

Schedule of Similarities and Differences between Guernsey and South African regulations
as applicable to the Momentum Mutual Fund ICC Limited scheme in relation to Caleo Global Flexible Fund IC Limited and a South African Collective Investment Scheme

Item	Guernsey Regulation Scheme: Momentum Mutual Fund ICC Limited Fund of Funds: Caleo Global Flexible Fund IC Limited (the “Fund”)	South African Regulation* Scheme: a SA Unit Trust Scheme Fund of Funds: a SA Unit Trust Fund of Funds
<p>1. Investment restrictions applicable to the risk profile of collective investment schemes</p>	<p>A minimum of at least three collective investment schemes or other similar portfolios provided that the investment in any one does not exceed 50% of the NAV of the Fund unless that scheme shall have appointed more than one sub-investment manager, in which case the limit shall be 70%.</p> <p>All exchange traded funds will 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 Board Notice 90 of 2014, or be 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.</p> <p>Exchange traded funds and collective investment schemes that invest in synthetic instruments will not be allowed.</p> <p>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). The Fund 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.</p> <p>The risk profile of portfolios of collective investment schemes (CIS) to qualify for inclusion in the Fund will be characterised by either:</p> <ol style="list-style-type: none"> being authorised in terms of section 65 of the Collective Investment Schemes Control Act 2002 of South 	<p>A minimum of two other funds; provided the investment in any one fund does not exceed 75% of the market value of the fund of funds.</p> <p>Foreign funds to be included must have a risk profile similar to SA unit trust funds; provided that the foreign funds must meet the following additional minimum requirements:</p> <ol style="list-style-type: none"> 90% of interest-bearing instruments must have a credit rating of “investment grade” by a rating agency; borrowings permitted only to the amount of 10% of the value of the funds and only for purposes of redemptions in the funds; no unlisted derivative instruments or uncovered exposures included; provided that the funds may hold unlisted forward currency, interest rate or exchange rate swap transactions where the inclusion is to utilise for efficient portfolio management; no gearing or leveraging is allowed.

	<p>Africa;</p> <p>OR</p> <p>2. 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:</p> <p>(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 Board Notice 90 of 2014, or listed on exchanges (such as the New York and London Stock Exchanges) approved for this purpose by the FSCA;</p> <p>(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 Participating Shares;</p> <p>(c) derivatives only permitted for purposes of efficient portfolio management of the portfolios;</p> <p>(d) unlisted derivative instruments only allowed for the portfolios as unlisted forward currency, interest rate or exchange rate swap transactions;</p> <p>(e) no uncovered derivative positions will be allowed for the portfolios;</p> <p>(f) no gearing (leveraging) will be allowed for the portfolios;</p> <p>(g) no scrip borrowing will be allowed for the portfolios; and</p> <p>(h) exchange traded funds and collective investment schemes that invest in synthetic instruments will not be allowed.</p>	
<p>2. Investment in other fund of funds and feeder funds</p>	<p>Not permitted</p>	<p>A fund of funds may invest in participatory interests issued by another fund of funds only if that fund of funds holds assets outside the Republic of at least 85% of the value of the fund of funds and where that fund of funds is not invested in another fund of funds or feeder fund.</p> <p>A fund of funds may invest in participatory interests issued by a feeder fund only if the feeder fund</p>

		<p>holds assets outside the Republic of at least 85% of the value of the feeder fund.</p> <p>If a manager of a fund of funds includes participatory interests of a foreign feeder fund in such portfolio, that feeder fund may not have invested in another feeder fund or fund of funds.</p> <p>A fund of funds must be invested in at least five other funds and may not invest in another fund in excess of 20% of the said fund of funds market value.</p>
3. Investment restrictions on the use of derivative instruments	Derivative instruments will only be utilised to hedge exchange rate risk by way of unlisted forward currency, interest rate or exchange rate swap transactions. No uncovered derivative positions will be allowed for the portfolio. No net negative exposure to equity securities through derivatives, or short sales or purchase on margin will be allowed.	<p>Exposure limits for derivative instruments requires the sum of nominal exposures to assets in liquid form, together with the market value of all physical underlying assets in the portfolio, to not exceed 100% of the portfolio market value.</p> <p>Derivative instruments to be used for purposes of efficient portfolio management. No gearing allowed.</p>
4. Investment of own resources into the Fund	No requirement to invest.	<p>Manager must invest 10% of own resources in each fund.</p> <p>May be limited to R1,000,000 maximum per fund that may be reduced by 10% for every R1m invested.</p>
5. Borrowing	Maximum 10% of the market value of the Fund to meet short-term liquidity requirements regarding redemptions and to finance investments in anticipation of receipt of subscription monies.	10% of the value of the underlying portfolio permitted for redemption of participatory interests only.
Leverage / Gearing	No gearing or leveraged permitted.	Leverage / Gearing not permitted.
6. Expenses / Charges		
6.1 Costs to unit holders	Full disclosure in Prospectus and Fund Supplemental Prospectus. Notice to shareholders of any increases.	Full disclosure in Deed. Notice to unit holders in case of increase.
6.2 Charges against income of the Fund	Full disclosure of costs and charges chargeable against the income of the Fund (brokerage, audit fee, bank charges, investment manager/sub-investment manager/manager & administration/custodian fees, other permitted expenses, levies or taxes) in the Prospectus and Fund Supplemental	Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee fees, other levies or taxes, service charge and share creation fees payable to the Registrar of Companies.

