

PMK Wealth Global Cautious Fund IC Limited

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

## **PMK Wealth Global Cautious Fund IC Limited**

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

<b>Contents</b>	<b>Page</b>
General Information	3
Investment Manager's Report	4
Directors' Report	5
Independent Auditor's Report	6
Custodian's Report	9
Supplementary Information	10
Portfolio Statement	11
Statement of Financial Position	12
Statement of Comprehensive Income	13
Statement of Cash Flows	14
Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares	15
Notes to the Financial Statements	16

## PMK Wealth Global Cautious 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

PMK Consulting Services (Pty) Ltd  
Unit 4 Oaktree Corner  
9 Kruger Street  
Oaklands, Johannesburg  
2192, 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

## PMK Wealth Global Cautious 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, the Fund benefited from the allocation to infrastructure, which performed well relative to equities. Our best performing manager over the quarter was the Gore Street Energy Storage Fund PLC, which is a beneficiary of more volatile energy prices, particularly in Europe. Within the Fund's equity allocation, we were rewarded for our lower exposure to the US, which was the worst performing region in local as well as dollar terms.

Within fixed income, Chinese local currency government bonds outperformed traditional developed market bonds, which benefited our positioning. On the other hand, the market cut its expectation of future US inflation despite signs of inflationary pressures broadening out into parts of the economy where it tends to persist for longer, and as a result our TIPS (Treasury Inflation Protected Securities) positions underperformed.

The Fund has outperformed on a relative basis year to date (2.6% ahead of a simple 30/70, equity/bond composite benchmark, net of fees). Over 12 months the Fund has outperformed this composite benchmark by 2.9% net of fees, but it has underperformed its Strategic Asset Allocation policy benchmark. Asset allocation was positive over the past 12 months by virtue of the Fund's overweight allocations to gold, UK equities, Chinese local currency government bonds, real assets (property and infrastructure) and cash. Manager selection was negative, however, with the Fund's loans managers, listed private equity managers and EM equity specialists are all underperforming.

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.**

## PMK Wealth Global Cautious 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 PMK Wealth Global Cautious Fund IC Limited (the "Incorporated Cell" or "Cell") for the year ended 30 June 2022.

#### Principal activities

The Cell with company number 65991 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 16.

#### 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 period 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 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.

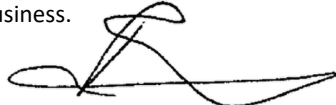
The annual report together with the audited financial statements of the Incorporated Cell are published on the Manager's website. The Manager is responsible for the maintenance and integrity of the website; the work carried out by the auditor does not involve consideration of these matters and, accordingly, 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.

#### Independent auditors

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



Director  
13 October 2022



Robert Rhodes  
Director

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## PMK Wealth Global Cautious Fund IC Limited

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

#### Independent Auditor's Report to the Members of PMK Wealth Global Cautious Fund IC Limited

##### Opinion

We have audited the financial statements of PMK Wealth Global Cautious 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

## PMK Wealth Global Cautious Fund IC Limited

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

#### Independent Auditor's Report to the Members of PMK Wealth Global Cautious 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;
- 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;

## PMK Wealth Global Cautious Fund IC Limited

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

#### Independent Auditor's Report to the Members of PMK Wealth Global Cautious Fund IC Limited (continued)

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

- 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:**



## **PMK Wealth Global Cautious Fund IC Limited**

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

**Custodian's Report to the Members of PMK Wealth Global Cautious 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**

## PMK Wealth Global Cautious 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	11,065,256	10,619,241
Class C	774,444	331,358
<b>2. NET ASSET VALUE PER SHARE - USD</b>		
Class A	0.97	1.11
Class C	0.88	1.01
<b>3. HIGHEST/LOWEST PRICE - USD*</b>		
Class A	1.14/0.97	1.12/0.97
Class C	1.03/0.88	1.01/1.00
<b>4. NUMBER OF SHARES SUBSCRIBED</b>		
Class A	1,977,273	7,426,874
Class C	443,086	331,358
<b>5. NUMBER OF SHARES REDEEMED</b>		
Class A	1,531,258	319,495

\*The highest/lowest price for the Cell is based on prices from 01.07.2021 to the current year-end, being 30.06.2022. The NAV on the 30.06.2022 was specifically calculated for financial reporting purposes and therefore may differ slightly from the most recent published price at that time.

