

# Caleo Global Flexible Fund - Class A USD

Fund data for the month ending 30 June 2022

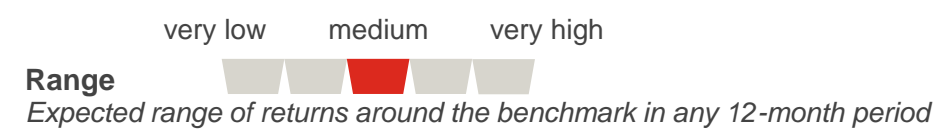
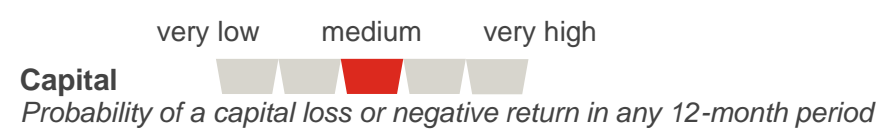
## Fund details<sup>1</sup>

Manager: <b>Momentum Wealth International Limited</b>	Investment manager: <b>Momentum Global Investment Management</b>	Sub-investment manager: <b>Caleo Capital (Pty) Limited</b>	Distribution partner: <b>Caleo Capital (Pty) Limited</b>
Custodian: <b>Northern Trust (Guernsey) Limited</b>	Income distribution: <b>Accumulating, income received is not distributed</b>	ISIN: <b>GG00B97L2C47</b>	Initial fee: <b>None</b>
Inception date: <b>15 May 2013</b>	Investment timeframe: <b>5 years +</b>	Currency: <b>USD</b>	Distribution partner fee: <b>None</b>
Valuation point: <b>11:00pm (Guernsey time) on the relevant Dealing Day</b>	Subscriptions / redemptions: <b>Daily</b>	Minimum subscription: <b>USD 7,500</b>	Financial year-end TER <sup>2</sup> : <b>1.94%</b>
Benchmark <sup>3</sup> : <b>Morningstar EAA USD Flexible Allocation</b>	Fund size: <b>USD 65.1 million</b>	ASISA sector: <b>Fund of funds</b>	TER <sup>2</sup> : <b>2.05%</b>
Subscriptions cut-off time: <b>The application form to subscribe must be completed and received by the Administrator by no later than 12:00 noon (Guernsey time) one Business Day before the relevant Dealing Day, with cleared funds to be received by no later than 12:00 noon (Guernsey time) on the relevant Dealing Day.</b>			
Redemptions cut-off time: <b>Written notice to redeem must be received by the Administrator by no later than 12:00 noon (Guernsey time) one Business Day before the relevant Dealing Day.</b>			

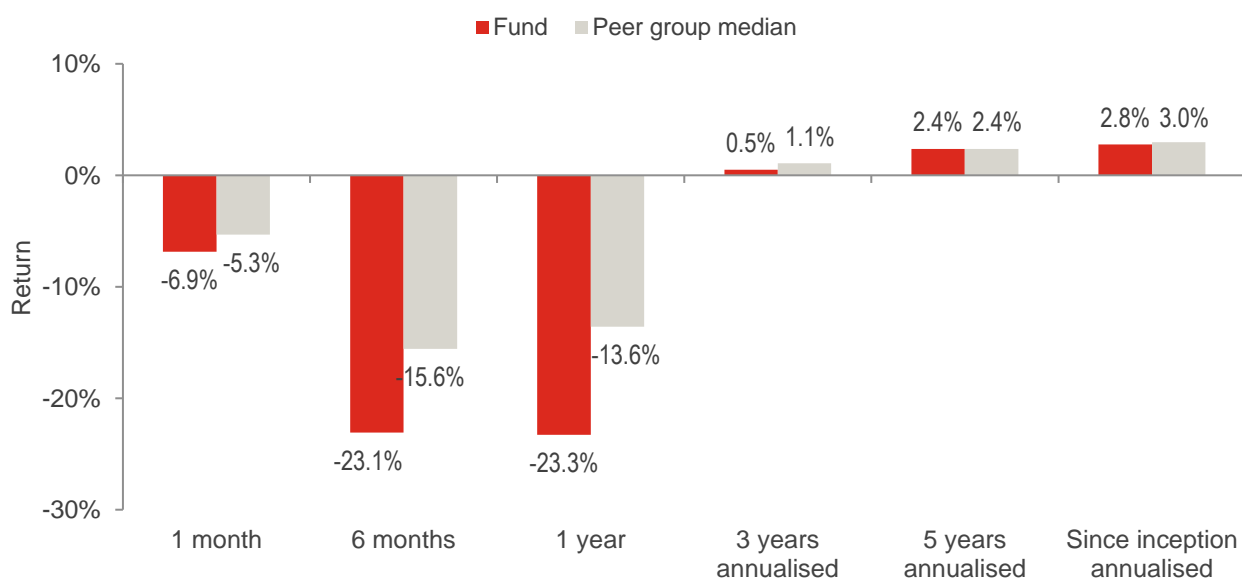
Up to date Fund prices per share are available on [www.morningstar.co.za](http://www.morningstar.co.za) or upon request from the Manager or Administrator.

