

momentum
investments



Fintax International Balanced Fund IC Limited

**Annual Report and Audited Financial Statements
for the year ended 30 June 2022**

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Contents	Page
General Information	3
Investment Manager's Report	4
Directors' Report	8
Independent Auditor's Report	10
Custodian's Report	13
Supplementary Information	14
Portfolio Statement	15
Statement of Financial Position	17
Statement of Comprehensive Income	18
Statement of Cash Flows	19
Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares	20
Notes to the Financial Statements	21

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

General Information

Address and Registered Office

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

Investment Manager

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

Distribution Partner

Fintax Consulting Group (Pty) Ltd
No. 2 Seventh Avenue
Parktown North
2193, South Africa

Manager

Momentum Wealth International Limited
La Plaiderie House
La Plaiderie
St Peter Port, Guernsey
Channel Islands
GY1 1WF

Custodian

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3DA

Directors of the Incorporated Cell

Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ferdinand van Heerden
Kapil Joshi

Administrator, Registrar & Secretary

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

Legal Advisor

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

Independent Auditor

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

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Investment Manager's Report

Performance

The trend of declining asset prices continued into June, with global equities and global bonds returning -8.4% and -3.1% respectively. On the back of this, the Balanced Fund returned -5.8%.

2022 market in review

The sharp downturn in financial markets this year deepened in the second quarter (Q2), resulting in an exceptionally difficult six months for investors. Few assets provided positive returns, and with the dollar surging throughout the period, the only safe haven to preserve capital in dollar terms was US dollar cash.

Led by the US, developed market equities returned -16% in Q2 and are down over 20% year-to-date (YTD). Despite the +3% return from the largest index constituent, China, emerging markets still produced a sizeable loss of -11% in Q2, taking the YTD return to -18%.

Highly unusually in a period of heightened risk aversion, safe haven government bonds offered no protection: US Treasuries returned -3.9% in Q2 and -8.9% for the first half of the year, a scale of decline rarely seen in this traditionally defensive asset. Credit fared even worse than Treasuries, with equity-like declines in Q2 and YTD: investment grade bonds were down -7.3% and -14.4%, high yield down -9.8% and -14.2%, and emerging market debt down -12.5% and -26.6% respectively.

While gold and broad commodities had surged on Russia's invasion of Ukraine in February, in Q2 they fell back in the face of a strong dollar and rising risks of a recession, with only energy markets holding up. Gold was down 6.7% while agricultural and base metal markets fell sharply in many cases: copper, iron ore and wheat down by 22%, 19% and 14% respectively. Even crude oil softened as the quarter progressed. Although it was up by 6% in Q2, it fell by 6% in June and is down by over 10% from the peak immediately following Russia's invasion of Ukraine.

It would be difficult to construct a more challenging backdrop for markets than that of the past six months. On the back of the extraordinary effects of the pandemic on supply chains, the ensuing massive loosening of fiscal and monetary policy globally, and the release of pent-up demand as Covid restrictions ended, inflation was reawakened. Central banks misjudged the persistency of the inflation, and across much of the developed world have been forced into an aggressive tightening of policy. The challenges faced by policy makers were then compounded by Russia's act of aggression, exacerbating inflation, especially of food and energy, damaging business and consumer confidence, and triggering intense uncertainty and fears of global recession.

For much of the past nine months, inflationary concerns have dominated the narrative but in recent weeks, the fear of recession has taken hold. High energy and food prices are dampening consumer confidence and discretionary spending, corporate margins are under pressure from surging producer input prices, and rising interest rates are discouraging spending and investment. Whether there is a technical recession of two consecutive quarters of negative growth is in a sense a moot point; what is beyond doubt is that a sharp slowdown in growth across much of the world is underway with inevitable consequences for corporate earnings. It also adds complexity to the difficult balancing act of central banks attempting to rein in inflation without pushing economies into recession. Yet much of the inflation they are trying to control, energy and food prices, are beyond the immediate reach of monetary policy, raising the question of how deep the slowdown will need to be to bring inflation down sustainably to central bank targets of around 2%.

Given the intense uncertainties, the substantial risks of misjudgements and policy error, the inevitable monetary tightening ahead, and the unquantifiable tail risk of escalation of the Russian-Ukraine conflict, it is easy to be bearish for the second half of the year and maybe beyond. But investing is never quite so easy.

Reasons for caution are clear to all which means they are, at least in part, discounted in markets. Less clear are signals that brighter times lie ahead. But we know that the cycle will turn, and amidst a sea of gloom, positive factors and encouraging signs do exist:

1. Households and businesses enter the downturn in good shape. Labour markets are generally strong, and unemployment levels low. Savings were built up during the pandemic and the housing market has been strong across much of the world, leaving household balance sheets in a healthy shape. Similarly, most companies have enjoyed strong post-pandemic profits and have reduced debt levels in aggregate, leaving them well prepared to ride out a tough economic period.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Investment Manager's Report (continued)

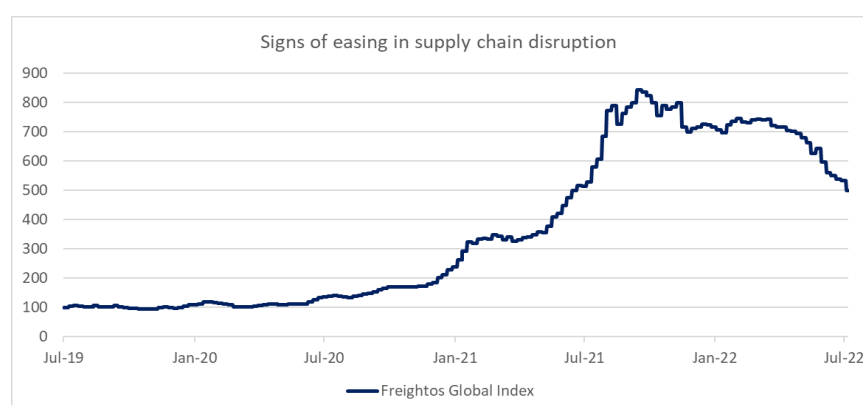
2022 market in review (continued)

2. There are no significant systemic risks in sight, and while loan losses will inevitably build as the slowdown bites, banks are in a strong financial condition with ample capital buffers.