# PMK Wealth Global Cautious 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 15.32% (2021: 17.45%)</b>			
United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	340,000	378,450	3.31
United States Treasury Note/Bond 1.625% 15/08/2029	1,020,000	928,918	8.12
United States Treasury Note/Bond 2.125% 31/05/2026	460,400	444,890	3.89
<b>Total Government Bonds</b>		<b>1,752,258</b>	<b>15.32</b>
<b>Collective Investment Schemes 84.47% (2021: 78.16%)</b>			
<b>Commodity Funds</b>			
iShares Gold Producers UCITS ETF	9,220	108,750	0.95
iShares Physical Gold ETF	15,585	549,215	4.80
<b>Total Commodity Funds</b>		<b>657,965</b>	<b>5.75</b>
<b>Equity Funds</b>			
Fidelity Funds - Emerging Markets Fund	20,613	291,474	2.55
Maple-Brown Abbott Global Fund	87,135	130,808	1.14
Momentum GF Global Equity Fund	16,387	2,549,336	22.28
Morant Wright Fuji Yield Fund	19,002	234,710	2.05
Sands Capital Funds - Sands Emerging Markets Growth Fund	13,841	189,620	1.66
Schroder Recovery Fund - Z Accumulating	86,181	165,610	1.45
<b>Total Equity Funds</b>		<b>3,561,558</b>	<b>31.13</b>
<b>Fixed Income Funds</b>			
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	1,734	391,368	3.42
Dodge & Cox Worldwide Funds - Global Bond Fund	67,637	786,613	6.88
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	5,078	553,116	4.83
iShares \$ TIPS UCITS ETF	2,155	507,287	4.44
Jupiter Global Emerging Markets Short Duration Bond	6,543	780,027	6.82
Muzinich Funds - Enhanced Yield Short-Term Fund	3,017	561,884	4.91
SPDR Bloomberg China Treasury Bond UCITS ETF	13,000	381,260	3.33
<b>Total Fixed Income Funds</b>		<b>3,961,555</b>	<b>34.63</b>
<b>Property and Infrastructure Investment Trusts and ETFs</b>			
iShares Developed Markets Property Yield ETF USD Dist	10,950	263,484	2.30
Third Avenue Real Estate Value Fund	3	110	-
<b>Total Property and Infrastructure Investment Trusts and ETFs</b>		<b>263,594</b>	<b>2.30</b>
<b>Investment Trusts</b>			
Digital 9 Infrastructure Fund	67,368	87,307	0.76
Gore Street Energy Storage Fund	52,792	77,577	0.68
Merian Chrysalis Investment Company Limited	40,000	50,618	0.44
Schroder UK Public Private Trust	320,000	82,194	0.72
Schroder UK Public Private Trust	513,292	573,498	5.01
TwentyFour Income Fund	280,000	348,650	3.05
<b>Total Investment Trusts</b>		<b>1,219,844</b>	<b>10.66</b>
<b>Total Collective Investment Schemes</b>		<b>9,664,516</b>	<b>84.47</b>
<b>Financial assets at fair value through profit or loss</b>		<b>11,416,774</b>	<b>99.79</b>
<b>Other Net Liabilities : 0.21% (2021: Other Net Assets: 4.39%)</b>		<b>24,745</b>	<b>0.21</b>
<b>Net Assets Attributable to Holders of Participating Redeemable Shares</b>		<b>11,441,519</b>	<b>100.00</b>

