlying managers to go after the European market. Manager diversification risks have been mitigated by including new managers and exchange traded funds to split the risk. These new allocations have been funded by taking profits throughout the period on our growth managers who have materially outperformed their benchmarks. The result of which is a portfolio that has no style bias, a tactical asset allocation decision that we believe is best suited to the current environment following the strong run of growth centric funds.

Thus far, we have seen the Fund recover strongly from the 2022 lows as it maintains a position of outperformance relative to its benchmark. We are confident with the Fund's asset allocation and believe that the current environment will allow for a continuation of this recovery. Our equity exposure is currently at neutral levels, and we continue to favour asset allocation as our key driver of returns.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Directors' Report

The Directors present their annual report together with the audited financial statements of Caleo Global Flexible Fund IC Limited (the "Incorporated Cell" or "Cell") for the year ended 30 June 2023.

Principal activities

The Cell with company number 56161 is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company"). The activities and objectives of the Cell can be found in note 1 on page 17.

Going concern

The Directors have made an assessment of going concern including consideration of geo-political issues on the Cell. Refer to note 2 for the detailed disclosure.

Directors

The Directors of the Cell during the year and at the date of this report are set out on page 3.

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 Incorporated Cell.

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 Incorporated Cell and of the profit or loss of the Incorporated Cell 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 Incorporated Cell will continue in business.

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Incorporated Cell 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, 2020. They are also responsible for safeguarding the assets of the Incorporated Cell and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Director is aware, there is no relevant audit information of which the Incorporated Cell's 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 Incorporated Cell's auditor is aware of that information.

The Board of Directors confirms that, throughout the period covered by the financial statements, the Cell has 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 Incorporated Cell is 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.

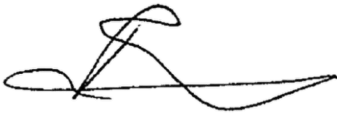
Caleo Global Flexible Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2023
Directors' Report (continued)

Independent auditors

Ernst & Young LLP have indicated their willingness to continue in office. The reappointment of Ernst & Young LLP will be proposed within the next written resolution to deal with annual business.



Marie Curutchet
Director
30 November 2023



Robert Rhodes
Director

Caleo Global Flexible Fund IC Limited

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Independent Auditor's Report to the Members of Caleo Global Flexible Fund IC Limited

Opinion

We have audited the financial statements of Caleo Global Flexible Fund IC Limited (the “Incorporated Cell”) for the year ended 30 June 2023 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Incorporated Cell’s affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 are independent of the Incorporated Cell in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Incorporated Cell’s ability to continue as a going concern for the period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Incorporated Cell’s ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Independent Auditor's Report to the Members of Caleo Global Flexible Fund IC Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Incorporated Cell's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Incorporated Cell or to cease operations, or have no realistic alternative but to do so.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Incorporated Cell and determined that the most significant are those that relate to the reporting framework (International Financial Reporting Standards, The Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 2020);
- We understood how the Incorporated Cell is complying with those frameworks by making enquiries of management and those responsible for compliance matters and corroborated this by reviewing minutes of meetings of the Board of Directors and correspondence between the Incorporated Cell and the Guernsey Financial Services Commission. We gained an understanding of the Board's approach to governance, demonstrated by its review of compliance reports, the investment manager's reports and internal control processes;

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Independent Auditor's Report to the Members of Caleo Global Flexible Fund IC Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the susceptibility of the Incorporated Cell's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by identifying the valuation of investments (specifically manual price overrides) and the recognition of dividend income at year-end (cut-off) as fraud risks. We considered the controls the Incorporated Cell has established to address the risk identified by the directors or that otherwise seek to prevent, detect or deter fraud and how management and those charged with governance monitor those controls. We also considered the existence of any stakeholder influences which may cause management to seek to manipulate the financial performance and did not note any;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the review of minutes of meetings of the Board of Directors; review of compliance reports; review of correspondence with the Guernsey Financial Services Commission; making inquiries of those charged with governance; and performance of journal entry testing based on our risk assessment and understanding of the business, with a focus on non-standard journals and those relating to areas with an identified associated fraud risk, as described above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Incorporated Cell's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law 2008 and Paragraph 4.2(4) of the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021. Our audit work has been undertaken so that we might state to the Incorporated Cell's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Incorporated Cell and the Incorporated Cell's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Ernst & Young LLP

Guernsey, Channel Islands

Date: 04 December 2023

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Custodian's Report to the Members of Caleo Global Flexible Fund IC Limited

In our opinion, the Cell has, in all material aspects, been managed for the year ended 30 June 2023 in accordance with the provisions of the Principal Documents, Scheme Particulars and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.



