

## SUPPLEMENTAL CELL PROSPECTUS

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19 APRIL 2024

### CELERITY STERLING BALANCED FUND IC LIMITED

(an incorporated cell registered with limited liability in Guernsey with registration number 46314)  
being an incorporated cell of

### MOMENTUM MUTUAL FUND ICC LIMITED

(an incorporated cell company registered with limited liability in Guernsey on 20 February 2006 with registration number 44370 and governed by the provisions of the Companies (Guernsey) Law, 2008 as amended (the “**Companies Law**”))

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This Supplemental Cell Prospectus (the “**Supplement**”) together with the Prospectus issued in respect of Momentum Mutual Fund ICC Limited (the “**Prospectus**”) represents the scheme particulars in connection with the issue of Participating Shares in the abovementioned cell as required by, and prepared in accordance with, The Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021 (the “**Rules**”) as issued by the Guernsey Financial Services Commission (the “**Commission**”) pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 2020.

**This Supplement must be read in conjunction with the Prospectus and applications for Participating Shares will only be accepted on that basis.**

Further copies of the Supplement and Prospectus may be obtained from the Manager, Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 4HE, Channel Islands or the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited, PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands.

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This is a Supplement to the Prospectus of Momentum Mutual Fund ICC Limited (the “**Company**”) relating to Celerity Sterling Balanced Fund IC Limited (the “**Cell**”), an incorporated cell of the Company registered on 29 January 2007. The Cell was registered with the name “RMB MultiManagers Sterling Balanced Fund IC Limited” and subsequently changed its name to “Momentum Sterling Balanced Fund IC Limited” on 1 June 2011, further changing its name to “Celerity Sterling Balanced Fund IC Limited” on [ ] 2024.

This Supplement contains information which is specific to the Cell. The Prospectus of the Company contains further important information in relation to the Company, its management and operation and its incorporated cells that applies to the Company as a whole and to each cell, including the Cell. This Supplement should be read in conjunction with the Prospectus of the Company and the Memorandum of Incorporation and Articles of Incorporation of the Cell (the “**Cell Articles**”) and applications for Participating Shares will be accepted only on that basis. Copies of the Prospectus of the Company and the Cell Articles may be obtained from the Manager or the Administrator upon request.

Where not otherwise defined in this Supplement, capitalised terms shall bear the meaning ascribed to them in the Prospectus and/or the Cell Articles, as the context requires.

## INFORMATION SUMMARY

Classes of Participating Shares:	Means the different classes of participating redeemable preference shares as may be issued to Shareholders in accordance with the Cell Articles bearing such rights and characteristics as set out hereto. Currently, the following Class of Participating Shares is issued in respect of the Cell: <ul style="list-style-type: none"><li>• Class A GBP Shares, priced and valued in Sterling</li></ul>
Subscription Price:	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.
Subscription Charge:	Means 0% of the subscription amount.
Dealing Day:	Means each Business Day.
Valuation Point:	Means the time by reference to which the NAV per Share is calculated and shall be 11.00pm (Guernsey time) on the relevant Dealing Day.
Minimum Initial Investment:	Means the Sterling equivalent of US\$7,500.
Minimum Subsequent Investment:	Means the Sterling equivalent of US\$500.
Minimum Redemption:	Means not less than the Sterling equivalent of US\$ 10.
Base Currency of the Cell:	Pounds Sterling (" <b>Sterling</b> ").
Dividend Policy:	No dividends will be paid. All income received will be reinvested.

**THE ATTENTION OF INVESTORS IS DRAWN TO THE RISK WARNINGS CONTAINED IN SECTION D AND WITHIN THE PROSPECTUS.**

## FUND CHARACTERISTICS

### A. Investment Objective

The primary objective of the Cell is to provide a balance between capital preservation and capital growth over the full investment cycle in local currency terms with a reduced level of volatility. The diversified portfolio invests into a wide range of asset classes including cash, fixed income, high yield, equities and property. As this portfolio has been designed for investors for whom Sterling is the base currency, typically two thirds of the portfolio will be held in Sterling based investments. The Cell is ideally suited to investors with a medium risk tolerance with an investment horizon of three years or longer.

### B. Investment Policy

The investment objective is achieved through a diversified global portfolio that invests, primarily via other collective investment funds, across a broad range of asset classes and currencies in varying proportions over time. These classes include international equities, fixed income, property, money market instruments, commodities and mixed asset funds. The Cell may also invest in transferable securities which are classes of investments that are negotiable on a capital market such as (but not limited to) shares in companies or bond investments.