3. This cycle is about bringing high and broadening inflation under control, and requires a sizeable tightening of monetary policy to restore sustainability. Although moves to date still leave policy interest rates at historically low levels, considerably more tightening has been discounted by markets. Year-end policy rates of 3.27% are expected in the US compared with 1.75% today, and the front loading of tightening is such that the market now predicts the Fed Funds Rate will peak in early 2023.

4. Commodity prices have eased significantly in recent weeks, in most cases well below peak levels reached in March, and in some cases back to or below levels prevailing pre the Russian invasion. The wheat price has fallen by close to 40% from its March peak, with Russian supplies at record levels due to a bumper crop and increased acreage in the US pointing to higher supplies. With a sharp slowdown in growth underway, demand destruction is in evidence and has pushed metals prices down.

5. Supply chain disruption is beginning to ease. Container shipping rates have fallen sharply in recent weeks, China has begun to exit from its tough Covid restrictions, and demand destruction, along with a return to more normal levels of production, is gradually restoring balance. Although there is some way to go to normality, the worst of the supply crisis is behind us.



Source: Momentum Global Investment Management, Bloomberg Finance L.P.

6. China's economy stalled due to its zero-covid policy and draconian mobility restrictions. With the latest Covid wave seemingly under control, restrictions are now being eased and the economy is set to recover, helped by fiscal and monetary stimulus – the only major country easing policy this year.

7. An important determinant of the extent to which inflation becomes embedded is longer term inflation expectations. Not only have these been anchored broadly within the range of the past 20 years, but they have fallen significantly recently as recession fears have taken hold. The 10 year breakeven inflation rate in the US, which measures the market's expectation of inflation over the next 10 years, fell from a peak in April of 3.0% to 2.3% at 30 June. The closely watched 5 Year breakeven measure of inflation in 5 years' time for the subsequent 5 years, also fell from the April peak of 2.6% to 2.0%. Similar moves occurred in Europe and the UK.



Source: Momentum Global Investment Management, Bloomberg Finance L.P.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Investment Manager's Report (continued)

2022 market in review (continued)

8. Falling longer term inflation expectations alongside recession fears, led to a sharp drop in bond yields in the final two weeks of the quarter. The 10 year bond yield in the US started the year at 1.5%, rose to a peak of 3.5% by mid-June, and then fell back to 3.0% by the end of the month. The headwind for asset values created by the rapid and sharp rise in yields on Treasuries, the world's discount rate, has abated.

9. The sharp falls in markets have improved valuations significantly. Real yields on US Treasuries have been negative for much of the pandemic era, but 10 year bonds are now offering positive real yields, 0.7% at 30 June. In equities, the sharpest falls have been in the most highly valued growth stocks, bringing valuations down to more reasonable levels, especially in larger cap stocks. Across the board, equity valuations are now at levels which discount much of the uncertainty ahead and will be driven more by earnings than further substantial falls in valuations.

Markets invariably offer the best opportunities when fear and uncertainty are at their greatest. The carnage across virtually all financial markets and asset classes so far this year might not yet represent the moment of maximum risk aversion, but it has brought that time much closer. With peak inflation approaching, policy tightening well underway and growth slumping, markets will in due course start to discount the recovery which will surely come. Waiting for it to arrive is likely to leave other investors to enjoy the early fruits of that recovery.

Summarising, the world is entering a sharp cyclical slowdown, uncertainties are exceptionally high, and risks of further periods of volatility and falls in markets cannot be dismissed. But markets have fallen sharply; much has already been discounted. As we move through the second half of the year two of the biggest drags on markets will be lifted: inflation is likely to have peaked, and the Fed's tightening coming close to an end. A soft landing will be tough for the Fed to engineer, but recent market moves suggest that there is seemingly little priced in for that favourable outcome. For longer-term investors, the sell-off underway is creating opportunities for investors prepared to accept the shorter term timing risks against the longer term upside potential.

Portfolio update

Performance of the Funds was helped by our asset allocation decisions in equity and gold. Detractors included our value manager exposure through Lyrical, Alma Hotchkis & Wiley, Artisan and Schroders which came under pressure on the back of rising recessionary concerns. These value managers, however, have provided relative outperformance YTD highlighting the importance of the diversified exposure of managers and investment styles within the fund. Within the Balanced Fund, Industrial REIT was weak in June but we continue to hold this specialised property security given strong fundamentals and its attractive inflation linked yield.

The Fund has outperformed on a relative basis year to date (0.4% ahead of its composite benchmark, net of fees). Over 12 months the Fund has marginally outperformed its composite benchmark gross of fees, but net of fees it has underperformed by 0.6%. Asset allocation was positive over the past 12 months, virtue of the Fund's overweight allocations to gold, cash and listed infrastructure, and its lower duration. Manager selection was negative however, primarily due to the underperformance of our global growth managers (Jennison and Sands), plus the Fund's listed private equity specialists.