For and on behalf of

Northern Trust (Guernsey) Limited

30 November 2023

Caleo Global Flexible Fund IC Limited

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Supplementary Information

	30.06.23	30.06.22
1. NUMBER OF SHARES OUTSTANDING		
Class A	43,336,230	50,737,736
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.39	1.28
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.40 / 1.19	1.58 / -
4. NUMBER OF SHARES SUBSCRIBED		
Class A	288,230	53,772,133
5. NUMBER OF SHARES REDEEMED		
Class A	7,689,736	3,034,397

* The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2023.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Collective Investment Schemes: 89.54% (2022: 80.37%)			
Asset Allocation			
Prescient Global China Balanced Fund Class D	1,661,890	3,037,936	5.06
Total Asset Allocation		3,037,936	5.06
Equity Funds			
FlexShares STOXX US ESG Select Index Fund	20,107	2,171,158	3.62
Fundsmith Equity Fund	746,898	6,030,429	10.04
Invesco S&P Smallcap 600 Revenue ETF	18,700	2,124,580	3.54
iShares Currency Hedged MSCI ACWI ex U.S. ETF	24,544	1,209,263	2.01
iShares Edge MSCI World Value Factor UCITS ETF	81,791	3,090,906	5.15
iShares MSCI ACWI UCITS ETF USD	42,657	3,004,759	5.00
iShares MSCI World ETF	24,771	3,087,093	5.14
Morgan Stanley Global Opportunity Fund Class Z	46,672	5,381,765	8.96
Sanlam Centre American Select Equity Fund - Class C USD	1,706,629	3,869,953	6.45
Schwab U.S. Dividend Equity ETF	36,975	2,685,491	4.47
Vanguard Value ETF	4,434	630,160	1.05
VictoryShares US EQ Income Enhanced Volatility Wtd ETF	40,680	2,344,950	3.91
Total Equity Funds		35,630,507	59.34
Fixed Income Funds			
iShares \$ Treasury Bond 0-1yr UCITS ETF USD	67,480	7,112,392	11.84
PIMCO Active Bond Exchange-Traded Fund	9,957	912,267	1.52
Sphereinvest Global UCITS ICAV - Global Credit Strategies Fund	31,899	6,048,738	10.07
Vanguard Short-Term Bond ETF	13,577	1,024,928	1.71
Total Fixed Income Funds		15,098,325	25.14
Total Collective Investment Schemes		53,766,768	89.54
Property and Infrastructure Investment Trusts and ETFs: 6.55% (2022: 11.80%)			
iShares Developed Markets Property Yield ETF USD Acc	392,781	1,973,332	3.29
VAM Funds Lux - Global Infrastructure Fund	25,049	1,958,602	3.26
Total Property and Infrastructure Investment Trusts and ETFs		3,931,934	6.55
Financial assets at fair value through profit or loss		57,698,702	96.09
Other Net Assets: 3.91% (2022: 7.83%)		2,347,105	3.91
Net Assets Attributable to Holders of Participating Redeemable Shares		60,045,807	100.00

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Statement of Financial Position

