

## Momentum Global Balanced Fund IC Limited

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



# Momentum Global Balanced Fund IC Limited

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

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## Momentum Global 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

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

##### 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

## Momentum Global Balanced Fund IC Limited

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

#### Investment Manager's Report

At the halfway point of the year, most traditional investments have fallen sharply in value, including global equities, global bonds, property and to a lesser extent gold. The falls also extend to certain commodities like aluminium (-12.9%) and copper (-15.0%), as well as much touted alternative diversifiers like Bitcoin, down by approximately 60%.

Bonds have been exposed for a long time. Despite an extended period during which countries functioned smoothly with zero interest rates, this still amounted to emergency monetary policy that was guaranteed to show up in inflation at some point. Bonds and other asset classes that were priced on the basis that interest rates would stay at zero forever were therefore overdue a sizeable correction. However, we believed that growth in 2022 would be sufficient to support other investments, including pockets of the equity markets. This view has been severely challenged by events in Eastern Europe, which have exacerbated supply problems and the cost of essential raw materials and thus weighed on potential growth.

High inflation can be damaging for economies, hence central banks are wrestling to bring price rises under control by raising interest rates. While slowing growth is bad for many asset classes, rising real interest rates are universally bad for all asset classes, on the basis that a higher return on low risk dollar cash justifies paying less for all other asset classes, and this is why we've seen broad-based weakness this year.

During the second quarter, performance was helped significantly by our allocation to alternatives as well as equities. The Neuberger Berman Uncorrelated Strategies Fund combines a mix of hedge fund strategies designed to outperform regardless of the overall direction of the market. Trend strategies have been performing well of late, and managers with the ability to take short positions have been generating profits for the Fund. In equity, relative outperformance came from our underweight exposure to the US market, while Asian managers Prusik and Morant Wright proved to be defensive during the market turmoil. On the negative side, underperformance came from our fixed income allocation. While we have been underweight duration, our convertibles manager Aviva is sensitive to movements in both fixed income and equity markets, and a concentration in Information Technology and the US were both headwinds. The rise in real rates was also negative for our Treasury Inflation Protected Securities ("TIPS") and gold positions, while our infrastructure debt manager Sequoia also struggled this quarter.

The Fund has outperformed on a relative basis year to date (1.6% ahead of its composite benchmark, net of fees). Over 12 months the Fund has outperformed its benchmark by 0.3% net of fees. Asset allocation was positive over the past 12 months, by virtue of the Fund's overweight allocations to gold, liquid alternatives, UK equities, Chinese local currency government bonds and real assets (property and infrastructure). Manager selection was also positive, by virtue of the Fund's liquid alternatives and infrastructure managers.

The outlook for markets depends on what happens to interest rates, which in turn depends on inflation, which in turn depends on a solution being found to key supply-side issues (given it is much easier to manage the demand side of the economy at this juncture). But to understand the outlook for supply, one needs to step into the minds of key actors like Presidents Putin and Xi Jinping. At times like this it is useful to take a longer term perspective. Most investments derive their value from many quarters of future profits, not just the next one or two (which look set to be challenging). Economies are remarkably resilient in the face of supply disruption, and we enter this latest period of uncertainty with household and corporate balance sheets in good shape and thus able to withstand shocks.

In that context, companies should continue to be able to grow profits over the long term. While bond positions have been marked down year to date, from today's lower starting point, investors will now earn a higher rate of return going forwards, assuming the underlying borrowers are sound and hence those bonds are repaid in full. Uncertainty leads to mispricing, and there are opportunities emerging in areas like Chinese equities, listed private equity and Asia high yield bonds, some of which we are seeking to capitalise on in the fund.

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

**Past performance is not indicative of future returns.**

## Momentum Global 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 Momentum Global Balanced Fund IC Limited (the "Incorporated Cell" or the "Cell") for the year ended 30 June 2022.

#### Principal activities

The Cell with company number 46313, 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 18.

#### Going concern

The Directors have made an assessment of going concern including consideration of geopolitical 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 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.