Asset allocation remained unchanged during June with equities continuing to be the core holding within the portfolios, along with property and infrastructure which are effective at capturing inflation 'pass through' given that their income is directly or closely linked to inflation. These real assets continue to be valuable diversifiers of our risk asset exposure. Within our fixed income bucket, we hold a diversified basket of assets in the form of inflation protected and convertible bonds, emerging market debt, and shorter duration and floating rate instruments. We have maintained our zero exposure to longer maturity nominal government bonds, but as yields continue to rise there will be an opportunity to reinvest back into this asset class at more attractive valuations. From a commodity perspective, our gold exposure has proven its role YTD as an important store of value during periods of market instability and will continue to be a feature within the funds for this reason. A further defensive mechanism deployed in the funds are equity put options. While not cheap, these securities proved their worth in June and act as 'insurance' against further declines in equity markets.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Investment Manager's Report (continued)

Portfolio update (continued)

Overall, we continue to manage the Funds according to the same investment philosophy, embracing diversification through different asset classes, regions, currencies, managers and styles. By blending risk assets with defensive and non-correlated assets, we believe the Fintax funds are well positioned to ride out short-term volatility and participate in the longer-term opportunities that are starting to unfold.

Source: Bloomberg /Morningstar. Returns in US dollars unless otherwise stated, June 2022.

Past performance is not indicative of future returns.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Directors' Report

The Directors present their annual report together with the audited financial statements of Fintax International Balanced Fund IC Limited (the "Incorporated Cell" or "Cell") for the year ended 30 June 2022.

Principal activities

The Cell with company number 47770 is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company"). The activities and objectives of the Cell can be found in note 1 on page 21.

Going concern

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

Directors

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

Directors' interests

None of the Directors who held office during the year and at the date of this report had any disclosable interests in the shares of the Incorporated Cell.

Directors' responsibilities

The Directors are responsible for preparing the financial statements for each financial year, which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Incorporated Cell and of the profit or loss of the Incorporated Cell for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Incorporated Cell will continue in business.

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Incorporated Cell and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 2020. They are also responsible for safeguarding the assets of the Incorporated Cell and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Director is aware, there is no relevant audit information of which the Incorporated Cell's auditor is unaware and each Director has taken all the steps they ought to have as a Director to make themselves aware of any relevant audit information and to establish that the Incorporated Cell's auditor is aware of that information.

The Board of Directors confirms that, throughout the period covered by the financial statements, the Cell complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

The annual report together with the audited financial statements of the Incorporated Cell are published on the Manager's website. The Manager is responsible for the maintenance and integrity of the website; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may occur to the financial statements after they are initially presented on the website. The Directors appreciate there is uncertainty regarding legal requirements of information published on the internet as it is accessible in many countries and legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Independent Auditor's Report to the Members of Fintax International Balanced Fund IC Limited

Opinion

We have audited the financial statements of Fintax International Balanced Fund IC Limited (the "Incorporated Cell") for the year ended 30 June 2022 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Incorporated Cell's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Incorporated Cell in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Incorporated Cell's ability to continue as a going concern for the period to 31 December 2023.

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

Other information

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

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

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

We have nothing to report in this regard.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Independent Auditor's Report to the Members of Fintax International Balanced Fund IC Limited (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Incorporated Cell's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Incorporated Cell or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Independent Auditor's Report to the Members of Fintax International Balanced Fund IC Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

Use of our report

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

Ernst & Young LLP
Guernsey, Channel Islands
Date:

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Custodian's Report to the Members of Fintax International Balanced Fund IC Limited

In our opinion, the Cell has, in all material aspects, been managed for the year ended 30 June 2022 in accordance with the provisions of the Principal Documents, Scheme Particulars and The Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021.

For and on behalf of
Northern Trust (Guernsey) Limited
13 October 2022

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Supplementary Information

	30.06.22	30.06.21
1. NUMBER OF SHARES OUTSTANDING		
Class A	12,828,960	13,888,540
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.45	1.70
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.76 / 1.45	1.71 / 1.37
4. NUMBER OF SHARES SUBSCRIBED		
Class A	74,861	99,064
5. NUMBER OF SHARES REDEEMED		
Class A	1,134,441	2,108,017

*The highest/lowest price is based on prices from prior year-end to current year-end, being 30.06.2022. The NAV on 30.06.2022 was specifically calculated for financial reporting purposes and therefore may differ slightly from the most recent published price at that time.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Government Bonds: 6.78% (2021: 7.87%)			
United States Treasury Inflation Indexed Bonds 0.125% 15/01/2030	508,600	545,914	2.94
United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	396,500	441,339	2.37
United States Treasury Note/Bond 1.625% 15/08/2029	300,000	273,211	1.47
Total Government Bonds		1,260,464	6.78
Equities: 5.47% (2021: 4.00%)			
Property			
Ediston Property Investment Company	343,889	313,227	1.68
iShares Developed Markets Property Yield UCITS ETF	19,400	466,813	2.51
Stenprop Limited GBP	126,043	237,263	1.28
Total Property		1,017,303	5.47
Collective Investment Schemes: 86.12% (2021: 87.16%)			
Commodity Funds			
iShares Physical Gold ETF	37,510	1,321,852	7.11
iShares Physical Silver ETC	9,494	185,821	1.00
Total Commodity Funds		1,507,673	8.11
Equity Funds			
Alma Hotchkis & Wiley Global Value Fund Class I	6,763	762,528	4.10
Artisan Global Value Fund	52,639	1,245,431	6.70
Conventum Lyrical Fund Class S	3,461	576,879	3.10
Dimensional Emerging Markets Value Fund USD Acc	14,294	307,750	1.66
Maple-Brown Abbott Global Fund	373,868	560,802	3.02
Morant Wright Fuji Yield Fund	34,596	427,261	2.30
Morgan Stanley Global Sustain Fund Class F	99,064	1,443,362	7.76
Morgan Stanley Investment Funds - Global Brands Fund	13	2,284	0.01
PGIM Jennison Global Equity Opportunities Fund	2,549	521,666	2.81
Prusik Asian Equity Income Fund Class U	1,774	359,235	1.93
Sands Capital Funds - Sands Capital Global Growth Fund	23,614	756,829	4.07
Sands Capital Funds - Sands Emerging Markets Growth Fund	27,729	379,887	2.04
Schroder Recovery Fund - Z Accumulating	137,585	210,505	1.13
Veritas Funds - Global Focus Fund	27,898	1,289,435	6.94
Total Equity Funds		8,843,854	47.57
Fixed Income Funds			
Artemis Funds – Short-Dated Global High Yield Bond Class FI	354,202	357,744	1.92
Aviva Investors - Global Convertibles Fund	4,265	505,147	2.72
Goldman Sachs Access China Government Bond UCITS ETF	10,000	547,800	2.95
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	18,002	1,960,597	10.54
iShares Emerging Markets Government Bond Index Fund Class Institutional Acc USD	33,838	319,092	1.72
Muzinich Funds - Enhanced Yield Short-Term Fund	2,990	556,768	2.99
Redwheel Funds - Redwheel Global Convertibles Fund Class B	225	395,021	2.12
Total Fixed Income Funds		4,642,169	24.96