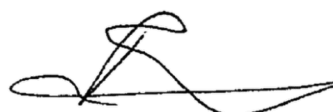
	Notes	Year ended 30.06.23 <u>USD</u>	Year ended 30.06.22 <u>USD</u>
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	57,698,702	60,029,512
Cash and cash equivalents	7	2,414,906	5,225,230
Deposit interest receivable		14,403	746
Other receivables	8	1,316	770
Total assets		60,129,327	65,256,258
LIABILITIES			
CURRENT LIABILITIES			
Due on redemption of participating redeemable shares		-	6,303
Other payables	9	83,420	118,978
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		83,420	125,281
Net assets attributable to holders of participating redeemable shares	3 & 11	60,045,807	65,130,877
Total liabilities		60,129,227	65,256,158
SHAREHOLDERS' EQUITY			
Management Shares	10	100	100
Total equity		100	100
Total equity and liabilities		60,129,327	65,256,258
Net asset value per participating redeemable share			
Class A	11	1.39	1.28

The notes 1 to 16 on pages 17 to 31 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 30 November 2023 and signed on its behalf by:



Marie Curutchet
Director



Robert Rhodes
Director

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Statement of Comprehensive Income

	Notes	Year ended 30.06.23 USD	Year ended 30.06.22 USD
INCOME			
Net realised losses on financial assets at fair value through profit or loss	6	(5,594,809)	(186,258)
Change in unrealised gains/(losses) on financial assets at fair value through profit or loss	6	10,761,009	(12,943,456)
Net gains/(losses) on financial assets at fair value through profit or loss		5,166,200	(13,129,714)
Deposit interest		132,327	746
Dividend income		451,500	186,476
Other foreign exchange losses		(47,811)	(8,839)
Total net income/(loss)		5,702,216	(12,951,331)
OPERATING EXPENSES			
Audit fee		-	(27,992)
Custodian fee	13	(15,613)	(10,964)
Investment Management fee	13	(641,076)	(285,269)
Management and Administration fee	13	(205,176)	(89,071)
Sundry expenses		(4,884)	(569)
Total operating expenses		(866,749)	(413,865)
Net profit/(loss) before tax		4,835,467	(13,365,196)
Withholding tax		(112,451)	(49,443)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		4,723,016	(13,414,639)

The notes 1 to 16 on pages 17 to 31 form part of these financial statements.

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.

Caleo Global Flexible Fund IC Limited

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Statement of Cash Flows

	Year ended 30.06.23 <u>USD</u>	Year ended 30.06.22 <u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations	4,723,016	(13,414,639)
ADJUSTMENTS FOR:		
Net realised losses on financial assets at fair value through profit or loss	5,594,809	186,258
Net unrealised (gains)/losses on financial assets at fair value through profit or loss	(10,761,009)	12,943,456
Effect of foreign exchange rate on cash	14,280	8,862
Deposit interest	(132,327)	(746)
Dividend income	(451,500)	(186,476)
Withholding tax	112,451	49,443
Operating loss before working capital changes	(900,280)	(413,842)
Net increase in other receivables	(546)	(670)
Net (decrease)/increase in other payables	(35,558)	104,012
Purchase of financial assets at fair value through profit or loss	(22,113,665)	(76,597,384)
Sale of financial assets at fair value through profit or loss	29,610,675	3,438,158
Dividend received	339,049	136,287
Deposit interest	118,670	746
Net cash generated/(used in) from operating activities	7,018,345	(73,332,693)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	434,943	83,001,266
Cash paid on redemption of participating redeemable shares	(10,249,332)	(4,449,447)
Net cash (used in)/generated from financing activities	(9,814,389)	78,551,819
Net (decrease)/increase in cash and cash equivalents	(2,796,044)	5,219,126
Cash and cash equivalents at the beginning of the year	5,225,230	14,966
Effect of foreign exchange rate on cash and cash equivalents	(14,280)	(8,862)
Cash and cash equivalents at the end of the year	2,414,906	5,225,230

The notes 1 to 16 on pages 17 to 31 form part of these financial statements.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

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

	Note	Year ended 30.06.23 <u>USD</u>	Year ended 30.06.22 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		65,130,877	-
Proceeds from issuance of participating redeemable shares		434,943	83,001,266
Payments on redemption of participating redeemable shares		(10,243,029)	(4,455,750)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		4,723,016	(13,414,639)
Net assets attributable to holders of participating redeemable shares at the end of the year	11	60,045,807	65,130,877

The notes 1 to 16 on pages 17 to 31 form part of these financial statements.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements

1. General information

The Caleo Global Flexible Fund IC Limited (the "Incorporated Cell" or "Cell") with company number 56161, is a Guernsey registered, Limited Liability Incorporated Cell of the Momentum Mutual Fund ICC Limited (the "Company").