## Investment objective

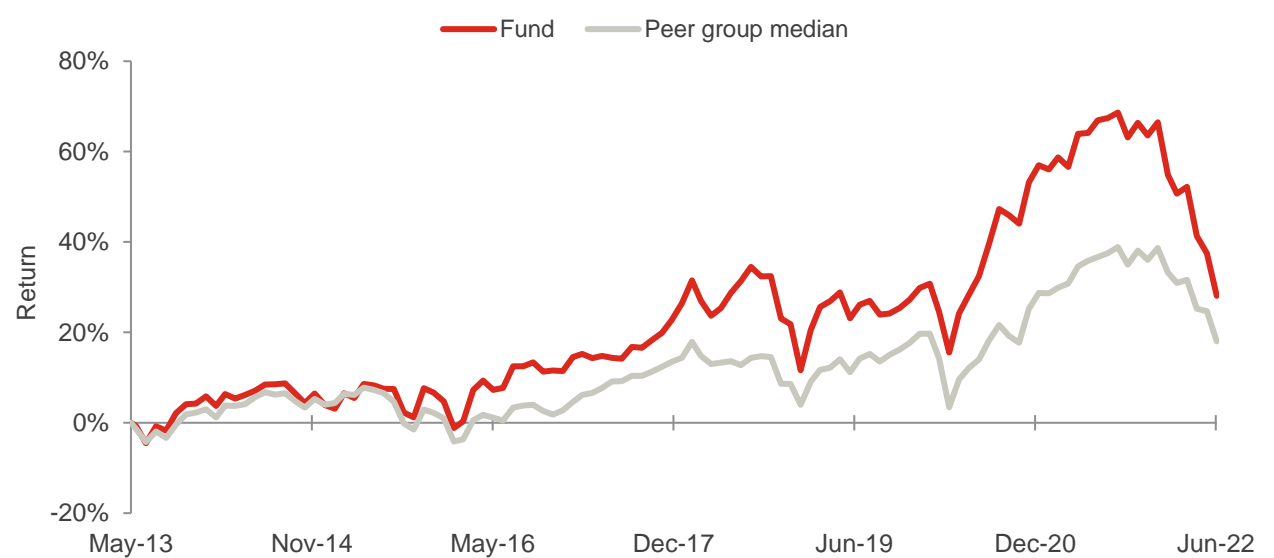
The primary objective of the Fund is capital appreciation in real terms over the investment horizon. The Fund is ideally suited to investors with a moderate to aggressive risk tolerance (measured in the base currency of the Fund) over an investment cycle of five years or longer. The diversified portfolio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



## Fund performance<sup>†</sup>



## Cumulative returns<sup>†</sup>



Sources: Morningstar, Momentum Global Investment Management Limited, Northern Trust International Fund Administration Services (Guernsey) Limited. **Past performance is not indicative of future returns.** The Fund performance is calculated on a total return basis, net of all fees and in US dollar terms. NAV to NAV figures have been used for the performance calculations. The performance is calculated for the Fund. The individual investor performance may differ, as a result of various factors, including the actual investment date. Investment performance calculations are available for verification upon request. Annualised returns are period returns re-scaled to a period of 1 year. This allows investors to compare returns of different assets that they have owned for different lengths of time. Actual annual figures are available to investors upon request. Current peer group: Morningstar EAA USD Flexible Allocation. The peer group prior to July 2015 was Morningstar EAA USD Moderate Allocation.