**Statement of Financial Position**

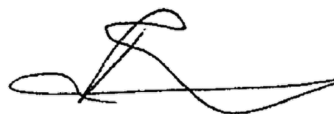
	Notes	Year ended 30.06.22 USD	Year ended 30.06.21 USD
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	6	11,416,774	11,600,033
Cash and cash equivalents	7	-	487,739
Securities sold receivable		167,004	111,475
Dividend receivable		1,025	-
Interest receivable		8,055	7,084
Other receivables	8	1,857	2,853
Fair value of derivative financial instruments	9	22,215	13,863
<b>Total assets</b>		<b>11,616,930</b>	<b>12,223,047</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft	7	145,557	-
Due on redemption of participating redeemable shares		662	-
Other payables	10	24,722	25,877
Securities purchased payable		4,370	64,239
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		175,311	90,116
Net assets attributable to holders of participating redeemable shares	3 & 12	11,441,519	12,132,831
<b>Total liabilities</b>		<b>11,616,830</b>	<b>12,222,947</b>
<b>SHAREHOLDERS' EQUITY</b>			
Management shares	11	100	100
<b>Total equity</b>		<b>100</b>	<b>100</b>
<b>Total equity and liabilities</b>		<b>11,616,930</b>	<b>12,223,047</b>
<b>Net asset value per participating redeemable share</b>			
Class A USD Shares	12	0.97	1.11
Class C USD Shares	12	0.88	1.01

The notes 1 to 17 on pages 16 to 26 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

**Statement of Comprehensive Income**

	Notes	Year ended 30.06.22 <u>USD</u>	Year ended 30.06.21 <u>USD</u>
<b>INCOME</b>			
Net realised gains on financial assets at fair value through profit or loss	6	147,800	98,936
Change in unrealised (losses)/gains on financial assets at fair value through profit or loss	6	<u>(1,852,117)</u>	<u>1,029,527</u>
Net (losses)/gains on financial assets at fair value through profit or loss		(1,704,317)	1,128,463
Bond interest		19,662	11,331
Dividend income		67,878	25,644
Other foreign exchange gains		173,906	6,115
Net losses on forward derivative contracts		<u>(105,063)</u>	<u>(35,089)</u>
<b>Total net (loss)/Income</b>		<b><u>(1,547,934)</u></b>	<b><u>1,136,464</u></b>
<b>OPERATING EXPENSES</b>			
Audit fee		(8,642)	(10,812)
Custodian fee	14	(12,072)	(12,243)
Distribution Partner fee	14	(46,563)	(29,810)
Investment Management fee	14	(44,887)	(32,685)
Management and Administration fee	14	(38,499)	(26,521)
Finance cost		(306)	(163)
Sundry expenses		<u>(11,242)</u>	<u>(12,291)</u>
<b>Total operating expenses</b>		<b><u>(162,211)</u></b>	<b><u>(124,525)</u></b>
<b>Net (loss)/profit before tax</b>		<b><u>(1,710,145)</u></b>	<b><u>1,011,939</u></b>
<b>(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations</b>		<b><u>(1,710,145)</u></b>	<b><u>1,011,939</u></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 16 to 26 form part of these financial statements.**

**Statement of Cash Flows**

	Year ended 30.06.22 <u>USD</u>	Year ended 30.06.21 <u>USD</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations	(1,710,145)	1,011,939
<b>ADJUSTMENT FOR:</b>		
Net realised gains on financial assets at fair value through profit or loss	(147,800)	(98,936)
Net unrealised losses/(gains) on financial assets at fair value through profit or loss	1,852,117	(1,029,527)
Other foreign exchange gains	(173,906)	(6,115)
Net losses on forward derivative contracts	105,063	35,089
Dividend income	(67,878)	(25,644)
Bond interest	(19,662)	(11,331)
Finance cost	306	163
<b>Operating loss before working capital changes</b>	<b>(161,905)</b>	<b>(124,362)</b>
Net decrease in interest receivable	18,691	5,069
Net decrease in other receivables	996	4,235
Net (decrease)/increase in other payables	(495)	10,165
Purchase of financial assets at fair value through profit or loss	(5,488,797)	(9,533,468)
Sale of financial assets at fair value through profit or loss	3,738,928	2,300,985
Dividends received	66,853	25,644
Finance cost paid	(306)	(163)
<b>Net cash used in operating activities</b>	<b>(1,826,035)</b>	<b>(7,311,895)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received from issuance of participating redeemable shares	2,582,547	8,051,972
Cash paid on redemption of participating redeemable shares	(1,563,714)	(327,421)
<b>Net cash generated from financing activities</b>	<b>1,018,833</b>	<b>7,724,551</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(807,202)</b>	<b>412,656</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>487,739</b>	<b>68,968</b>
Effect of foreign exchange rate on cash	173,906	6,115
<b>Cash and cash equivalents at the end of the year</b>	<b>(145,557)</b>	<b>487,739</b>