The primary objective of the Cell is capital appreciation in real terms over the investment horizon. The Cell is ideally suited to investors with a moderate to aggressive risk tolerance (measured in the base currency of the Cell) over an investment cycle of five year or longer. The diversified portfolio invests into a wide range of asset classes including cash, fixed income, 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.

The Cell intends to achieve its investment objective through a diversified global portfolio that invests, via other collective investment funds, exchange traded funds and transferable securities across a broad range of asset classes and currencies in varying proportions over time. These classes include international equities, bonds, alternative strategies, property, money market instruments, commodities and multi asset portfolios.

The Cell's 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 Caleo Capital (Pty) Ltd acting as Sub-Investment Manager.

On 30 December 2021, following the approval and transfer of the Cell to SA Alpha PCC Limited on 26 April 2021, the Cell's regulator, the Guernsey Financial Services Commission ("GFSC"), acknowledged de-registration of the Cell. On 12 January 2022, the GFSC granted approval for the re-registration of the Cell, following shareholder approval to reverse the original April 2021 transfer.

No amendments were made to the Supplemental Prospectus of the Incorporated Cell during the year.

The financial statements were authorised for issue by the Board of Directors on 30 November 2023.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements for the Incorporated Cell 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 preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, which are disclosed in note 4 of the Incorporated Cell's financial statements. It also requires the Board of Directors to exercise its judgement in the process of applying the Incorporated Cell's accounting policies.

Going concern

At the time of approving the financial statements, the Board has assessed redemption levels and there have been no significant redemptions. The Board has also considered the liquid nature of the investment portfolio, the absence of any borrowings or commitments and the economic viability of the Cell which is driven by its net asset value.

After careful consideration, the Board is satisfied that the Cell has sufficient liquidity to meet its liabilities for the period to 31 December 2024 and therefore it is appropriate to adopt the going concern basis in preparing the financial statements and they have a reasonable expectation that the Cell will continue in existence as a going concern.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards

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

Standards, amendments and interpretations effective during the year

The following accounting standards, amendments and interpretations became effective for the first time in this reporting period:

Periods beginning on or after 1 January 2022:

(a) IFRS 9 - Fees in the '10 per cent ' Test for Derecognition of Financial Liabilities - Amendment to clarify the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The adoption of this standard has not had a material impact on the financial statements of the Incorporated Cell.

(b) IFRS 3 - Updating a Reference to the Conceptual Framework - Amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version.

The adoption of this standard has not had a material impact on the financial statements of the Incorporated Cell.

Standards, amendments and interpretations in issue not yet effective

A number of new Standards, amendments and interpretations are effective for annual periods beginning on or after 1 January 2023, and have not been early adopted in preparing these financial statements. These include:

(a) IAS 1 - Definition of Accounting Estimates (Amendments to IAS 8) - Effective from 1 January 2023 - Amendments regarding classification of liabilities and disclosure of accounting policies.

(b) IAS 1 - Disclosure Initiative - Accounting Policies - Effective from 1 January 2023 - Amendments to help entities apply materiality judgements to accounting policy disclosure.

The Board anticipates that the adoption of these standards, which will be adopted in the period which they become effective, will not have a material impact on the financial statements of the Cell.

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 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 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 currency selected best represent the functional currency.

(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.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

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

(a) Classification

The Incorporated Cell classifies its investments in Collective Investment Schemes, equities and related derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified by the Board of Directors at fair value through profit or loss at inception. The Incorporated Cell does not classify any derivatives as hedges in a hedging relationship. Financial assets and financial liabilities are designated at fair value through profit or loss at inception, are managed, and their performance evaluated on a fair value basis in accordance with the Incorporated Cell's documented investment strategy. The Incorporated Cell's 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 Cell has 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 of the Incorporated Cell. 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 Incorporated Cell 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.