Subject to the provisions of the Rules and any associated regulatory guidance in relation to the prevention of double charging, the Cell may be invested in the units or shares of collective investment schemes which are managed or operated by the Manager, or the Investment Manager, or an associated company of the Manager.

The Cell may invest in forward foreign currency exchange contracts and exchange-traded derivatives for hedging purposes and efficient portfolio management.

### C. Investment Restrictions

- (1) The Cell's exposure to asset classes through portfolios of collective investment schemes or other similar schemes, or transferable securities selected to represent an asset class will be as follows:

0% - 20%	Cash and/or Money Market
0% - 60%	Fixed Income
20% - 80%	Equities
0% - 40%	Property
0% - 10%	Commodities

Within the aforementioned spreads, exposure by the Cell to all asset classes, as well as any individual asset class, will be in varying proportions over time.

In certain market conditions or to accommodate anticipated Shareholder redemptions, the Manager may elect to temporarily maintain a higher degree of liquidity and exceed the Cell's Cash and/or Money Market limit. In such instances, the Manager will continue to exercise prudent diversification of the investment portfolio at all times.

The Cell shall not have more than a 20% exposure to any individual share or security except in investment into other collective investment schemes or other similar portfolios where diversification of risk will in the opinion of the investment manager generally be achieved through

the underlying fund. In the case of investments in transferable securities issued by companies with a market capitalisation of less than USD 1 billion at the time of purchase, this limit is reduced to 5%.

- (2) The Cell will not invest in a fund of funds or a feeder fund.
- (3) The Cell will be invested in at least three collective investment schemes or other similar portfolios and will not invest in any one collective investment scheme in excess of 50% of the NAV of the Cell unless that scheme shall have appointed more than one sub-investment manager, in which case the limit shall be 70%.
- (4) All equity securities and exchange traded funds (or other similar schemes held by the Cell) will be listed for trading on exchanges that have obtained full membership of the World Federation of Exchanges, or listed on exchanges that have been subject to the due diligence guidelines prescribed in Board Notice 90 of 2014 Chapter VI or listed on exchanges (such as the New York and London Stock Exchanges) approved for this purpose by the Financial Sector Conduct Authority (“FSCA”) of South Africa.
- (5) Investment in commodities will be restricted to instruments that track the performance of certain commodities that derive their value from precious metals (such underlying metals will be those defined in terms of the South African Precious Metals Act, 37 of 2005.) Such instruments will be listed and dealt with in accordance with the Exchange restrictions referred to above. For the avoidance of doubt, the Cell will not invest directly in physical commodities or soft commodities and investment in an instrument that compels the acceptance of physical delivery of a commodity is also prohibited.
- (6) The Cell will not include any derivative instruments with the exception of:
  - (i) Investment in forward foreign currency exchange contracts for the purpose of mitigating exchange rate risk against both the benchmark and the base currency.
  - (ii) Exchange-traded derivatives for the purpose of risk mitigation within the portfolio.
  - (iii) Derivatives will not be used for speculative purposes.
  - (iv) Unlisted derivative instruments will be limited to forward currency contracts.
  - (v) No uncovered positions will be allowed. Gearing and leveraging for investment purposes will not be allowed.
- (7) The risk profile of portfolios of collective investment schemes to qualify for inclusion in the Cell will be characterised by either:
  - (i) being authorised in terms of section 65 of the Collective Investment Schemes Control Act 2002 of South Africa; or
  - (ii) if not authorised in terms of section 65 of the Collective Investment Schemes Control Act 2002 of South Africa, the portfolio must meet the following minimum requirements:
    - (a) it must be available for investment in its country of domicile;
    - (b) it must have sufficient liquidity to meet investor redemptions;
    - (c) it must have regular redemption intervals;
    - (d) it must not permit direct investment in an instrument that compels the physical delivery of a commodity;
    - (e) borrowings permitted only to the amount of 10% of the value of the portfolios and such borrowings should be incidental to the scheme’s investment strategy: for example, for

purposes of meeting obligations in relation to the administration of the scheme relating to settlement of purchase and sale transactions and redemptions of shares;