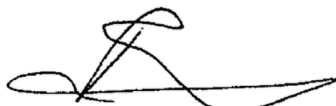
## Momentum Global Balanced Fund IC Limited

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

### Directors' Report (continued)

#### Independent auditors

Ernst & Young LLP have indicated their willingness to continue in office. The reappointment of Ernst & Young LLP will be proposed within the next written resolution to deal with annual business.



**Robert Rhodes**  
Director

**Marie Curutchet**  
Director  
13 October 2022

## Momentum Global 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 Momentum Global Balanced Fund IC Limited

##### Opinion

We have audited the financial statements of Momentum Global 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.



## Momentum Global 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 Momentum Global 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 5, 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;



## Momentum Global 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 Momentum Global 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:**

## **Momentum Global Balanced Fund IC Limited**

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

### **Custodian's Report to the Members of Momentum Global 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

## Momentum Global 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
<b>1. NUMBER OF SHARES OUTSTANDING</b>		
Class A	16,429,727	16,921,361
Class B	89,035	89,239
<b>2. NET ASSET VALUE PER SHARE - USD</b>		
Class A	1.46	1.72
Class B	1.37	1.63
<b>3. HIGHEST/LOWEST PRICE - USD*</b>		
Class A	1.77 / 1.46	1.74 / 1.40
Class B	1.68 / 1.37	1.65 / 1.34
<b>4. NUMBER OF SHARES SUBSCRIBED</b>		
Class A	120,857	69,312
Class B	-	-
<b>5. NUMBER OF SHARES REDEEMED</b>		
Class A	612,491	717,117
Class B	204	353

\*The highest/lowest price is based on prices from prior year end to current year end, being 30.06.2022.

## Momentum Global 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
<b>Financial assets at fair value through profit or loss</b>			
<b>Government Bonds: 9.57% (2021: 8.79%)</b>			
United States Treasury Inflation Indexed Bonds 0.125% 15/01/2030	900,000	966,029	4.01
United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	901,600	1,003,559	4.18
United States Treasury Note/Bond 2.25% 15/08/2049	405,400	332,824	1.38
<b>Total Government Bonds</b>		<b>2,302,412</b>	<b>9.57</b>
<b>Collective Investment Schemes: 79.3% (2021: 78.69%)</b>			
<b>Alternative Funds</b>			
Neuberger Berman Uncorrelated Strategies 12 Acc	73,219	881,553	3.66
<b>Total Alternative Funds</b>		<b>881,553</b>	<b>3.66</b>
<b>Commodities Funds</b>			
iShares Gold Producers UCITS ETF	18,500	218,208	0.91
iShares Physical Gold ETF	20,409	719,213	2.99
<b>Total Commodities Funds</b>		<b>937,421</b>	<b>3.90</b>
<b>Equity Funds</b>			
Jupiter European Special Situations Fund	-	1	-
Maple-Brown Abbott Global Fund	312,903	469,730	1.95
Momentum Global Funds-Momentum GF Global Emerging Markets Equity Fund	5,474	1,200,728	4.99
Momentum MGF Global Equity Fund Class M	62,148	9,668,386	40.19
Morant Wright Fuji Yield Fund	80,899	999,249	4.15
Morgan Stanley Investment Funds - Global Brands Fund	2	388	-
Prusik Asian Equity Income Fund Class U	2,489	503,988	2.09
Schroder Recovery Fund - Z Accumulating	388,594	595,573	2.48
<b>Total Equity Funds</b>		<b>13,438,043</b>	<b>55.85</b>
<b>Fixed Income Funds</b>			
Artemis Funds – Short-Dated Global High Yield Bond Class FI	537,481	544,360	2.26
Aviva Investors - Global Convertibles Fund Class Iyh Acc Euro	7,500	854,474	3.55
BlackRock Fixed Income Dublin Funds - US Corporate Bond Index Fund	8,293	139,065	0.58
Goldman Sachs Access China Government Bond UCITS ETF	9,130	500,141	2.08
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	141	15,304	0.06
iShares Emerging Markets Government Bond Index Fund Class Institutional Acc USD	41,737	393,495	1.64
Jupiter Global Emerging Markets Short Duration Bond	7,204	760,633	3.16
Muzinich Funds - Enhanced Yield Short-Term Fund	3,311	616,578	2.56
<b>Total Fixed Income Funds</b>		<b>3,824,050</b>	<b>15.89</b>
<b>Total Collective Investment Schemes</b>		<b>19,081,067</b>	<b>79.30</b>