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.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

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

The Incorporated Cell has an authorised share capital of 100 Management shares of GBP1.00 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 return of capital on the winding up of the Incorporated Cell.

The Incorporated Cell has issued 100 management shares.

(b) Participating redeemable shares

The 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 note 13.

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 Cell at any time for cash equal to a proportionate share of the Incorporated Cell's 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 Cell.

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 Cell's net asset value per share on the redemption date. The Cell has 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 the Cell's investment objectives, and its risk management policies, the Cell endeavours 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 Cell 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 participating redeemable shares

Income not distributed is included in Net Assets Attributable to Holders of Participating Redeemable Shares of the Incorporated Cell's financial statements.

Caleo Global Flexible Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.11 Capital risk management

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

The Incorporated Cell's objectives when managing capital is 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 Incorporated Cell. The Incorporated Cell has no intention to borrow, other than to fund short-term liquidity requirements. The Incorporated Cell may arrange an overdraft facility for such purposes.

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 accrual basis.

2.13 Expenses

Expenses are accounted for on an accrual basis and all amounts have been allocated to the Statement of Comprehensive Income.

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 Cell 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 (2022: £1,200).

The Cell incurs 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. Financial risk management

3.1 Strategy in using financial instruments

The Cell's activities and investment objectives expose it 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 (including cash flow risk). The Cell's overall risk management programme seeks to maximise the return derived for the level of risk to which the cell is exposed and focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Cell's financial performance.

The Cell will not include derivative instruments with the exception of investments in forward foreign currency exchange contracts for the purpose of mitigating exchange rate risk against both the benchmark and the base currency but not for speculative purposes or otherwise. Unlisted derivative instruments will be limited to unlisted forward currency, interest rate, index swap or exchange rate swap transactions. No uncovered positions will be allowed. Gearing and leveraging for investment purposes will not be allowed.

The following policies and procedures to mitigate risk have been in place throughout the year.

3.2 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 Cell is subject to market price risk as it trades primarily in collective investment schemes. Through its investment in traded securities and instruments the Cell is subject to market movements in equity and bond markets.

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

3. Financial risk management (continued)

3.2 Market price risk (continued)

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 Cell's overall market positions is monitored by the Investment Manager and is reviewed by the Board of Directors.

The Cell's market price risk is managed through diversification of the investment portfolio by exposures to varying product categories, hence, concentration of risk is minimised. At the year end, the financial assets at fair value through profit or loss, which are subject to market price risk, are as follows:

	2023		2022	
	Fair Value	% of	Fair Value	% of
	<u>USD</u>	net assets	<u>USD</u>	net assets
Collective Investment Schemes	53,766,768	89.54	52,349,057	80.37
Property and Infrastructure Investment Trusts and ETFs	3,931,934	6.55	7,680,455	11.80
	57,698,702	96.09	60,029,512	92.17

The Cell's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency exchange rates movements. Interest rate and foreign currency movements are covered in notes 3.3 and 3.5, 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:

	2023	2022
	Change in	Change in
	fair value	fair value
	<u>USD</u>	<u>USD</u>
Collective Investment Schemes	5,376,677	5,234,906
Property and Infrastructure Investment Trusts and ETFs	393,193	768,046
	5,769,870	6,002,952

3.3 Interest rate risk

The Cell's 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 Cell's financial assets and liabilities are non-interest bearing. As a result, the Cell is 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 Cell's exposure to interest rate risk. It includes the Cell's assets and trading liabilities at fair values, all of which have contractual re-pricing or maturity dates within one month.

	2023	2022
	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	57,630,901	59,905,647
Net floating rate financial assets	2,414,906	5,225,230

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

3. Financial risk management (continued)

3.3 Interest rate risk (continued)

Should interest rates have increased/decreased by 50 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	2023 USD	2022 USD
Movement in net floating rate financial assets	12,075	26,126

3.4 Cash flow risk

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

3.5 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. The Cell holds assets, including investments, denominated in currencies other than the US Dollar; the functional currency, therefore, is exposed to currency risk. The exposures are based on the currencies of the underlying assets in the Cell. Where the Cell invests via Collective Investment Schemes, 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 Cell's exposure to currency risks:

As at 30 June	2023 USD	2022 USD
ZAR exposure	(1,966)	-
GBP exposure	7,802,616	17,315,241

In accordance with the Cell's policy, the Investment Manager monitors the Cell's currency position on a regular basis, and the Board of Directors reviews it periodically. The Cell has 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 the 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 preference shareholders would have increased, or decreased, as follows:

As at 30 June	2023 USD	2022 USD
ZAR exposure	(98)	-
GBP exposure	390,131	865,762

3.6 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 3.2. No such redemption problems have been encountered.