- (f) it must not permit investment in structured products
  - (g) the assets of the scheme must be protected by application of the principle of segregation and identification.
- (8) The Cell is prohibited from entering into any prime brokerage agreements.
- (9) The Cell will not hold any direct investment in real estate (including property and infrastructure assets) nor will it invest in interests in real estate (including options or rights) but may invest in shares in real estate companies and property collective investment schemes which themselves invest directly in real estate. The Cell shall not have more than 10% exposure to open-ended direct real estate collective investment schemes, due to the liquidity risks discussed in section D below. The Cell may invest in more liquid forms of real estate, for example listed closed-ended collective investment schemes, up to the exposure limits set out at the start of section C.
- (10) The Cell may not hold any collective investment schemes which are unregulated.
- (11) The Cell will not invest in synthetic exchange traded funds or exchange traded funds with leveraged exposure to underlying assets.
- (12) No borrowing will be undertaken by the Cell other than to meet short-term liquidity requirements in this Cell for the purpose of the payment of obligations in relation to the administration of the scheme relating to settlement of purchase and sale transactions and redemptions of Participating Shares. Borrowings will not exceed 10% of the NAV of the Cell. For such purpose the securities of the Cell may be pledged. The Cell is not permitted to enter into any form of borrowing or loan arrangements with other cells of the Company nor other collective investment schemes of the Manager.

The Directors are permitted to amend the preceding investment objectives, policy and restrictions (including any borrowing and hedging powers) applicable to the Cell provided that no material changes shall be made without providing Shareholders with sufficient notice to enable them to redeem their Participating Shares before the amendment takes effect. Shareholders are not required to approve the amendment of the preceding investment objectives, policy and restrictions (including any borrowing and hedging powers) applicable to the Cell although the Directors reserve the right to seek approval if they consider it appropriate to do so. In seeking approval from the Shareholders as aforesaid the Directors may also request Shareholders to approve a general waiver of the aforementioned notice of the proposed amendments to the investment objectives, policy and restrictions (including any borrowing and hedging powers). Shareholders should note that the waiver, if passed, would apply to all Shareholders regardless of whether or not they voted in favour of the waiver. In any case, such approval(s) would be sought by means of an Extraordinary Resolution of the Cell.

## D. Risk Warnings

**Currency Risk** - The rate of exchange between various currencies is a direct consequence of supply and demand factors as well as relative interest rates in each country, which are in turn materially influenced by inflation and the general outlook for economic growth. The investment return, expressed in the investor's domestic currency terms, may be positively or negatively impacted by the relative movement in the exchange rate of the investor's domestic currency unit and the currency units in which the Cell's investments are made. Investors are reminded that the Cell may have multiple currency exposure.

**Fixed Income Investments Risk** - The primary risk in relation to fixed income investment is that the issuer will default on payment of the interest when due or on repayment of the capital at maturity. If bought on issue and held to maturity then bonds issued by first world governments, supra-national institutions and first class financial institutions generally carry little default risk. In this circumstance, however, they become an illiquid investment. If access to your money subsequently becomes necessary, only the current market value will be realisable. The current market value will depend on how interest rates and their future prospects have moved since the bond was issued. The level of market demand and supply will also play a part.

**Equity Investments Risk** - Investing in equity shares means you are taking a stake in the performance of that company, participating in the profits it generates by way of dividends and any increase in its value by way of a rise in its share price. If the company fails, however, all your investment may be lost with it. The share price does not reflect a company's actual value, rather it is the stock market's view of a company's future earnings and growth potential, coupled with the level of demand for it, that drives the share price higher or lower as the case may be. Demand is a function of the market's assessment of which countries, industry sectors and individual companies offer the best prospects for growth. That assessment is influenced by a whole array of economic and political considerations.

**Property Investment Risk** – Investments into direct property funds involve unavoidable stamp duty payable to governments, as well as very poor liquidity. In the event of a sharp decline in property markets, property funds may suspend their NAVs as a result of heavy redemptions placed by investors which cannot be met due to the illiquidity of the underlying assets. Property investments also tend to involve a degree of gearing, which can reduce returns in periods of declining market values.

**Commodities Investment Risk** - Investments in commodity funds may include precious metals. These goods tend to offer diversification away from conventional asset classes like bonds and equities. Investments in commodities may subject the Cell to greater volatility than instruments in traditional securities. The value of commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as embargoes, tariffs and international economic, political and regulatory developments.

**Concentration Risk** - Although it is the investment policy to diversify the Cell's investment portfolio, the Cell may at certain times hold a few, relatively large investments (in relation to its capital). The Cell could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected.

**Derivatives Risk** - Whilst derivative instruments, in the form of forward foreign currency exchange contracts and exchange-traded derivatives, may be used for hedging purposes and efficient portfolio management, the risk remains that the relevant instrument may not necessarily fully correlate to the

investments in the Cell and accordingly not fully reflect changes in the value of the investment, giving rise to potential net losses.

Forward contracts are neither traded on exchanges nor standardised. Principals dealing in these markets are also not required to make markets in the currencies they trade, with the result that these markets may experience periods of illiquidity. Banks and dealers will normally act as principals and usually each transaction is negotiated on an individual basis.