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Portfolio Statement (continued)

	Holdings	Fair Value <u>USD</u>	% of Net Assets
Investment Trusts			
Digital 9 Infrastructure Fund	80,000	107,455	0.58
Gore Street Energy Storage Fund	75,000	110,211	0.59
Merian Chrysalis Investment Company Limited	70,000	88,582	0.48
Schroder UK Public Private Trust	300,000	77,057	0.41
Sequoia Economic Infrastructure Income Fund	233,137	260,483	1.40
TwentyFour Income Fund	300,000	375,000	2.02
Total Investment Trusts		1,018,788	5.48
Property Funds			
Third Avenue Real Estate Value Fund	3	114	-
Total Property Funds		114	-
Total Collective Investment Schemes		16,012,598	86.12
Options: 0.84% (2021: 0.15%)			
S&P 500 Index Put 4300 19/08/2022	3	155,940	0.84
Total Options		155,940	0.84
Financial assets at fair value through profit or loss		18,446,305	99.21
Other Net Assets: 0.790% (2021: 0.82%)		146,581	0.79
Net Assets Attributable To Holders Of Participating Redeemable Shares		18,592,886	100.00

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Statement of Financial Position

	Notes	As at 30.06.22 <u>USD</u>	As at 30.06.21 <u>USD</u>
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	18,446,305	23,364,152
Cash and cash equivalents	7	20,933	82,939
Securities sold receivable		197,156	175,000
Proceeds from the issue of shares receivable		-	23,614
Interest receivable		3,284	3,907
Other receivables	9	372	284
Total assets		18,668,050	23,649,896
LIABILITIES			
CURRENT LIABILITIES			
Fair value of derivative financial instruments	6,8	53,772	29,323
Securities purchased payable		-	36,728
Other payables	10	21,390	23,860
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		75,162	89,911
Net assets attributable to holders of participating redeemable shares	3,12	18,592,886	23,559,983
Total liabilities		18,668,048	23,649,894
SHAREHOLDERS' EQUITY			
Management shares	11	2	2
Total equity		2	2
Total equity and liabilities		18,668,050	23,649,896
Net asset value per participating redeemable share	12	1.45	1.70

The notes 1 to 17 on pages 21 to 34 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 13 October 2022 and signed on its behalf by:



Marie Curutchet
Director



Robert Rhodes
Director

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Statement of Comprehensive Income

	Notes	Year ended 30.06.22 USD	Year ended 30.06.21 USD
INCOME			
Net realised gains on financial assets at fair value through profit or loss	6	1,226,123	1,066,857
Change in unrealised (losses)/gains on financial assets at fair value through profit or loss	6	(4,220,169)	3,996,128
Net (losses)/gains on financial assets at fair value through profit or loss		(2,994,046)	5,062,985
Bond income		7,002	15,030
Dividend income		165,853	181,734
Net losses on derivatives		(46,891)	(37,695)
Other foreign exchange gains/(losses)		(201,589)	(25,105)
Other losses		(912)	(5,806)
Total net (loss)/income		(3,070,583)	5,191,143
OPERATING EXPENSES			
Audit fee		(8,268)	(12,544)
Custodian fee	14	(15,510)	(13,470)
Investment Management fee	14	(56,100)	(59,476)
Manager and Administration fee	14	(49,717)	(52,897)
Deposit interest		(71)	(257)
Sundry expenses		(4,565)	(3,648)
Total operating expenses		(134,231)	(142,292)
Net (loss)/profit before tax		(3,204,814)	5,048,851
Withholding tax		(7,672)	(7,829)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		(3,212,486)	5,041,022

All items in the above statement derive from continuing operations. There is no difference between the (decrease)/increase in net assets attributable to holders of participating redeemable shares and comprehensive income.

The notes 1 to 17 on pages 21 to 34 form part of these financial statements.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Statement of Cash Flows

	Year ended 30.06.22 <u>USD</u>	Year ended 30.06.21 <u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations	(3,212,486)	5,041,022
ADJUSTMENT FOR:		
Net realised gains on financial assets at fair value through profit or loss	(1,226,123)	(1,066,857)
Net unrealised losses/(gains) on financial assets at fair value through profit or loss	4,220,169	(3,996,128)
Net settlement on derivatives and other foreign exchange	226,038	69,344
Dividend income	(165,853)	(181,734)
Withholding tax	7,672	7,829
Operating loss before working capital changes	(150,583)	(126,524)
Net decrease in other receivables	535	2,117
Net (decrease)/increase in other payables	(2,470)	5,780
Purchase of financial assets at fair value through profit or loss	(8,471,745)	(6,016,784)
Sale of financial assets at fair value through profit or loss	10,336,662	8,782,563
(Withholding tax paid)/dividend received	158,181	173,905
Net cash generated from operating activities	1,870,580	2,821,057
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	151,477	135,091
Cash paid on redemption of participating redeemable shares	(1,882,474)	(3,405,485)
Net cash used in financing activities	(1,730,997)	(3,270,394)
Net decrease in cash and cash equivalents	139,583	(449,337)
Cash and cash equivalents at the beginning of the year	82,939	557,381
Effect of foreign exchange rate on cash	(201,589)	(25,105)
Cash and cash equivalents at the end of the year	20,933	82,939

