

SUPPLEMENTAL CELL PROSPECTUS

12 JULY 2018

FLAGSHIP INTERNATIONAL FLEXIBLE FUND IC LIMITED

(an incorporated cell registered with limited liability in Guernsey with registration number 48255)

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**”))

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 2013 (the “**Rules**”) as issued by the Guernsey Financial Services Commission (the “**Commission**”) pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

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.

This is a Supplement to the Prospectus of Momentum Mutual Fund ICC Limited (the “**Company**”) relating to Flagship International Flexible Fund IC Limited (the “**Cell**”), an incorporated cell of the Company registered on 21 December 2007.

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 (the “**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:	<p>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 Classes of Participating Shares are issued in respect of the Cell:</p> <p>Class A USD Shares, priced and valued in US Dollars. Class B USD Shares, priced and valued in US Dollars.</p> <p>Class B USD Shares are only available to investors who are subject to a separate management or advisory arrangement with Flagship Asset Management (Pty) Limited.</p>
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 day that is a Business Day.
Minimum Initial Investment:	Means US\$7,500 (or currency equivalent).
Minimum Redemption:	Means not less than US\$100 (or currency equivalent).
Base Currency of the Cell:	US Dollars.
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 offer long-term capital growth with an acceptable level of risk to the more aggressive investor. The Cell aims to maximize returns over the medium to long term through flexible asset allocation strategies, taking active decisions in accordance with current and projected economic and market conditions. Although the portfolio maintains a bias towards equity investments, it also invests from time to time in bonds, property and money market instruments without restriction and does not impose target bands across any of these classes. The Cell is further diversified across geographic regions, market sectors and currencies. On account of the Cell's bias towards equity investments, it is ideally suited to investors with an above average risk tolerance and with an investment horizon of five years or longer.

B. Investment Policy

The investment objective is achieved through an actively-managed portfolio that is spread across a broad range of asset classes and currencies in varying proportions over time. These asset classes include equity, bond, property, as well as money market instruments. The Cell may invest in securities that directly represent the relevant asset class, or it may invest in underlying portfolios of collective investment schemes or other similar schemes that provide exposure to the relevant asset classes, or invest in a combination of the two. Out-performance is targeted through aggressive asset allocation, and focused security and underlying portfolio selection, based on in-house proprietary models of the Sub-Investment Manager and extensive internal and external research.

The Cell may utilise limited derivative instruments where deemed appropriate as a result of the Sub-Investment Manager's short and medium term view of the outlook for world stock markets. The derivative instruments will generally comprise stock market futures, stock market index put options or index-tracking exchange traded funds that have similar characteristics.

The Cell may be invested in the units or shares of investment schemes which are managed or operated by the Manager or an associated company of the Manager.

Neither the Manager nor any such associated company shall be liable to account to investors for any profit, charges or remuneration made or received by the Manager or any such associated company and the Manager's fee shall not be abated thereby.

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

C. Investment Restrictions

- (1) The Cell will not hold more than 5% of the market value of the Cell in any class of security issued by any single issuer, unless the market capitalisation of the class exceeds \$350 million, in which case the holding will be restricted to 10%.
- (2) The inclusion of securities in the Cell in terms of paragraph (1) will be subject to an overall limit of 15% of the aggregate amount of securities of all security classes issued by the issuer.
- (3) The Cell will not include more than 10% of its market value in securities that are not listed or quoted on an exchange that has not obtained full membership of the World Federation of Exchanges, or that are listed on exchanges that have been subject to the due diligence guidelines prescribed in Financial Services Board (“FSB”) Board Notice 90 of 2014 Chapter VI, or that are listed on exchanges (such as the New York and London Stock Exchanges) approved for this purpose by the FSB.
- (4) Investment in the same issue of any single Government and other public securities will be limited to 15% of the market value of the Cell.
- (5) Not less than 90% of fixed income security investments held by the Cell will be assigned a credit rating of at least “investment grade” as rated by Moody’s Investors Services Ltd, Standard and Poor’s or Fitch Ratings Ltd.
- (6) Investments in individual collective investment schemes or other similar schemes will be restricted to 20% of the market value of the Cell. The Cell may be invested into such number of collective investment schemes or other similar schemes as considered appropriate from time to time. 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) 90% of equity securities held by the portfolios must be listed on exchanges that have obtained full membership of the World Federation of Exchanges or be listed on exchanges that have been subject to the due diligence guidelines prescribed in FSB 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 FSB;
 - (b) borrowings permitted only to the amount of 10% of the value of the portfolios and such borrowing will only be undertaken 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;
 - (c) derivatives only permitted for purposes of efficient portfolio management of the portfolios;
 - (d) unlisted derivative instruments allowed for the portfolios are: unlisted forward currency, interest rate or exchange rate swap transactions;
 - (e) no uncovered derivative positions will be allowed for the portfolios;
 - (f) no gearing (leveraging) will be allowed for the portfolios; and
 - (g) no scrip borrowing will be allowed for the portfolios;

No unregulated collective investment schemes or unregulated exchange traded funds may be held by the Cell;

Collective investment schemes and exchange traded funds that invest in synthetic instruments or with leveraged exposure to underlying assets will not be allowed; and 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.