**Infrastructure Investment Risk** - Investments into direct infrastructure funds involve similar risks to investments into direct property funds, in particular with regards to the illiquidity of the underlying assets. In addition, rates of return on infrastructure assets are often determined by a local or national regulator and can therefore change independently of the traditional market forces of demand and supply. Assets may also be highly specialised, and therefore carry a greater risk of obsolescence in the future or at the end of a concessionary period.

### **General Risks**

- Past performance of any investment is not necessarily a guide to the future.
- Fluctuations in the value of underlying funds and the income from them and changes in interest rates mean that the value of the Cell and any income arising from it may fall as well as rise and is not guaranteed.
- Deductions of charges and expenses mean that you may not get back the amount you invested.
- The fees charged by service providers to the Cell and the underlying fund managers are not guaranteed and may change in the future.
- The risks inherent in investments, which are higher risk investments, are greater than for other investments. Such higher risk investments may be subject to sudden and large falls in value. Higher risk investments include, but are not limited to, investments in smaller companies, even in developed markets, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.
- The Cell will contain shares or units in funds that invest internationally. The value of your investment and the income arising from it will therefore be subject to exchange rate fluctuations.
- The Cell may contain shares or units in funds that do not permit dealing every day. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments other than on the relevant fund's dealing days.
- Borrowings for purposes of paying fund redemptions may require that the amount be secured by means of a pledge of securities held by the Cell. In such instance the Cell will carry a liability until such time that sufficient liquidity is raised in the Cell to repay the amount.
- The Directors may determine to issue further Classes of Participating Shares in the Cell with different rights attaching thereto and, in particular, although all Classes will benefit from the same underlying securities and investment objectives and policy different Classes may from time to time be subject to different fees payable. To the extent that the Cell has more than one Class of Participating Shares subject to different fees, the Administrator shall keep separate books and records for each Class of Participating Share and shall allocate the appropriate fees to each Class.

### **E. Share Dealing**

Subscriptions: In accordance with the procedures set out in the Prospectus, the application form to subscribe must be completed, and cleared funds received by the Administrator by no later than 12.00 noon (Guernsey time) on the relevant Dealing Day.



Redemptions: Written notice to redeem must be received by the Administrator by 12 noon (Guernsey time) on the relevant Dealing Day. Subject to any liquidity constraints applicable to the Cell's investments, the proceeds of redemption will be paid to investors within five Business Days after the relevant Dealing Day.

Further details of the share dealing policies and procedures in respect of the Participating Shares, including the timeframes for the issuance of contract notes, are set out in the Prospectus of the Company.

#### **F. Sub-Investment Manager**

Pursuant to the Sub-Investment Management Agreement, the Investment Manager has appointed Celerity Investments (Pty) Limited FSP No: 47650 a South African registered company whose registered office is at 2<sup>nd</sup> Floor, Building 5, Summit Place Office Park, 221 Garsfontein Road, Menlyn, 0181, South Africa as sub-investment manager to the Cell and to any trading subsidiaries of the cell (the "Sub-Investment Manager"). Pursuant to the terms of the Sub-Investment Management Agreement, the Sub-Investment Manager is responsible for the investment of the Cell's assets in accordance with the objective, policy and investment restrictions set out in this Supplement.

#### **G. Distribution Partner**

Pursuant to the Distribution Agreement, as defined in the Material Agreements section of this supplement, the Directors and the Manager have appointed Celerity Investments (Pty) Limited FSP No: 47650, a South African registered company whose registered office is at 2<sup>nd</sup> Floor, Building 5, Summit Place Office Park, 221 Garsfontein Road, Menlyn, 0181, South Africa, as Distribution Partner to promote and market the Cell.

#### **H. Fees and Expenses**

The Commission has agreed to disapply rule 2.07(10) of the Rules in relation to the Cell. Accordingly, it is possible that Shareholders may indirectly bear additional charges by virtue of the Cell's investment in other collective investment schemes which are also managed by the Manager.

#### **Management, Investment Management and Administration Fee**

Pursuant to the Management Agreement, the Manager shall be entitled to the payment of a fee of 0.30% of the NAV of the Cell per annum (subject to a minimum fee of US\$30,000 per annum) (the "**Management Fee**") 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.

#### **Sub-Investment Management Fee**

Pursuant to the Sub-Investment Management Agreement, the Sub-Investment Manager is entitled to receive a fee of 0.40% of the NAV of the Cell in respect of NAV per annum (the "**Sub-Investment Management Fee**"). The Sub-Investment Management Fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears.

### **Investment Advisory Fee**

Pursuant to the Investment Advisory Agreement, the Investment Advisor is entitled to a fee for the services rendered to the Cell (the “**Investment Advisory Fee**”).