## Momentum Global Balanced Fund IC Limited

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

### Portfolio Statement (continued)

	Holdings	Fair Value USD	% of Net Assets
<b>Property and Infrastructure Investment Trusts and ETFs: 10.1% (2021: 11.96%)</b>			
Cordiant Digital Infrastructure Limited	92,760	116,595	0.48
Digital 9 Infrastructure Fund	150,000	201,477	0.84
Gore Street Energy Storage Fund	179,621	263,950	1.10
iShares Developed Markets Property Yield ETF USD Dist	21,000	505,313	2.10
Merian Chrysalis Investment Company Limited	85,500	108,197	0.45
Schroder UK Public Private Trust	390,000	100,174	0.42
Sequoia Economic Infrastructure Income Fund	618,942	691,540	2.87
TwentyFour Income Fund	355,000	442,037	1.84
<b>Total Property and Infrastructure Investment Trusts and ETFs</b>		<b><u>2,429,283</u></b>	<b><u>10.10</u></b>
<b>Financial assets at fair value through profit or loss</b>		<b><u>23,812,762</u></b>	<b><u>98.97</u></b>
<b>Other Net Assets: 1.03% (2021: 0.56%)</b>		<b><u>248,536</u></b>	<b><u>1.03</u></b>
<b>Net Assets Attributable to Holders of Participating Redeemable Shares</b>		<b><u>24,061,298</u></b>	<b><u>100.00</u></b>

## Momentum Global Balanced Fund IC Limited


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

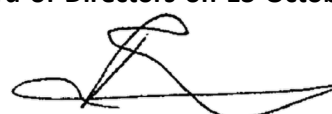
### Statement of Financial Position

	Notes	30.06.22 USD	30.06.21 USD
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	6	23,812,762	29,139,096
Cash and cash equivalents	7	127,999	165,589
Interest receivable	3	8,260	9,505
Securities sold receivable	3	250,000	944,007
Other receivables	9	547	450
<b>Total assets</b>		<b>24,199,568</b>	<b>30,258,647</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Securities purchased payable	3	-	887,191
Fair value of derivative financial instruments	8	79,359	30,753
Due on redemption of participating redeemable shares		24,594	-
Other payables	10	34,315	36,465
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		138,268	954,409
Net assets attributable to holders of participating redeemable shares	3 & 12	24,061,298	29,304,236
<b>Total liabilities</b>		<b>24,199,566</b>	<b>30,258,645</b>
<b>SHAREHOLDERS' EQUITY</b>			
Management shares	11	2	2
<b>Total equity</b>		<b>2</b>	<b>2</b>
<b>Total equity and liabilities</b>		<b>24,199,568</b>	<b>30,258,647</b>
<b>Net asset value per participating redeemable share</b>			
<b>Class A</b>		1.46	1.72
<b>Class B</b>		1.37	1.63

The notes 1 to 17 on pages 18 to 32 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