	Prospectus.	
7. Determination of market value of investments	Market price feed of prices of underlying collective investment schemes.	Fair market price, or as determined by stockbroker.
8. Risk factors	Full details of risk analysis and warnings are described within the Prospectus and Fund Supplemental Prospectus. Investment/return values are not guaranteed.	Investment/return values are not guaranteed.
9. Capped or not capped	Not capped.	Not capped.
10. Redemption (repurchase) of participatory interests	The Manager will carry out redemptions that are scheduled, on each day that is a Business Day, at the NAV per Share of such Class as at the applicable Valuation Point calculated at 11pm on the same day, subject to the Fund's Supplemental Prospectus.	Legally obliged to redeem at same day's or previous day's price as determined in the Deed.
11. Independent Trustee / Custodian	Manager, Administrator & Custodian are all independent companies.	Trustee/Custodian must be completely independent.
12. Separation of assets of the Fund received by the manager, trustee or custodian	All assets of the Fund must be legally separated and identifiable from the proprietary assets of the independent custodian. The Fund may not enter into any prime brokerage agreements.	All assets of the portfolio must be segregated from the proprietary assets of the manager, trustee and custodian
13. Taxation of Fund	No taxation.	No taxation.
14. Taxation of unit holders		
14.1 Income - Dividends - Interest	The Company and its Cells are not required to deduct Guernsey income tax from dividends on any Share or Cell Share (if applicable) paid to Guernsey residents. No payments made by the Fund to non-Guernsey resident shareholders are subject to Guernsey tax	Interest and dividends (dividend withholding tax introduced April 2012) are taxable in the hands of the unit holder.
14.2 Capital gains	Guernsey does not levy any capital gains tax on the Scheme, or the Fund or the shareholder.	Capital gains tax introduced on 1 October 2001.
15. Interval at which participatory interests are priced	Daily, on each day that is a Business Day.	Daily
16. Distributions	No dividends paid, all income received is automatically reinvested.	All income distributed regularly or reinvested at option of the unit

		holder.
17. Switching	Allowed; There is no limit on the number of switches that may be made between classes of Shares in a Fund and no switch charge applies.	Allowed; charges may differ among funds.
18. Pledging of securities	Allowed only for purposes of borrowing.	Allowed only for purposes of borrowing.
19. Scrip Lending Scrip Borrowing	No provision is made in the Fund's Supplemental Prospectus for any scrip lending or scrip borrowing activities.	Allowed, may not exceed 50% of market value the fund, plus other conditions as prescribed in Deed. Not allowed.
20. Certificates, if issued and needed for redemption	Certificates for Fund Shares will not be issued; not required for redemption.	Certificates issued on request; not required for redemption.
21. Reporting to supervisory authority	Quarterly and Annually	Quarterly and annually
22. Inspection powers by supervisory authority	Yes	Yes
23. Reporting to unit holders	Annually	Annually
24. Legal structure if different from trust	Collective Investment Scheme, open-ended investment company based. (Incorporated Cell Company).	Collective Investment Schemes can either be set up as a trust or as an open ended investment company.
25. Interest earned on funds pending investment and redemption	Any monies pending investment and redemption, including switches, will be held in a non-interest bearing separate bank account.	Interest paid to unit holders.
26. Any other material difference: - ring fencing of Fund's assets	The legal recourse available to a creditor of (i) the Incorporated Cell Company (ICC) itself, is limited to the assets of the ICC and not to any of its incorporated cells; and of (ii) an Incorporated Cell (IC) (i.e. the Fund) of the ICC, is limited to the assets of that IC only. A creditor of any IC may not seize, attach or otherwise levy execution against the assets attributable to any other IC comprising the scheme, or the ICC itself.	There is a legal separation of assets held under custody and the Trustee must ensure that the legal entitlement of unit holders to such assets is safeguarded and assured.

* **Source:** Collective Investment Schemes Control Act, 2002 (South Africa)