The Investment Advisory Fee will be equal to 0.10% of the NAV of the Cell per annum which will be paid out of the Sub-Investment Management Fee.

### **Distribution Partner Fee**

The Distribution Partner will not be paid a fee.

### **Custodian Fee**

Pursuant to the Custodian Agreement, the Custodian shall be entitled to the payment of a fee (the “**Custodian Fee**”) for the services rendered in connection with the Cell. The Custodian Fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears. Additional transaction fees may also apply.

The Custodian Fee will be chargeable on a sliding scale, as follows:

<b>Band</b>	<b>Fee (per annum)</b>
Up to GBP20m	0.05%
From GBP20m to GBP40m	0.04%
From GBP40m to GBP70m	0.03%
Over GBP70m	0.02%
Minimum Custodian Fee	GBP 5,000 per annum

The minimum Custodian Fee will be borne by the Classes on a pro rata basis by reference to their respective NAVs.

In addition, the Custodian may be entitled to charge and recover transaction fees, external costs and third party fees (including sub-custodian fees) reasonably incurred and as agreed in advance by the Manager.

### **Fee Increases**

The above quoted fees which are directly payable by the Cell shall only be increased subject to Shareholders being provided with sufficient notice to enable them to redeem their Participating Shares before the amendment takes effect. Shareholders will not be required to approve increases in fees payable by the Cell although the Directors reserve the right to seek approval if they consider it appropriate to do so. In seeking approval from the Shareholders as aforesaid the Directors may also request Shareholders to approve a general waiver of the aforementioned notice. Shareholders should note that the waiver, if passed, would apply to all Shareholders regardless of whether or not they voted in favour of the waiver. In any case, such approval(s) would be sought by means of an Extraordinary Resolution of the Cell.

### **Directors’ Fees**

A Director’s fee of US\$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. 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.

### **Transaction Fees**

Fees will be levied on all transactions placed in relation to the underlying assets of the Cell.

### **I. Material Agreements**

The following agreements have been entered into and are (or may be) material to the Cell (in each case, as may be amended, modified or supplemented from time to time).

1. Authority Agreement dated 1 December 2009 (the “**Authority Agreement**”) between the Cell and the Company. Pursuant to this agreement the Company has agreed to act on behalf of the Cell in respect of the negotiation, amendment and execution of principal agreements with service providers and to take such actions as necessary to perform the Company’s obligations (duly acting on behalf of the Cell) as prescribed under those agreements.
2. Sub-Investment Management Agreement dated 19 April 2024, between the Investment Manager and Celerity Investments (Pty) Limited (the “**Sub-Investment Manager**”). Pursuant to the agreement, the Sub-Investment Manager has agreed to act as Sub-Investment Manager of the Cell. In the absence of fraud, wilful default or negligence, the Sub-Investment Manager shall not be liable for any loss or damage suffered by the Company or the Cell or any other person arising out of an error of judgment or oversight or mistake of law on the part of the Sub-Investment Manager made in good faith in the performance of its duties. The agreement may be terminated by any party giving three months’ prior notice to the others in writing.
3. Distribution Agreement dated 19 April 2024 (the “**Distribution Agreement**”) between the Cell and Celerity Investments (Pty) Limited (the “**Distribution Partner**”). The Distribution Partner shall have the exclusive rights to promote and market the Cell and shall provide its services in the promotion, marketing and advertising of the Cell. The Distribution Partner shall indemnify the Cell in respect of all claims arising out of the activities of the Distribution Partner in relation to the Cell. The Distribution Agreement is terminable inter-alia, on six months’ notice given by either party.

### **J. Regulatory Position**

The Company and the Cell are authorised as a Class B Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 2020. In giving this authorisation the Guernsey Financial Services Commission does not vouch for the financial soundness of the Company or the Cell or for the correctness of any of the statements made or opinions expressed with regard to them.

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. Investors resident in the Republic of South Africa should read the schedule of Regulatory Similarities and Differences as set out under separate cover.

The Manager is the “principal manager” of the Company and the Cell and is licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, St Peter Port,



Guernsey, GY1 1WF. The Manager is a full member of the Association for Savings and Investments South Africa (ASISA).

This Supplement may not be circulated or copied where it may constitute an infringement of any local laws or regulations. This Supplement is for the sole use of the intended recipient and may not be reproduced or circulated without the prior written approval of the Manager.

**K. Declaration**

The Directors of the Cell have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other material facts, the omission of which would make misleading any statement in this document, whether of fact or opinion. The Directors accept responsibility accordingly.