The notes 1 to 17 on pages 16 to 26 form part of these financial statements.

**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>		12,132,831	3,396,341
Proceeds receivable from issuance of participating redeemable shares	11	2,582,547	8,051,972
Payments on redemption of participating redeemable shares	11	(1,563,714)	(327,421)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		(1,710,145)	1,011,939
<b>Net assets attributable to holders of participating redeemable shares at the end of the year</b>	12	<b>11,441,519</b>	<b>12,132,831</b>

The notes 1 to 17 on pages 16 to 26 form part of these financial statements.

**Notes to the Financial Statements****1. General information**

PMK Wealth Global Cautious Fund IC Limited (the "Incorporated Cell" or "Cell"), with company numbers 65991 is a Guernsey registered, Limited Liability Incorporated Cell of the Momentum Mutual Fund ICC Limited (the "Company"). The Cell was incorporated on 29 January 2019.

The Cell is designed to deliver a real return of US CPI +2.5% net of fees over the medium to long term, with an appropriate level of risk.

The Cell intends to achieve its investment objective by investing globally, primarily via other Collective Investment Schemes, in a wide range of asset classes including cash, fixed income, equities, property, commodities and asset allocation portfolios.

The Cell may also invest in transferable securities which are classes of investments that are negotiable on a capital market such as (but not limited to) shares in companies or bond investments.

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").

On 18 July 2022, amendments were made to the Supplemental Prospectus of the Cell, implementing the following changes with effect from that date:

- Changes to the initial US\$1.00 offer price on Class C shares to prices reflecting the NAV per share at any applicable Valuation Point.
- Regulatory position - explanation was added to the effect that the Cell has been approved for promotion in South Africa by the Financial Sector Conduct Authority of South Africa.

**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.

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

**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.



**Notes to the Financial Statements****2. Summary of significant accounting policies (continued)**

*Standards, amendments and interpretations in issue not yet effective*

(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.

(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 its fund administrators.

**Notes to the Financial Statements****2. Summary of significant accounting policies (continued)****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 100 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 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 is 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 Incorporated 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.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

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.

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 are 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 will not include any derivative instruments with the exception of:

- Investment in forward foreign currency exchange contracts for the purpose of mitigating exchange rate risk against both the benchmark and the base currency.
  - Exchange-traded derivatives for the purpose of risk mitigation within the portfolio.
- Derivatives will not be used for speculative purposes or otherwise and unlisted derivative instruments will be limited to forward currency exchange contracts.

The fair value of derivative financial instruments as at 30 June 2022 is disclosed under note 9 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 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:

As at 30 June	2022		2021	
	Fair Value USD	% of Net Assets	Fair Value USD	% of Net Assets
Collective Investment Schemes	9,664,516	84.47	9,482,796	78.16
Government Bonds	1,752,258	15.32	2,117,237	17.45
	<b>11,416,774</b>	<b>99.79</b>	<b>11,600,033</b>	<b>95.61</b>
			2022	2021
			Change in Fair Value USD	Change in Fair Value USD
Collective Investment Schemes			966,452	948,280
Government Bonds			175,226	211,724
			<b>1,141,678</b>	<b>1,160,004</b>

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 its 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 risk. 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	5,873,263	5,338,994
Net floating rate financial assets	5,568,256	6,793,837

Should interest rates have increased 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:

As at 30 June	2022 <u>USD</u>	2021 <u>USD</u>
Movement in net floating rate financial assets	27,841	33,969

3.4 Cash flow risk

The Cell hold 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 the US Dollar, the functional currency, and therefore it is exposed to currency risk. The exposures are based on the currencies of the underlying assets in the Cell. Where the Cell invests via Collective Investment Funds, the 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>
Net EUR exposure	6,478	176,356
Net GBP exposure	1,604,664	689,262

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. Refer to note 9 for more detail.