## Top holdings

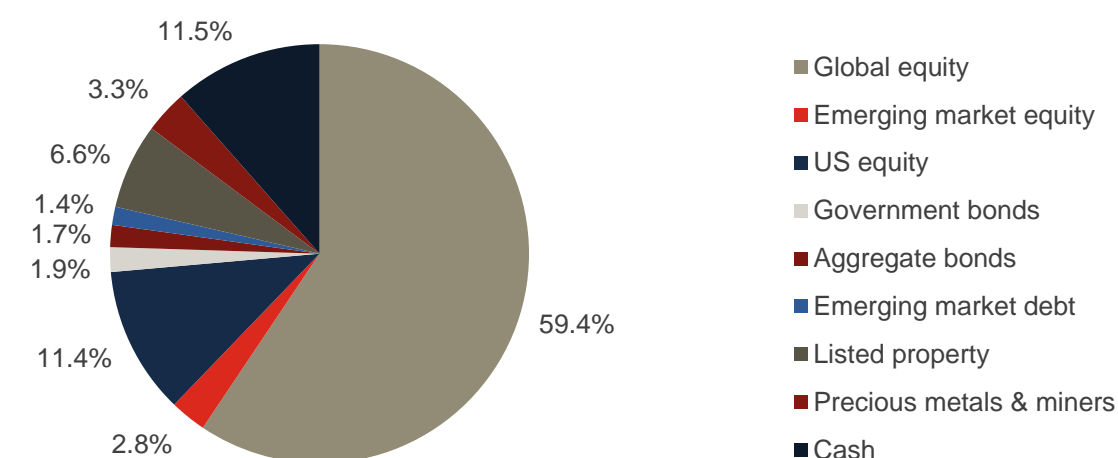
Holdings	Asset type	Weight
Fundsmith Equity	Equity	30.7%
Morgan Stanley Global Opportunity	Equity	19.2%
Cash	Cash	9.3%
iShares Developed Markets Property Yield ETF	Property	6.6%
Prescient China Balanced	Equity	6.5%
FlexShares STOXX US ESG Impact Index ETF	Equity	6.2%
Vanguard Value Index ETF	Equity	5.2%
iShares Edge MSCI World Value Factor ETF	Equity	4.8%
iShares MSCI World ETF	Equity	4.7%
iShares MSCI Global Metals & Mining Producers ETF	Equity	3.3%

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

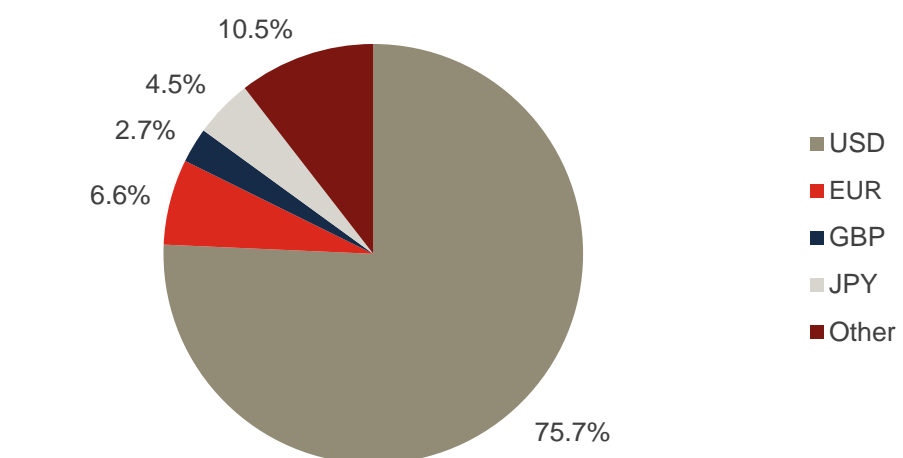
## Investment statistics (since inception)<sup>†</sup>

Current month return:	-6.9%
Cumulative return:	28.4%
Annualised return:	2.8%
Annualised volatility:	11.0%
Highest annual return:	35.5% (Apr 2020 - Mar 2021)
Lowest annual return:	-23.3% (Jul 2021 - Jun 2022)