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

3. Financial risk management (continued)

3.6 Credit risk (continued)

All transactions in listed securities are settled or 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 Cell manages its exposure to credit risk associated with its cash deposits by selecting Northern Trust (Guernsey) Limited as the counterparty to hold all cash deposits for the cell. The Northern Trust Company is a 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 Cell's maximum exposure to credit risk is the carrying value of the assets on the Statement of Financial Position.

3.7 Liquidity risk

Liquidity risk is the risk that the Cell will encounter difficulty in meeting obligations associated with its financial liabilities. The main liquidity risk is the risk that the Cell may be unable to recover funds invested through the usual redemption processes which may result in the Cell having insufficient funds to settle a transaction on the due date. Due to the nature of the Cell, 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.

Within the prospectus, the Cell has the ability to borrow to meet short-term liquidity requirements, up to the value of 10% of the NAV of the Cell. To date, the Cell has not had to enter into such arrangements.

The table below analyses the Cell's financial assets and financial 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.

	Less than 1 month USD	Between 1 and 12 months USD	2023 Total USD	2022 Total USD
Financial assets at fair value through profit or loss	57,698,702	-	57,698,702	60,029,512
Cash and cash equivalents	2,414,906	-	2,414,906	5,225,230
Dividend income receivable	14,403	-	14,403	746
Other receivables	1,216	-	1,216	670
Other payables	(83,420)	-	(83,420)	(118,978)
Due on redemption of participating redeemable shares	-	-	-	(6,303)
Net assets attributable to holders of participating redeemable shares	(60,045,807)	-	(60,045,807)	(65,130,877)
Net liquidity position	-	-	-	-

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.

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

3. Financial risk management (continued)

3.8 Management of capital

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

The Cell has no externally imposed capital requirements.

3.9 Fair value disclosure

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

4. Critical accounting estimates and judgements

The fair value of investments is considered to be the quoted, active market prices, or prices supplied by the fund administrators of the Cell's 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. The Cell does not hold any Level 3 investments.

5. Portfolio analysis

The Cell's portfolio is organised by focusing on the type of security held and then secondarily by geographical analysis based on the location of the investment.

The Cell operates using the main sector types disclosed in note 3.2 and the following main geographical areas:

	2023	2022
	<u>USD</u>	<u>USD</u>
Asia	3,037,936	31,369,991
United States of America	16,189,891	12,815,667
International	11,412,193	-
Europe	21,009,944	10,364,837
Cayman Islands	6,048,738	5,479,017
	57,698,702	60,029,512

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.

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

6. Financial assets at fair value through profit or loss

	2023	2022
	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss:		
Collective Investment	53,766,768	52,349,057
Property and Infrastructure Investment Trusts and ETFs	3,931,934	7,680,455
Total financial assets at fair value through profit or loss	<u>57,698,702</u>	<u>60,029,512</u>
	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Movement on financial assets at fair value through profit or loss		
Fair value of financial assets at the beginning of the year	60,029,512	-
Purchases of financial assets	22,113,665	76,597,384
Sales of financial assets	(29,610,675)	(3,438,158)
Realised losses on sale of financial assets	(5,594,809)	(186,258)
Movement in unrealised gains/(losses) on revaluation of financial assets	10,761,009	(12,943,456)
Fair value of financial assets at the end of the year	<u>57,698,702</u>	<u>60,029,512</u>
	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Comprising:		
Cost at the end of the year	59,881,149	72,972,968
Unrealised losses at the end of the year	(2,182,447)	(12,943,456)
	<u>57,698,702</u>	<u>60,029,512</u>

IFRS 13 requires the Cell 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 that the entity can access at the measurement date;
- Level 2 – inputs other than quoted prices included within 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. The Level 1 hierarchy may also include investments in funds that are priced by the underlying administrator where the Cell considers it to be the most advantageous market and would enter into transactions based on those prices.