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	324	8,818
GBP Exposure	80,233	34,463

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 a 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 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 Government Bonds held in the portfolio are Aaa rated by Moody's.

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

Notes to the Financial Statements

3. Financial risk management (continued)

3.7 Liquidity risk

Liquidity risk is the risk that the Cell will encounter difficulty in meeting obligations associated with its 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 its 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.

The table below analyses the Cell's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position 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.

		Between 1		2022	2021
	Less than 1	and 12	More than 12	Total	Total
	month	months	months	USD	USD
		USD	USD		
Financial assets at fair value through profit or loss	11,416,774	-	-	11,416,774	11,600,033
Cash and cash equivalents	-	-	-	-	487,739
Securities sold receivable	167,004	-	-	167,004	111,475
Dividend receivable	1,025	-	-	1,025	-
Interest receivable	8,055	-	-	8,055	7,084
Other receivables	1,757	-	-	1,757	2,753
Fair value of derivative financial instruments	22,215	-	-	22,215	13,863
Due on redemption of participating redeemable shares	(662)	-	-	(662)	-
Other payables	(24,722)	-	-	(24,722)	(25,877)
Fair value of derivative financial instruments	-	-	-	-	-
Securities purchased payable	(4,370)	-	-	(4,370)	(64,239)
Bank Overdraft	(145,557)	-	-	(145,557)	-
Net assets attributable to participating redeemable shares	(11,441,519)	-	-	(11,441,519)	(12,132,831)
<b>Net liquidity position</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 Incorporated Cell's objectives when managing capital is 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 Incorporated 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.

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 judgments

The fair value of investments has been based on the listed market bid prices, or prices 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.

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 holds no Level 3 investments.

**Notes to the Financial Statements**

**5. Portfolio analysis**

The Cell's portfolio 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>
	<u>USD</u>	<u>USD</u>
Europe	4,191,068	8,762,303
Guernsey	624,117	530,500
United Kingdom	325,382	189,992
United States	2,143,620	2,117,238
Emerging markets	1,261,122	-
Japan	234,711	-
Cayman Islands	2,636,754	-
	<b>11,416,774</b>	<b>11,600,033</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>
	<u>USD</u>	<u>USD</u>
<b>Financial assets at fair value through profit or loss:</b>		
Collective Investment Schemes	9,664,516	9,482,796
Government Bonds	1,752,258	2,117,237
<b>Total financial assets at fair value through profit or loss</b>	<b>11,416,774</b>	<b>11,600,033</b>

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

Fair value of financial assets at the beginning of the year	11,600,033	3,272,923
Purchases of financial assets	5,315,515	9,550,229
Sales of financial assets	(3,794,457)	(2,351,582)
Realised gains on sale of financial assets	147,800	98,936
Movement in unrealised (losses)/gains on revaluation of financial assets	(1,852,117)	1,029,527
Fair value of financial assets at the end of the year	<b>11,416,774</b>	<b>11,600,033</b>

	<b>2022</b>	<b>2021</b>
	<u>USD</u>	<u>USD</u>
Comprising:		
Cost at the end of the year	12,165,152	10,496,293
Unrealised (losses)/gains at the end of the year	(748,378)	1,103,740
	<b>11,416,774</b>	<b>11,600,033</b>

IFRS 13 require 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.

Notes to the Financial Statements

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

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
<b>Financial assets at fair value through profit or loss</b>				
Collective Investment Schemes	9,664,516	-	-	9,664,516
Government Bonds	1,752,258	-	-	1,752,258
	<b>11,416,774</b>	<b>-</b>	<b>-</b>	<b>11,416,774</b>

30 June 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Collective Investment Schemes	9,482,796	-	-	9,482,796
Government Bonds	2,117,237	-	-	2,117,237
	<b>11,600,033</b>	<b>-</b>	<b>-</b>	<b>11,600,033</b>

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.