The notes 1 to 17 on pages 21 to 34 form part of these financial statements.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

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

	Notes	Year ended 30.06.22 <u>USD</u>	Year ended 30.06.21 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		23,559,983	21,765,741
Proceeds from issuance of participating redeemable shares	11	127,863	158,705
Payments on redemption of participating redeemable shares	11	(1,882,474)	(3,405,485)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		(3,212,486)	5,041,022
Net assets attributable to holders of participating redeemable shares at the end of the year	12	<u>18,592,886</u>	<u>23,559,983</u>

The notes 1 to 17 on pages 21 to 34 form part of these financial statements.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

1. General Information

The Fintax International Balanced Fund IC Limited (the "Incorporated Cell" or "Cell") with company number 47770, is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

The Cell's objective is achieving a balance of capital preservation and appreciation. A significant proportion of the portfolios will be held in the base currency. The portfolios will also invest into a wide range of other asset classes, including equities, alternative strategies and property and so some degree of volatility is to be expected.

The Cell intends to achieve its investment objectives by investing globally, primarily via other collective investment schemes, in a wide range of asset classes including cash, bonds, alternative strategies and equities. The Cell is suitable for investors with a time horizon of 3 to 5 years. The Cell may invest in the units of collective investment schemes which are also managed by the Investment Manager or an associate of the Investment Manager. The Cell may invest in forward foreign currency exchange contracts to reduce its currency exposure.

The Cell's investment activities are managed by Momentum Wealth International Limited (the "Manager") with the investment management delegated to Momentum Global Investment Management Limited (the "Investment Manager").

The financial statements were authorised for issue by the Board of Directors on 13 October 2022.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements for the Incorporated Cell have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments).

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

Going concern

The Directors have made an assessment of going concern including consideration of geo-political issues on the Cell. Russia's invasion of Ukraine is a new emerging risk to the global economy. The resulting imposition of international sanctions on Russia will have wider global effect on the supply and prices of certain commodities and consequently on inflation and general economic growth of the global economy. The Cell has no direct holdings in Russia or Ukraine and therefore the impact is limited to the price risk from its listed investments.

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

After careful consideration, the Board is satisfied that the Cell has sufficient liquidity to meet its liabilities for the period to 31 December 2023 and therefore it is appropriate to adopt the going concern basis in preparing the financial statements and they have a reasonable expectation that the Cell will continue in existence as a going concern.

2.2 Adoption of new and revised standards

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

Standards, amendments and interpretations effective during the year

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

Periods beginning on or after 1 January 2021:

(a) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7) - Amendments to assist in the application of IFRS Standards when changes are made to contractual cash flows or hedging relationships due to the IBOR reforms.

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

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards (continued)

Standards, amendments and interpretations in issue not yet effective

A number of new Standards, amendments and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been early adopted in preparing these financial statements. These include:

(a) IAS 1 - Presentation of Financial Statements (Amendments) - Effective from 1 January 2023

Amendments regarding classification of liabilities and disclosure of accounting policies.

(b) IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Effective from 1 January 2023

Amendments regarding the definition of accounting estimates.

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

2.3 Foreign currency translation

(a) Functional and presentation currency

The currency in which the financial information is shown in the financial statements of the Incorporated Cell is deemed to be its functional and presentational currency. In arriving at the functional currency, the Directors have considered the primary economic environment of the Incorporated Cell, and in doing so have considered the currency in which the original capital was raised, any distributions are to be made, performance is evaluated and ultimately, the currency in which capital would be returned on break up basis. They have also considered the currency to which the majority of the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that the currency selected best represent the functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

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

(a) Classification

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

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date of the underlying security, so long as the underlying transaction has been confirmed by the relevant counterparty as at the Statement of Financial Position date. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Incorporated Cell has transferred substantially all risks and rewards of ownership.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

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

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income of the Incorporated Cell. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Incorporated Cell adopted to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. As a practical expedient to establish fair value within the bid-ask spread, management will use mid-market pricing. The market price used for assets which are not traded in active markets are those as supplied by their fund administrators.

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.6 Forward currency contracts

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other losses and gains in the period in which they arise.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.8 Other financial instruments

For other financial instruments, including amounts due to and from brokers and all receivables and payables, the carrying amounts as shown in the Statement of Financial Position approximate to fair value due to the short-term nature of these financial instruments.

2.9 Share capital

The Incorporated Cell has an authorised share capital of 100 management shares of USD1.00 each and an unlimited number of no par value participating redeemable shares.

(a) Management shares

Management shares were issued to comply with Guernsey Company Law, prior to its revision in 2008, under which there had to be a class of non redeemable shares in issue in order that participating redeemable shares may be issued. The management shares are beneficially owned by the Manager, do not carry any right to dividends, are only entitled to vote at shareholder meetings where there are no participating redeemable shares in issue within the Incorporated Cell and are only entitled to return of capital on the winding up of the Incorporated Cell.

The Incorporated Cell has issued 2 management shares.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.9 Share capital (continued)

(b) Participating redeemable shares

The Incorporated Cell's capital is represented by participating redeemable shares with no par value, each carrying one vote, no matter which share class. Each share class carries identical rights, the only difference between the classes being either the management fee or the distribution partner fee which is charged to each class. These fees are disclosed in note 14.

The participating redeemable shares are redeemable at the holder's option and are classified as financial liabilities. Participating redeemable shares can be put back to the Incorporated Cell at any time for cash equal to a proportionate share of the Incorporated Cell's net asset value. The participating redeemable share is carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Incorporated Cell.