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

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

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 table presents the Cell's financial assets and financial liabilities measured at fair value by level within the valuation hierarchy as of 30 June 2023 and 30 June 2022.

30 June 2023	Level 1 <u>USD</u>	Level 2 <u>USD</u>	Level 3 <u>USD</u>	Total <u>USD</u>
Financial assets at fair value through profit or loss				
Collective Investment Schemes	53,766,768	-	-	53,766,768
Property and Infrastructure Investment Trusts and ETFs	3,931,934			3,931,934
	57,698,702	-	-	57,698,702
30 June 2022	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss				
Collective Investment Schemes	52,349,057	-	-	52,349,057
Property and Infrastructure Investment Trusts and ETFs	7,680,455			7,680,455
	60,029,512	-	-	60,029,512

There were no movements or reclassifications of investments within the levels of the fair value hierarchy during the years ended 30 June 2023 and 30 June 2022.

The Cell's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value.

7. 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:

	2023 <u>USD</u>	2022 <u>USD</u>
Cash at bank	2,414,906	5,225,230
	2,414,906	5,225,230

8. Other receivables

	2023 <u>USD</u>	2022 <u>USD</u>
Prepayments	1,216	670
Management shares receivable	100	100
	1,316	770

Caleo Global Flexible Fund IC Limited

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Notes to the Financial Statements

9. Other payables

	2023	2022
	USD	USD
Management fee payable	16,088	25,676
Custodian fee payable	4,788	14,597
Investment management fee payable	49,891	46,701
Sundry fees payable	3,307	4,012
Audit fee payable	9,346	27,992
	83,420	118,978

10. Share capital

The 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	30.06.23	30.06.22
	USD	USD
Management shares	100	100

Participating Redeemable Shares in Issue	30.06.23	30.06.22
	Class A	Class A
Balance at the beginning of the year	50,737,736	-
Issue of participating redeemable shares	288,230	53,772,133
Redemption of participating redeemable shares	(7,689,736)	(3,034,397)
Balance at the end of the year	43,336,230	50,737,736

11. Net asset value per participating redeemable share

	NAV per share	Net assets attributable	Shares in issue	NAV per share	Net assets attributable	Shares in issue
As at 30 June	2023	2023	2023	2022	2022	2022
	USD	USD		USD	USD	
Class A	1.39	60,045,807	43,336,230	1.28	65,130,877	50,737,736

12. Dividends payable to participating redeemable shareholders

No dividends were paid during the year and the Board does not intend to pay any dividends (2021: Nil). All available income will be reinvested.

13. 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.

13.1 Management and Administration fee

The Cell is managed by Momentum Wealth International Limited (the "Manager"), a management company incorporated in Guernsey, providing management services to the Cell under the terms of the management agreement in place.

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Notes to the Financial Statements

13. Related party transactions (continued)

13.1 Management and Administration fee (continued)

The Manager is entitled to receive the following Management and Administration fee, chargeable on a sliding scale, payable monthly in arrears, based on the current valuation and subject to a minimum annual fee of USD 22,000 or currency equivalent.

<u>Fee% of NAV per annum</u>	<u>Cell NAV</u>
0.35%	Up to USD 30m
0.30%	From USD 30m to USD 60m
0.25%	Over USD 60m

The Administrator is entitled to such remuneration as agreed between the Manager and the Administrator from time to time and such remuneration is paid by the Manager out of the Management and Administration Fee received from the Cell.

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

	2023	2022
	<u>USD</u>	<u>USD</u>
Charged during the year	205,176	89,071
Accrued at year end	16,088	25,676

13.2 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 the Cell.

The Investment Manager is entitled to receive a fee equal to 1.00% of the NAV of the Cell attributable to the Class A USD Shares per annum. The Investment Management fee will accrue at each valuation point, based on the current valuation, subject to a minimum annual fee of USD 20,000 and is payable monthly in arrears.