## Current asset allocation<sup>4</sup>



## Currency allocation



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

<sup>†</sup>Performance figures, between 27.04.21 and 06.02.22, are those of the Fund operated under SA Alpha PCC Limited with ISIN GG00BNLX786. The Fund was managed according to a similar investment mandate, objective and strategy by Caleo Capital (Pty) Limited. The Fund transitioned to SA Alpha PCC Limited on 27.04.21 and returned to Momentum Mutual Fund ICC Limited on 07.02.22. <sup>1</sup>Please refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts. <sup>2</sup>The Total Expense Ratios (TERs) are the percentages of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TERs. The TER to 31.03.22 is based on data for the period from 31.03.21 to 31.03.22 and the financial year-end TER is based on data for the financial year-end to 30.06.21. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees. <sup>3</sup>Prior to 01.02.20 the benchmark for the performance comparison provided in this document comprised: 60% MSCI AC World, 40% ICE BofAML Global Broad Market. <sup>4</sup>Current asset allocation figures reflect the strategy classification of the collective investment schemes (or similar schemes) held by the Fund and do not look through to the underlying holdings of such schemes.

## Market commentary

It has been another difficult quarter for markets as the expectation for further increases in interest rates contributed to a decline in equity valuations, along with concerns about the growth outlook. Markets now expect interest rates to rise to 3.4%, 3% and 1.6% in the US, UK and Europe, respectively, by next year. Recession fears have risen, due to the squeeze on consumers from higher prices and higher borrowing costs as the central banks seek to fight inflation.

In the US, the Federal Reserve indicated that it is determined to get inflation under control, with the median Fed member now expecting to have to raise interest rates to 3.8% by next year to combat inflation. The Fed forecasts that unemployment will need to rise to just above 4% to get inflation down. However, the market is clearly worried that getting inflation under control could require unemployment to rise much higher, as has historically been the case.

The S&P 500 ended the month down -8.25%.

In the UK, unemployment remains low, but consumer confidence has hit a record low. Consumers are feeling the squeeze from negative real wage growth. While the help from the chancellor to cope with higher prices will ease some of the pain, question marks remain as to whether it will be enough to prevent a recession.

FTSE 100 TR finished the month down -5.53%.

In Europe, consumer confidence has also fallen dramatically. The biggest risk to the European economy is the reduction in gas supplies coming from Russia, which has driven prices up significantly, and is raising fears of outright shortages and rationing if it continues. Gas shortages could have grave consequences for the European economy. The ECB has said that it will come up with an antifragmentation tool to limit the rise in Italian borrowing costs, allow for an even transmission of its desired monetary policy across the eurozone, and hence help keep the eurozone together.

FSE Dax TR and Euronext Paris CAC 40 GR returned -11.15% and -8.19% respectively for the month while the MSCI Europe ex UK GR ended the month down -8.14%.

In Emerging markets, There is hope that China may be able to move beyond the heavy restrictions that have severely affected economic activity this year. The Chinese Centre for Disease Control and Prevention showed that of more than 33 000 patients who have been sent to hospital after catching Omicron, only 22 developed severe illness, all of whom were over 60 and had pre-existing medical conditions.

Emerging markets (MSCI EM 50 NR) ended the month down -6.60%

The Caleo Global Flexible Fund ended the month down -6.85%.

Source: Caleo Capital (Pty) Limited, Market Pulse, TradingEconomics, Bloomberg, ShareData, Morningstar, Investing.com, StatsSA, JPMorgan, Anchor Capital.

## Fees applicable to Class A participating shares

Management and administration fee:		Investment management fee:	Sub-investment management fee:	Other applicable fees:	
<b>NAV of Fund</b>	<b>Fee per annum</b>	1.00% per annum (maximum)	0.85% per annum (maximum)	Custody fees:	
Up to USD 30m	0.35%	Performance fees are not applicable to this Fund	<i>paid out of the investment management fee</i>	Up to USD 30m	0.05%
From USD 30m to USD 60m	0.30%			From USD 30m to USD 60m	0.04%
Over USD 60m	0.25%			From USD 60m to USD 100m	0.03%
<i>subject to a minimum of USD 22,000 per annum</i>				Over USD 100m	0.02%
				<i>subject to a minimum of USD 8,000 per annum. (Custodian fee per transaction: USD 25)</i>	
				Distribution fees: 0.00%	
				Directors' fees: 0.00%	

## Risk warnings and important notes

Collective investments are generally medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future.