All participating redeemable shares will rank equally for all dividends and other distributions, as adjusted to reflect any differences in the fees to which each class of participating redeemable share is subject. They are entitled to payment of a proportionate share based on the Cell's net asset value per share on the redemption date. The Cell has no restrictions or specific capital requirements on the subscriptions and redemptions of shares. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares. In accordance with the Cell's investment objectives, and its risk management policies, the Cell endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

To determine the net asset value of the Cell for subscriptions and redemptions, investments have been valued based on the last traded market prices as of the close of business on the relevant trading day.

2.10 (Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations

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

2.11 Capital risk management

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

The Incorporated Cell's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders. There are no externally imposed capital requirements on the Incorporated Cell. The Cell has no intention to borrow, other than to fund short-term liquidity requirements. The Incorporated Cell may arrange an overdraft facility for such purposes.

2.12 Interest and dividend income

Dividend income is recognised when the right to receive payment is established. All deposit interest and other income is accounted for on an accruals basis.

2.13 Expenses

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

2.14 Custodian bank charges

Custodian bank charges include additional fees on top of the asking price of the security. The bid-asking spread is not disclosed as part of a custodian bank charge. This spread is included in the Statement of Comprehensive Income within the fair value net gain or loss.

2.15 Taxation

The Cell has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (2021: £1,200).

The Cell incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

3. Financial risk management

3.1 Strategy in using financial instruments

The Cell's activities and investment objectives expose it to a variety of financial risks: market risk (which is made up of price risk, interest rate risk and currency risk), credit risk and liquidity risk (including cash flow risk). The Cell's overall risk management programme seeks to maximise the return derived for the level of risk to which the Cell is exposed and focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Cell's financial performance. The following policies and procedures to mitigate risk have been in place throughout the year.

The Cell's policies allow it to use derivative financial instruments to both moderate and create certain risk exposure. The fair value of derivative financial instruments as at 30 June 2022 is disclosed under note 8 of these financial statements.

3.2 Market price risk

Market price risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices, other than those arising from currency or interest rate risk. The Cell is subject to market price risk as it trades primarily in collective investment schemes. Through its investment in traded securities and instruments, the Cell is subject to market movements in the equity and bond markets.

All investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Cell's overall market positions are monitored by the Investment Manager and are reviewed by the Board of Directors.

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

	2022	% of net	2021	% of net
	Fair Value <u>USD</u>	assets	Fair Value <u>USD</u>	assets
Collective Investment Schemes	16,012,598	86.12	20,534,714	87.16
Equities	1,017,303	5.47	941,046	4.00
Government Bonds	1,260,464	6.78	1,853,512	7.87
Options	155,940	0.84	34,880	0.15
	18,446,305	99.21	23,364,152	99.18

The Cell's market price risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency exchange rate movements are covered in notes 3.3 and 3.5, respectively. If the market indexes increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of participating redeemable shares would amount to:

As at 30 June	2022	2021
	Change in fair value	
	<u>USD</u>	<u>USD</u>
Collective Investment Schemes	1,601,260	2,053,471
Equities	101,730	94,105
Government Bonds	126,046	185,351
Options	15,594	3,488
	1,844,630	2,336,415

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

3. Financial risk management (continued)

3.3 Interest rate risk

The Cell's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The majority of the Cell's financial assets and liabilities are non-interest bearing. As a result, the Cell is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The table below summarises the Cell's exposure to interest rate risks. It includes the Cell's assets and trading liabilities at fair values, all of which have contractual re-pricing or maturity dates within one month.

As at 30 June	2022 <u>USD</u>	2021 <u>USD</u>
Net financial assets on which no interest is paid	18,625,725	23,502,460
Net floating rate financial assets	20,933	82,939

Should interest rates have increased/decreased by 50 basis points with all other variables remaining constant, the increase/decrease in the net assets attributable to participating redeemable shareholders would amount to approximately:

As at 30 June	2022 <u>USD</u>	2021 <u>USD</u>
Movement in net floating rate financial assets	105	415

3.4 Cash flow risk

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

3.5 Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Cell holds assets, including investments denominated in currencies other than its functional currency, US Dollar, and therefore it is exposed to currency risk. The exposures are based on the currencies of the underlying assets in the Cell. Investments made via Collective Investment Funds are treated as a single asset with its currency of exposure being assumed to be its reporting currency.

The table below summarises the Cell's exposure to currency risks:

As at 30 June	2022 <u>USD</u>	2021 <u>USD</u>
EUR exposure	(22,735)	21,794
GBP exposure	4,136,622	5,308,526
JPY exposure	(63,802)	-
SGD exposure	227	21,065

In accordance with the Cell's policies, the Investment Manager monitors the Cell's currency position on a regular basis, and the Board of Directors reviews it periodically. The Cell has the ability to enter into forward foreign exchange contracts in an attempt to mitigate any significant currency risk. Such contracts are used on a regular basis. The contracts which are outstanding at the year end are disclosed in note 8.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

3. Financial risk management (continued)

3.5 Currency risk (continued)

Should the Cell's functional currency have strengthened or weakened by 5% against other currencies to which it is exposed and all other variables, including the price of all investments, had held constant, the net asset attributable to participating redeemable shareholders would have increased, or decreased, as follows:

As at 30 June	2022	2021
	<u>USD</u>	<u>USD</u>
EUR exposure	(1,137)	1,090
GBP exposure	206,831	265,426
JPY exposure	(3,190)	-
SGD exposure	11	1,053

3.6 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

There is a risk that an investee company may be unable to satisfy a valid redemption request made by the Cell. The Directors consider that the Investment Manager mitigates this risk by way of its investment process, as described in note 3.2. No such redemption problems have been encountered.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. Delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. Given the relatively short settlement period, and the high credit quality of the brokers used, the risk here is considered to be minimal.