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## Momentum Global 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
<b>INCOME</b>			
Net realised gains on financial assets at fair value through profit or loss	6	1,288,422	1,270,583
Net unrealised (losses)/gains on financial assets at fair value through profit or loss	6	(5,271,131)	4,445,399
Net (losses)/gains on financial assets at fair value through profit or loss		(3,982,709)	5,715,982
Deposit interest		24,873	570
Interest income		-	44,587
Dividend income		176,379	100,486
Net (losses)/gains on forward derivative contracts		(356,505)	45,942
Other foreign exchange losses		(14,133)	(35,409)
Other income		3,126	175
<b>Total net (loss)/income</b>		<b>(4,148,969)</b>	<b>5,872,333</b>
<b>OPERATING EXPENSES</b>			
Audit fee		(8,160)	(14,067)
Custodian fee	14	(17,621)	(17,495)
Investment Management fee	14	(141,126)	(138,532)
Management and Administration fee	14	(84,124)	(82,591)
Sundry expenses		(4,674)	(4,573)
<b>Total operating expenses</b>		<b>(255,705)</b>	<b>(257,258)</b>
<b>Net (loss)/profit</b>		<b>(4,404,674)</b>	<b>5,615,075</b>
<b>(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations</b>		<b>(4,404,674)</b>	<b>5,615,075</b>

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 18 to 32 form part of these financial statements.



## Momentum Global 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	Year ended 30.06.21
	<u>USD</u>	<u>USD</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations	(4,404,674)	5,615,075
<b>ADJUSTMENTS FOR:</b>		
Net realised gains on financial assets at fair value through profit or loss	(1,288,422)	(1,270,583)
Net unrealised losses/(gains) on financial assets at fair value through profit or loss	5,271,131	(4,445,399)
Net settlement on derivatives and other foreign exchange	51,577	76,954
Dividend income	(176,379)	(100,486)
Deposit interest	(24,873)	(570)
Interest income	-	(44,587)
<b>Operating loss before working capital changes</b>	<b>(571,640)</b>	<b>(169,596)</b>
Net (increase)/decrease in other receivables	(97)	98
Net (decrease)/increase in other payables	(2,150)	8,619
Purchase of financial assets at fair value through profit or loss	(11,516,286)	(9,870,621)
Sale of financial assets at fair value through profit or loss	12,666,727	11,069,594
Dividend received	176,379	100,486
Deposit interest	26,118	3,594
Interest received	-	44,587
<b>Net cash generated from operating activities</b>	<b>779,051</b>	<b>1,186,761</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received on issuance of participating redeemable shares	202,244	113,902
Cash paid on redemption of participating redeemable shares	(1,015,914)	(1,139,696)
<b>Net cash used in financing activities</b>	<b>(813,670)</b>	<b>(1,025,794)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(34,619)</b>	<b>160,967</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>165,589</b>	<b>38,055</b>
Effect of foreign exchange rate on cash	(2,971)	(33,433)
<b>Cash and cash equivalents at the end of the year</b>	<b>127,999</b>	<b>165,589</b>

The notes 1 to 17 on pages 18 to 32 form part of these financial statements.

## Momentum Global Balanced Fund IC Limited

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

### Statement 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>
<b>Net assets attributable to holders of participating redeemable shares at the beginning of the year</b>		29,304,236	24,714,955
Proceeds from issuance of participating redeemable shares	11	202,244	113,902
Payments on redemption of participating redeemable shares	11	(1,040,508)	(1,139,696)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		(4,404,674)	5,615,075
<b>Net assets attributable to holders of participating redeemable shares at the end of the year</b>	12	<b><u>24,061,298</u></b>	<b><u>29,304,236</u></b>

The notes 1 to 17 on pages 18 to 32 form part of these financial statements.

## Momentum Global 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 Momentum Global Balanced Fund IC Limited (the "Incorporated Cell" or the "Cell"), with company number 46313, is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

The primary objective of the Cell is to provide a balance between capital preservation and capital growth over the full investment cycle in local currency terms with a reduced level of volatility. The diversified portfolio of the Cell invests into a wide range of asset classes including cash, fixed income, high yield, equities, property and alternative investment strategies. As this portfolio is global in nature, exposure will be taken in a wide range of currencies and markets. The Cell is ideally suited to investors with a medium risk tolerance with an investment horizon of three years or longer.