The Investment Manager has appointed Caleo Capital (Pty) Ltd, a South African registered company, as Sub-Investment Manager (the "Sub-Investment Manager") to the Cell and to any Trading Subsidiaries of the Cell. The Sub Investment Manager is entitled to receive a fee of up to 0.85% of the NAV of the Cell attributable to Class A USD Shares per annum (the "Sub-Investment Manager fee"), which will be paid out of the fee received by the Investment Manager. The Sub-Investment Manager Fee will accrue as at each Valuation Point, based on the current valuation, and is payable monthly in arrears.

The minimum Investment Management Fee will be borne by the Classes on a pro rata basis by reference to their respective NAVs. This minimum excludes the Sub-Investment Management fees and relates to the net portion of Investment Management Fee of 0.15% only.

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

	2023	2022
	<u>USD</u>	<u>USD</u>
Charged during the year	641,076	285,269
Accrued at year end	49,891	46,701

13.3 Custodian fee

Northern Trust (Guernsey) Limited was appointed to provide custodian services. The custodian is entitled to the payment of a fee chargeable on a sliding scale in respect of all Share Classes, as follows, subject to a minimum of USD 8,000 per annum.

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13. Related party transactions (continued)

13.3 Custodian fee (continued)

<u>Fee% of NAV per annum</u>	<u>Cell NAV</u>
0.05%	Up to USD30 million
0.04%	From USD30 million to USD60 million
0.03%	From USD60 million to USD100 million
0.02%	Over USD100 million

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

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Charged during the year	15,613	10,964
Accrued at year end	4,788	14,597

13.4 Distribution Partner fee

Caleo Capital (Pty) Ltd is appointed as distribution partner to promote and market the Cell. No distribution fee will be payable by the Cell to the distribution partner.

13.5 Board of Directors' remuneration

The Directors' fees in respect of the Cell shall not exceed USD 20,000 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 the Cell. Such fees and expenses shall be paid out of the assets of the 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 2023 (2022: Nil).

14. Ultimate controlling party

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

15. Reconciliation of published valuation to financial statements

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Net assets attributable to holders of participating redeemable shares per financial statements	60,045,807	65,130,877
Adjustments:		
Adjustment in value of assets at financial assets at fair value through profit and loss	(81,087)	(1,101)
Adjustment to accrue for rebranding of financial statements	-	441
Adjustment to accrual for audit fees	960	-
Net assets attributable to holders of participating redeemable shares per published valuation	59,965,680	65,130,217
NAV per Class A per published valuation	1.38	1.28
NAV per Class A per financial statements	1.39	1.28

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16. Subsequent events

These financial statements were approved for issuance by the Board on 30 November 2023. Subsequent events have been evaluated until this date.

On 10 July 2023, amendments were made to the Supplemental Cell Prospectus of the Cell, implementing the following changes with effect from that date:

- Participating Shares will be issued on any Dealing Day at prices reflecting the NAV per Share of such Class as at the applicable Valuation Point.
- Pursuant to the Management Agreement, the Manager shall be entitled to the payment of a fee of 0.35% of the NAV of the Cell per annum (subject to a minimum fee of USD 40,000 per annum) for the services rendered in connection with the Cell. The Management Fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears. The Manager shall settle the fees of the Administrator and the Investment Manager on behalf of the Cell from the proceeds of the Management Fee.
- Pursuant to the terms of the Sub-Investment Management Agreement, the Sub-Investment Manager shall be entitled to a fee of 0.85% of the NAV of the Cell per annum for the services rendered in connection with the Cell.
- A Director's fee of USD 10,000 per annum shall apply in respect of the Cell. 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 the Cell.
- The Company and the Cell have been approved for promotion in South Africa by the Financial Sector Conduct Authority (previously the Financial Services Board) of South Africa under section 65 of the Collective Investment Schemes Control Act 2002.

Other than the subsequent events discussed above there are no additional significant subsequent events which have occurred in respect of the Cell that are considered material to the understanding of these audited financial statements.