- (7)
 - (a) Derivative instruments will only be utilised to hedge existing investments of the Cell. No net negative exposure to equity securities may be established through the use of derivatives, nor will any short sales or purchases on margin by the Cell be allowed.
 - (b) the Cell may not invest in over-the-counter or unlisted derivative instruments nor have any uncovered exposures: provided that such portfolio may include unlisted forward currency, interest rate or exchange rate swap transactions where the inclusion of such transactions is only utilised for efficient portfolio management;
 - (c) the Cell may not gear or leverage its portfolio.
- (8) The Cell may also utilise purchased call options of which the Cell's exposure to the related underlying obligations will be limited to 7.5% of the market value of the Cell. Any writing of uncovered options by the Cell will be prohibited.
- (9) For the purpose of risk reduction, the Cell may invest in forward foreign currency exchange contracts for hedging purposes by using forward contracts to sell unwanted currency exposures arising from the Cell's investment portfolio. Any exposure of the Cell to these contracts will be fully covered.
- (10) The Cell will not hold any direct investment in real estate nor will it invest in interests in real estate (including options or rights but excluding shares in real estate companies).
- (11) The Cell may not acquire any investment which involves the assumption of any liability which is unlimited.
- (12) The Cell may not include any security (nil/partly paid securities) where a call may be made for any sum unpaid on that security unless that call could be met in full out of cash or near cash by the Cell, the amount of which has not already been taken into account for the purposes of providing cover for any financial instrument.
- (13) The Cell may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for, or in connection with, any obligation or indebtedness of any persons.
- (14) Borrowing of money by the Cell must be limited to 10% of the value of the underlying portfolio and the money borrowed may only be used to meet its obligations in relation to the administration of a scheme relating to settlement of buying and sale transactions and repurchase or cancellation of participatory

interests.

- (15) The Cell is prohibited from entering into any prime brokerage agreements, and is prohibited from purchasing or holding any underlying collective investment schemes that have themselves entered into prime brokerage agreements.
- (16) 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.

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 the investor's 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 of the investor's 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 Risk – Investments in property funds may 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 NAV calculations as a result of heavy redemptions placed by investors which cannot be met due to the illiquidity of the underlying assets.

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.

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.
- > Whilst 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 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.
- > Options purchased may result in the premium paid becoming valueless at maturity if the price of the investment underlying the option has not moved in favour of the Cell.

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 received, with cleared funds, 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 no later than 12.00 noon (Guernsey time) one Business Day before 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

The Investment Manager has appointed, pursuant to the Sub-Investment Management Agreement, Flagship Asset Management (Pty) Limited, a South African registered company whose registered office is at ICR House, Alphen Office Park, Constantia Main Road, Constantia, Cape Town, South Africa as Sub-Investment Manager in relation to the Cell and to any Trading Subsidiaries of the Cell. Pursuant to the terms of the Sub-Investment Management Agreement, the Sub-Investment Manager is responsible for the investment of the Cell's assets and has discretionary authority to invest the same in accordance with the objective, policy and investment restrictions set out in this Supplement.

G. Distribution Partner

The Directors and the Manager have appointed, pursuant to the Distribution Agreement, Flagship Asset Management (Pty) Limited, as Distribution Partner to promote and market the Cell.

H. Fees and Expenses

The Commission has agreed to disapply rule 2.08(9) 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.

Investment Management Fee

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to a fee for the services rendered to the Cell (the “**Investment Management Fee**”). In respect of the Class A USD Shares, the Investment Management Fee will be up to 1.55% of the NAV of the Cell attributable to the Class A USD Shares per annum. In respect of the Class B USD Shares, the Investment Management Fee will be equal to 0.05% of the NAV of the Cell attributable to the Class B USD Shares per annum. The Investment Management Fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears.

Sub-Investment Management Fee

Pursuant to the Sub-Investment Management Agreement, the Sub-Investment Manager is entitled to a fee for the services rendered to the Cell (the “**Sub-Investment Management Fee**”). In respect of the Class A USD Shares, the Sub-Investment Management Fee will be up to 1.5% of the NAV of the Cell attributable to the Class A USD Shares per annum. No Sub-Investment Management Fee will be accrued and charged in respect of the Class B USD Shares. The Sub-Investment Management Fee will be paid out of the fee received by the Investment Manager. The Sub-Investment Management Fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears.

Management and Administration Fee

Pursuant to the Management and Administration Agreements, the Manager and the Administrator shall be entitled to the payment of a fee (the “**Management and Administration Fee**”) for the services rendered in connection with the Cell. The Management and Administration Fee will accrue as at each Valuation Point, based on the current valuation of the Cell and is payable monthly in arrears.

The Management and Administration Fee will be chargeable on a sliding scale in respect of all Share Classes, as follows:

Band	Fee (per annum)
Up to US\$30m	0.35%
Over US\$30m to US\$60m	0.30%
Over US\$60m	0.25%
Minimum Management and Administration Fee	US\$ 22,000 per annum

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

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.

The Custodian Fee will be chargeable on a sliding scale in respect of all Share Classes, as follows:

Band	Fee (per annum)
Up to US\$30m	0.05%
From US\$30m to US\$60m	0.04%
From US\$60m to US\$100m	0.03%
Over US\$100m	0.02%
Minimum Custodian Fee	US\$8,000 per annum

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

Additional transaction fees may also apply. 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

The Directors' fees in respect of the Cell shall not exceed US\$20,000 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.

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 28 January 2008 (the "**Sub-Investment Management Agreement**") between the Investment Manager and Flagship Asset Management (Pty) Limited (the "**Sub-Investment Manager**"). Pursuant to this 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 28 January 2008 (the “**Distribution Agreement**”) between the Cell, the Manager and Flagship Asset Management (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 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, 1987, as amended. 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.