Collective investments are traded at ruling prices. Commission and incentives may be paid and, if so, would be included in the overall costs. All performance is calculated on a total return basis, after deduction of all fees and commissions and in US dollar terms. Forward pricing is used.

The Fund invests in other collective investments, which levy their own charges. This could result in a higher fee structure for the Fund.

Fluctuations in the value of the underlying funds, the income from them and changes in interest rates mean that the value of the Fund 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 within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.

Higher risk investments may be subject to sudden and larger falls in value in comparison to other investments. 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.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.

The Fund will contain shares or units in underlying funds that invest internationally. The value of an investor's investment and the income arising from it will therefore be subject to exchange rate fluctuations.

Foreign securities may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

The Fund may contain shares or units in underlying 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 fund's dealing days.

No borrowing will be undertaken by the Fund except for the purpose of meeting short term liquidity requirements. Borrowings will not exceed 10% of the net asset value of the Fund. For such purpose, the securities of the Fund may be pledged. No scrip borrowing will be allowed. The Cell is not permitted to enter into any form of borrowing or loan arrangement with other cells of the Company nor other collective investment schemes of the Manager.

While derivative instruments may be used for hedging purposes, the risk remains that the relevant instrument may not necessarily fully correlate to the investments in the Fund 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.

The Manager has the right to close the Fund to new investors, in order to manage it more efficiently, in accordance with its mandate.

Investment in the Fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.

Investors are reminded that any forecasts and/or commentary included in this MDD are not guaranteed to occur, and merely reflect the interpretation of the public information and propriety research available to the Investment Manager at a particular point in time.

This report should be read in conjunction with the prospectus of Momentum Mutual Fund ICC Limited and the supplement, in which all the current fees and fund facts are disclosed. Copies of these scheme particulars, including the Prospectus, Fund Supplement, and the annual accounts of the Scheme, which provide additional information, are available, free of charge, upon request from Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF, Telephone 0044 1481 735480, or from our website [www.momentum.co.gg](http://www.momentum.co.gg). A schedule of similarities and differences is also available to South African investors and can be found on our website [www.momentum.co.gg](http://www.momentum.co.gg).

This report should not be construed as an investment advertisement, or investment advice or guidance or proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund.

While all care has been taken by the Investment Manager in the preparation of the information contained in this report, neither the Manager nor Investment Manager make any representations or give any warranties as to the correctness, accuracy or completeness of the information, nor does either the Manager or Investment Manager assume liability or responsibility for any losses arising from errors or omissions in the information.

Momentum Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised, as an open-ended collective investment scheme of Class B 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 do not vouch for the financial soundness of Momentum Mutual Fund ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

Caleo Global Flexible Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 56161.

Momentum Wealth International Limited (MWIL) is the Fund Manager, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF. MWIL is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa. Momentum Wealth International Limited is a full member of the Association for Savings and Investments SA (ASISA).

Momentum Collective Investments (RF) (Pty) Ltd a South African company Registration No. 1987/004287/07, with its registered office at 268 West Avenue, Centurion, 0157, South Africa, has been appointed by the Manager as the Representative Office for the fund. Share call number 0860 111 899 Telephone +27 (0) 12 675 3002 Facsimile +27 (0) 12 675 3889.

Momentum Collective Investments (RF) (Pty) Ltd is an authorised manager of collective investment schemes in terms of the Collective Investment Schemes Control Act, No 45 of 2002.

Northern Trust International Fund Administration Services (Guernsey) Limited is the Fund Administrator, licensed by the Guernsey Financial Services Commission, with its registered office at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

Momentum Global Investment Management Limited (MGIM) is the appointed Investment Manager of the fund and is authorised and regulated by the UK Financial Conduct Authority, with its registered address at The Rex Building, 62 Queen Street, London EC4R 1EB. MGIM is exempt from the requirements of section 7(1) of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS) in South Africa, in terms of the FSCA FAIS Notice 141 of 2021 (published 15 December 2021). For complaints relating to MGIM's financial services, please contact [DistributionServices@momentum.co.uk](mailto:DistributionServices@momentum.co.uk).

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

Northern Trust (Guernsey) Limited is the Custodian, licensed by the Guernsey Financial Services Commission, with its registered office at PO Box 71, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DA.

Momentum Wealth International Limited retains full legal responsibility for the Fund.

Momentum Wealth International Limited does not provide any guarantee, either with respect to the capital or the return of the Fund.

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