The Cell manages its exposure to credit risk associated with its cash deposits by selecting Northern Trust (Guernsey) Limited as the counterparty to hold all cash deposits for the Cell. The Northern Trust Company is a wholly owned subsidiary of the Northern Trust Corporation. The credit rating for Northern Trust Corporation from Standard and Poor's is A+. The credit rating from Moody's is A2.

The Cell's maximum exposure to credit risk is the carrying value of the assets on the Statement of Financial Position.

3.7 Liquidity risk

Liquidity risk is the risk that the Cell will encounter difficulty in meeting obligations associated with their financial liabilities. The main liquidity risk is the risk that the Cell may be unable to recover funds invested through the usual redemption processes which may result in the Cell having insufficient funds to settle a transaction on the due date. Due to the nature of the Cell, the majority of investments held are in marketable securities that are readily tradable and have reported no warnings regarding their ability to process redemptions as normal.

The Cell has the ability to borrow to meet short-term liquidity requirements, however, to date, the Cell has not entered into such arrangements.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

5. Portfolio analysis

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

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

	2022	2021
	USD	USD
Asia (excluding Japan)	1,958,703	-
Cayman Islands	3,142,341	-
Channel Islands	586,328	1,979,212
Emerging Markets	1,056,723	-
Europe	7,127,305	16,908,380
Japan	427,261	-
United Kingdom	2,154,361	2,588,168
United States	1,993,283	1,888,392
	18,446,305	23,364,152

The geographical segment for listed non-monetary financial assets is considered to be the place of primary listing and for non-listed financial assets where the underlying investment is domiciled.

6. Financial assets at fair value through profit or loss

	2022	2021
	USD	USD
Financial assets at fair value through profit or loss:		
Collective Investment Schemes	16,012,598	20,534,714
Equity Funds	1,017,303	941,046
Government Bonds	1,260,464	1,853,512
Options	155,940	34,880
Total financial assets at fair value through profit or loss	18,446,305	23,364,152

Movement on financial assets at fair value through profit or loss

Fair value of financial assets at the beginning of the year	23,364,152	21,205,218
Purchases of financial assets	8,435,017	6,053,512
Sales of financial assets	(10,358,818)	(8,957,563)
Realised gains on sales of financial assets	1,226,123	1,066,857
Movement in unrealised gains on revaluation of financial assets	(4,220,169)	3,996,128
Fair value of financial assets at the end of the year	18,446,305	23,364,152

Comprising:

Cost at the end of the year	17,562,323	18,260,001
Unrealised gains at the end of the year	883,982	5,104,151
	18,446,305	23,364,152

IFRS 13 requires the Cell to classify fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

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

The level in the fair value hierarchy, within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Board. The Board considers observable market data that is readily available, readily distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The investments classified as Level 1 consist of financial assets that are actively traded with fair values readily available from recognised exchanges. The Level 1 hierarchy may also include investments in funds that are priced by the underlying administrator where the Cell considers it to be the most advantageous market and would enter into transactions based on those prices.

The investments classified as Level 2 are investments in funds that are actively traded and priced less frequently than monthly but not greater than quarterly for which fair values are obtained from the underlying administrator or fund manager.

The investments classified as Level 3 are investments that are illiquid investments and investments that are traded but priced less frequently than quarterly.

The following tables present the Cell's financial assets and financial liabilities measured at fair value by level within the valuation hierarchy as of 30 June 2022 and 30 June 2021:

30 June 2022

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Collective Investment Schemes	16,012,598	-	-	16,012,598
Equities	1,017,303	-	-	1,017,303
Government Bonds	1,260,464	-	-	1,260,464
Options	155,940	-	-	155,940
	18,446,305	-	-	18,446,305
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	-	53,772	-	53,772
	-	53,772	-	53,772

30 June 2021

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Collective Investment Schemes	20,534,714	-	-	20,534,714
Equities	941,046	-	-	941,046
Government Bonds	1,853,512	-	-	1,853,512
Options	34,880	-	-	34,880
	23,364,152	-	-	23,364,152
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	-	29,323	-	29,323
	-	29,323	-	29,323

There were no movements or reclassifications of investments within the levels of the fair value hierarchy during the years ended 30 June 2022 and 30 June 2021.

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

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

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

7. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

	2022	2021
	<u>USD</u>	<u>USD</u>
Cash at bank	20,933	82,939
	<u>20,933</u>	<u>82,939</u>

8. Derivative Financial Instruments

Forward foreign exchange contracts designated as at fair value through profit or loss:

30 June 2022	Amount <u>EUR</u>	Maturity Date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial assets / (liabilities) <u>USD</u>
Outstanding contract to buy EUR	920,000	24/08/2022	0.9327	0.9565	986,337	961,814	(24,523)

30 June 2022	Amount <u>GBP</u>	Maturity Date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial assets / (liabilities) <u>USD</u>
Outstanding contract to sell GBP	(783,045)	24/08/2022	0.7939	0.8234	(986,337)	(951,784)	34,553

	Amount <u>JPY</u>	Maturity Date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial assets / (liabilities) <u>USD</u>
Outstanding contract to buy JPY	125,000,000	24/08/2022	127.0409	135.4465	983,935	920,133	(63,802)

							<u>(53,772)</u>
Fair value of derivative financial instruments - liability							<u>(53,772)</u>

30 June 2021	Amount <u>GBP</u>	Maturity Date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial assets / (liabilities) <u>USD</u>
Outstanding contract to sell GBP	860,000	18/08/2021	0.7064	0.7239	1,217,370	1,188,047	(29,323)

Fair value of derivative financial instruments - liability							<u>(29,323)</u>
---	--	--	--	--	--	--	-----------------

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

8. Derivative Financial Instruments (continued)

In accordance with the Cell's investment objectives, the Cell may enter into forward foreign exchange contracts to hedge foreign currency movements they may be exposed to through their investment portfolios. As there is no assurance that these hedges will be effective in achieving the offsetting of changes in cash flows attributable to currency risk on these investments, it is the policy of the Cell not to apply hedge accounting.