The Cell intends to achieve its investment objective through a diversified global portfolio that invests, primarily via other Collective Investment Schemes, across a broad range of asset classes and currencies in varying proportions over time. These classes include international equities, fixed income, alternative strategies, property, money market instruments, commodities and mixed asset funds. The Cell may invest in forward foreign currency exchange contracts to reduce their currency exposure. The Cell may also invest in transferable securities.

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.

## Momentum Global 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 effective during the year*

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

(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.

Periods beginning on or after 1 January 2022:

###### *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 2022 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.

## Momentum Global 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)

###### (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 have transferred substantially all risks and rewards of ownership.

###### (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.

## Momentum Global 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

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.

##### (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 its 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 accrual basis.

## Momentum Global 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)

##### 2.13 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.

#### 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 fair value of derivative financial instruments as at 30 June 2022 is disclosed under note 8 of these financial statements.

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 equities and 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 exposure 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		2021	
	Fair Value	% of net	Fair Value	% of net
	<u>USD</u>	assets	<u>USD</u>	assets
Government Bonds	2,302,412	9.57	2,573,714	8.79
Collective Investment Schemes	19,081,067	79.30	23,060,798	78.69
Property and Infrastructure Investment Trusts and ETFs	2,429,283	10.10	3,504,584	11.96
	<b>23,812,762</b>	<b>98.97</b>	<b>29,139,096</b>	<b>99.44</b>



## Momentum Global 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)

##### 3.2 Market price risk (continued)

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:

	<b>2022</b>	<b>2021</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Government Bonds	230,241	257,371
Collective Investment Schemes	1,908,107	2,306,080
Property and Infrastructure Investment Trusts and ETFs	242,928	350,459
	<b><u>2,381,276</u></b>	<b><u>2,913,910</u></b>

##### 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.

<b>As at 30 June</b>	<b>2022</b>	<b>2021</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Net financial assets on which no interest is paid	21,622,627	26,555,428
Net floating rate financial assets	136,259	175,094
Net fixed rate financial assets	2,302,412	2,573,714

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

<b>As at 30 June</b>	<b>2022</b>	<b>2021</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Movement in net floating rate financial assets	681	875
Movement in net fixed rate financial assets	11,512	12,869

##### 3.4 Cash flow risk

The Cell holds a significant 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.

## Momentum Global 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)

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	822,483	1,525,720
GBP exposure	4,082,204	3,251,009
JPY exposure	(97,776)	(12,197)

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.

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 <u>USD</u>	2021 <u>USD</u>
EUR exposure	41,124	76,286
GBP exposure	204,110	162,550
JPY exposure	(4,889)	(610)

##### 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 or 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 tradeable 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.

## Momentum Global 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)

##### 3.7 Liquidity risk (continued)

The table below analyses the Cell's financial assets, financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <u>USD</u>	Between 1 and 12 months <u>USD</u>	More than 12 months <u>USD</u>	2022 Total <u>USD</u>	2021 Total <u>USD</u>
Financial assets at fair value through profit or loss	22,513,909	-	1,298,853	23,812,762	29,139,096
Cash and cash equivalents	127,999	-	-	127,999	165,589
Interest receivable	8,260	-	-	8,260	9,505
Securities sold receivable	250,000	-	-	250,000	944,007
Other receivables	545	-	-	545	448
Due on redemption of participating redeemable shares	(24,594)	-	-	(24,594)	-
Securities purchased payable	-	-	-	-	(887,191)
Fair value of derivative financial instruments	(79,359)	-	-	(79,359)	(30,753)
Other payables	(34,315)	-	-	(34,315)	(36,465)
Net assets attributable to holders of participating redeemable shares	(24,061,298)	-	-	(24,061,298)	(29,304,236)
Net liquidity position	<b>(1,298,853)</b>	-	<b>1,298,853</b>	-	-

Participating redeemable shares are redeemed on demand at the holder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash flows, as holders of these instruments typically retain them for the medium to long term.

##### 3.8 Management of capital

The Board, with the assistance of the Investment Manager, manages the capital of the Cell in accordance with the investment objectives and policies. The Cell's overall strategy remains unchanged.