9. Other receivables

	2022	2021
	<u>USD</u>	<u>USD</u>
Prepayments	370	282
Management shares receivable	2	2
	372	284

10. Other payables

	2022	2021
	<u>USD</u>	<u>USD</u>
Management fee payable	3,141	4,278
Custodian fee payable	2,744	1,070
Investment management fee payable	3,927	5,348
Audit fee payable	8,716	9,837
Sundry expense payable	2,862	3,327
	21,390	23,860

11. Share capital

The Cell has an authorised share capital of 100 Management shares of USD1.00 each and an unlimited number of no-par value participating redeemable shares.

Management Shares in Issue

	2022	2021
	<u>USD</u>	<u>USD</u>
Management Shares	2	2

	Year ended	Year ended
	30.06.22	30.06.21
Participating Redeemable Shares in Issue		
Balance at the beginning of the year	13,888,540	15,897,493
Issue of participating redeemable shares	74,861	99,064
Redemption of participating redeemable shares	(1,134,441)	(2,108,017)
Balance at the end of the year	12,828,960	13,888,540

12. Net asset value per participating redeemable share

	NAV per	Net assets	Shares in	NAV per	Net assets	Shares in
	share	attributable	issue	share	attributable	issue
As at 30 June	2022	2022	2022	2021	2021	2021
	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
International Balanced Cell	1.45	18,592,886	12,828,960	1.70	23,559,983	13,888,540

13. Dividends payable to participating redeemable shareholders

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

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

14. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

14.1 Management and Administration fee

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

The Manager is entitled to receive the following Management and Administration fee, chargeable on a sliding scale, payable monthly in arrears, based on the current valuation and subject to a minimum annual fee of USD22,000 or currency equivalent.

<u>Fee - % of NAV per</u>	<u>Cell NAV</u>
0.20%	Up to USD30m
0.15%	Over USD30m

Management and Administration fee charged during the year and accrued at year-end:

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Charged	49,717	52,897
Accrued at year	3,141	4,278

Management fee rebate received during the year and accrued at year-end:

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Received during the year	-	288
Accrued at year-end	-	-

14.2 Investment Management fee

The Manager has appointed an Investment Manager, Momentum Global Investment Management Limited, a UK registered company, to manage the investment portfolio of the Cell. The Investment Manager is entitled to receive a fee (the "Investment Management fee"), chargeable at a rate of 0.25% of the Cell's NAV per annum, which will accrue as at each Valuation Point, based on the current valuation of the Cell, payable monthly in arrears.

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

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Charged during the year	56,100	59,476
Accrued at year	3,927	5,348

14.3 Custodian fee

The Cell has engaged the services of Northern Trust (Guernsey) Limited to provide custodian services. The Custodian is entitled to the payment of a fee (the "Custody fee") chargeable on a sliding scale in respect of all Share Classes, as follows, subject to a minimum of USD8,000 per annum.

<u>Fee% of NAV</u>	<u>Cell NAV</u>
0.05%	Up to USD30m
0.04%	From USD30m to USD60m
0.03%	From USD60m to USD100m
0.02%	Over USD100m

Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

14. Related-party transactions (continued)

14.3 Custodian fee (continued)

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

	2022	2021
	<u>USD</u>	<u>USD</u>
Charged during the year	15,510	13,470
Accrued at year-end	2,744	1,070

14.4 Distribution Partner fee

The Cell has appointed Fintax Consulting Group (Pty) Ltd as distribution partner to promote and market the Cell. The Distribution Partner is entitled to receive a fee of up to 0.5% of the NAV of the Cell per annum (the "Distribution Partner fee"). The Distribution Partner fee will accrue as at each Valuation Point, based on the current valuation of the Cell and is payable monthly in arrears. The Distribution Partner will also be entitled to be paid any expenses and disbursements reasonably incurred in performance of its duties.

Since inception, and until further notice, the Distribution Partner has waived their fees.

14.5 Board of Director's remuneration

The Directors' fees in respect of the Cell shall not exceed USD20,000 (or currency equivalent) in any twelve-month period. In addition, the Directors shall be entitled to be repaid for all reasonable out-of-pocket expenses properly incurred by them in the performance of their duties to the Cell. Such fees and expenses shall be paid out of the assets of the Cell alone and not from the Cellular assets of other Cells of the Company or assets of the Company itself.

The Directors waived their right to a fee in 2022 (2021: Nil).

15. Ultimate controlling party

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

16. Reconciliation of published valuation to financial statements

	2022	2021
	<u>USD</u>	<u>USD</u>
Net assets attributable to holders of participating redeemable shares per financial statements	18,592,886	23,559,983
Adjustment:		
Adjustment in value of assets at financial assets at fair value through profit and loss	35,580	68,889
Adjustment in value of derivative financial instruments	5,888	21,850
Adjustment to accrue for rebranding of financial statements	441	-
Net assets attributable to the holders of participating redeemable shares per published valuation	18,634,795	23,650,722
	<u>USD</u>	<u>USD</u>
Shares in issue per published NAV as at 30 June	12,828,960	13,888,540
Shares in issue per financial statements	12,828,960	13,888,540
NAV per share per published valuation	1.45	1.70
NAV per share per financial statements	1.45	1.70

17. Subsequent events

These financial statements were approved for issuance by the Board on 13 October 2022. Subsequent events have been evaluated until this date.

No significant events have occurred in respect of the Cell that are considered material to the understanding of these audited financial statements.