The Cell has no externally imposed capital requirements.

##### 3.9 Fair value disclosure

In the opinion of the Directors there are no material differences between the net asset values of the underlying assets and fair values of the financial assets and liabilities.

#### 4. Critical accounting estimates and judgements

The fair value of investments is considered to be the quoted, active market prices, or prices as supplied by the fund administrators of the Cell's underlying investments.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

## Momentum Global Balanced Fund IC Limited

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

#### Notes to the Financial Statements

#### 4. Critical accounting estimates and judgements (continued)

The fair value of investments in investee funds that are not quoted in an active market is determined primarily by reference to the latest available redemption price of such units for each investee fund, as determined by the administrator of such investee fund. The Investment Manager may make adjustments to the reported net asset value of various investee funds based on considerations such as:

- the liquidity of the investee fund or its underlying investments;
- the value date of the net asset value provided;
- any restrictions on redemptions; and
- the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the investee fund's advisors.

The prices are reviewed by the Investment Manager on a periodic basis. The Cell does not hold any Level 3 investments.

#### 5. Portfolio analysis

The Cell's portfolios is 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:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Asia (excluding Japan)	643,441	-
Cayman Islands	11,605,889	-
Channel Islands	916,332	1,954,006
Emerging Markets	1,698,489	-
Europe	4,687,252	24,157,355
Japan	999,249	-
United Kingdom	959,698	454,021
United States of America	2,302,412	2,573,714
	<b>23,812,762</b>	<b>29,139,096</b>

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

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Financial asset at fair value through profit or loss:</b>		
Government bonds	2,302,412	2,573,714
Collective Investment Schemes	19,081,067	23,060,798
Property and Infrastructure Funds	2,429,283	3,504,584
<b>Total financial assets at fair value through profit or loss</b>	<b>23,812,762</b>	<b>29,139,096</b>

## Momentum Global 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)

##### Movement on financial assets at fair value through profit or loss

	<b>2022</b>	<b>2021</b>
	<u>USD</u>	<u>USD</u>
Fair value of financial assets at the beginning of the year	29,139,096	24,428,902
Purchases of financial assets at fair value through profit or loss	10,629,094	10,757,812
Sales of financial assets at fair value through profit or loss	(11,972,719)	(11,763,600)
Net realised gains on financial assets at fair value through profit or loss	1,288,422	1,270,583
Movement in unrealised (losses)/gains on revaluation of financial assets	(5,271,131)	4,445,399
Fair value of financial assets at the end of the year	<b><u>23,812,762</u></b>	<b><u>29,139,096</u></b>
Comprising:		
Cost at the end of the year	21,863,021	21,918,225
Unrealised gains at the end of the year	1,949,741	7,220,871
	<b><u>23,812,762</u></b>	<b><u>29,139,096</u></b>

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).

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 table presents 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.



## Momentum Global Balanced Fund IC Limited

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

#### Notes to the Financial Statements

#### 8. Fair value of derivative financial instruments (continued)

30 June 2021	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial liabilities
	<u>CCY</u>				<u>USD</u>	<u>USD</u>	<u>USD</u>
Outstanding contract to buy EUR	EUR 480,000	18/08/2021	0.816621	0.843241	587,788	569,232	(18,556)
Outstanding contract to buy JPY	JPY 63,000,000	18/08/2021	108.655100	110.990000	579,816	567,619	(12,197)
							<u>(30,753)</u>

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>
Management shares receivable	2	2
Prepayments	545	448
	<u>547</u>	<u>450</u>

#### 10. Other payables

	2022	2021
	<u>USD</u>	<u>USD</u>
Management fee payable	6,124	7,976
Management fee rebate payable	3,697	-
Custodian fee payable	2,719	1,329
Investment management fee payable	10,275	13,380
Audit fee payable	9,837	11,102
Accrued general expenses	1,663	2,678
	<u>34,315</u>	<u>36,465</u>

#### 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	30.06.22	30.06.21
	<u>USD</u>	<u>USD</u>
Management Shares	2	2

Participating Redeemable Shares in Issue	Year ended 30.06.22	Year ended 30.06.21
Class A		
Balance at the beginning of the year	16,921,361	17,569,166
Issue of participating redeemable shares	120,857	69,312
Redemption of participating redeemable shares	(612,491)	(717,117)
<b>Balance at the end of the year</b>	<b><u>16,429,727</u></b>	<b><u>16,921,361</u></b>



## Momentum Global Balanced Fund IC Limited

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

#### Notes to the Financial Statements

##### 11. Share Capital (continued)

	Year ended 30.06.22	Year ended 30.06.21
<b>Participating Redeemable Shares in Issue</b>		
<b>Class B</b>		
Balance at the beginning of the year	89,239	89,592
Redemption of participating redeemable shares	(204)	(353)
<b>Balance at the end of the year</b>	<b>89,035</b>	<b>89,239</b>

##### 12. Net asset value per participating redeemable share

	NAV per share 30.06.22	Net assets attributable 30.06.22	Shares in issue 30.06.22	NAV per share 30.06.21	Net assets attributable 30.06.21	Shares in issue 30.06.21
	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
Global Balanced Cell - Class A	1.46	23,939,016	16,429,727	1.72	29,158,346	16,921,361
Global Balanced Cell - Class B	1.37	122,282	89,035	1.63	145,890	89,239
<b>Global Balanced Cell - Total</b>		<b>24,061,298</b>	<b>16,518,762</b>		<b>29,304,236</b>	<b>17,010,600</b>

##### 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.

##### 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 a Management and Administration Fee from the Cell, chargeable on a sliding scale, payable monthly in arrears, based on the current valuation and is subject to a minimum annual fee of USD22,000 or currency equivalent.

###### % Fee of NAV

0.30%

0.25%

0.20%

###### Cell NAV

Up to USD30m

From USD30m to USD60m

Above USD60m

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

	2022 <u>USD</u>	2021 <u>USD</u>
Charged during the year	84,124	82,591
Accrued at year end	6,124	7,976

Management Fee rebate received during the year:

	2022 <u>USD</u>	2021 <u>USD</u>
Received during the year	3,126	175
Payable at year end	3,697	-

## Momentum Global 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)

##### 14.2 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 of 0.50% of the NAV of Class A shares per annum and 1.15% of the NAV of Class B shares per annum (the "Investment Management fee"). The Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cell and is payable monthly in arrears.

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

	<b>2022</b>	<b>2021</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Charged during the year	141,126	138,532
Accrued at year end	10,275	13,380

##### 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.

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

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

	<b>2022</b>	<b>2021</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Charged during the year	17,621	17,495
Accrued at year end	2,719	1,329

##### 14.4 Distribution Partner fee

The Cell has appointed Momentum Wealth International Limited as Distribution Partner to promote and market the Cell. The Distribution Partner will not be paid a fee.

##### 14.5 Board of Directors' 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.

## Momentum Global Balanced Fund IC Limited

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

#### Notes to the Financial Statements

#### 16. Reconciliation of published valuation to financial statements

	<b>2022</b>	<b>2021</b>
	<u>USD</u>	<u>USD</u>
Net assets attributable to the holders of participating redeemable shares per financial statements	24,061,298	29,304,236
Adjustments:		
Adjustment in value of assets at financial assets at fair value through profit and loss	111,911	99,427
Adjustment in value of derivative financial instruments	8,518	729
Adjustment to accrue for rebranding of financial statements	441	-
Net assets attributable to the holders of participating redeemable shares per published valuation	<u>24,182,168</u>	<u>29,404,392</u>
NAV per Class A share per published valuation	<u>1.46</u>	<u>1.73</u>
NAV per Class B share per published valuation	<u>1.38</u>	<u>1.64</u>
NAV per Class A share per financial statements	<u>1.46</u>	<u>1.72</u>
NAV per Class B share per financial statements	<u>1.37</u>	<u>1.63</u>

#### 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.