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 USD	2021 USD
(Overdraft)/Cash at bank	(145,557)	487,739
	<b>(145,557)</b>	<b>487,739</b>

8. Other receivables

	2022 USD	2021 USD
Prepayments	1,757	2,753
Management shares receivable	100	100
	<b>1,857</b>	<b>2,853</b>

9. Fair value of derivative financial instruments

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

30 June 2022	Amount CCY	Maturity date	Contract rate	Closing rate	Contract value	Market value	Financial asset/(liability)
Outstanding contract to sell GBP	GBP783,932	24/08/2022	0.794970	0.8234184	(986,115)	(952,046)	34,069
Outstanding contract to buy JPY	JPY 31,000,000	24/08/2022	0.007846	0.0074631	243,211	231,357	(11,854)
							<b>22,215</b>

30 June 2021	Amount CCY	Maturity date	Contract rate	Closing rate	Contract value	Market value	Financial asset/(liability)
Outstanding contract to sell GBP	GBP405,000	18/08/2021	0.70637532	0.723877	(573,350)	(559,487)	13,863
							<b>13,863</b>

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 its investment portfolio. 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.

Notes to the Financial Statements

10. Other payables

	2022 USD	2021 USD
Management fee payable	3,000	3,225
Custodian fee payable	2,429	723
Investment management fee payable	4,007	4,280
Audit fee payable	8,010	9,040
Distribution fee payable	3,177	3,342
Sundry expenses payable	4,099	5,267
	<u>24,722</u>	<u>25,877</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 USD	30.06.21 USD
Management shares	100	100

	Class A Year ended 30.06.22	Class C Year ended 30.06.22	Total Year ended 30.06.22	Class A & C Year ended 30.06.21
Participating Redeemable Shares in Issue				
Balance at the beginning of the year	10,619,241	331,358	10,950,599	3,511,862
Issue of participating redeemable shares	1,977,273	443,086	2,420,358	7,758,232
Redemption of participating redeemable shares	(1,531,258)	-	(1,531,258)	(319,495)
<b>Balance at the end of the year</b>	<u>11,065,256</u>	<u>774,444</u>	<u>11,839,699</u>	<u>10,950,599</u>

12. Net asset value per participating redeemable share

As at 30 June	NAV per		
	share 2022 USD	Net assets attributable 2022 USD	Shares in issue 2022
Class A	0.97	10,763,428	11,065,256
Class C	0.88	678,091	774,444
<b>Total</b>		<u>11,441,519</u>	<u>11,839,700</u>

As at 30 June	NAV per		
	share 2021 USD	Net assets attributable 2021 USD	Shares in issue 2021
Class A	1.11	11,799,739	10,619,241
Class C	1.01	333,092	331,358
<b>Total</b>		<u>12,132,831</u>	<u>10,950,599</u>

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 are 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, will accrue as at each valuation point, based on the current valuation of the Cell and is payable monthly in arrears and subject to a minimum annual fee of USD 22,000 and chargeable on a sliding scale in respect of the Cell, as follows:

<u>Fee - % of NAV per annum</u>	Cell NAV
0.30%	Up to USD60m
0.25%	Over USD60m

The Administrator is entitled to such remuneration as agreed between the Manager and the Administrator from time to time and such remuneration is paid by the Manager out of the Management and Administration Fee received from the Cell.

Management and Administration Fee charged during the year and accrued at year end

	2022 USD	2021 USD
Charged during the year	38,499	26,521
Accrued at year end	<u>3,000</u>	<u>3,225</u>



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 (the "Investment Management fee") which will accrue as at each Valuation Point, based on the current aggregate valuation of the Cell of the Company in respect of which the Distribution Partner is appointed and is payable monthly in arrears and chargeable on a sliding scale in respect of all Share Classes, as follows:

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.35%	Up to USD30m
0.30%	From USD30m to USD60m
0.25%	Over USD60m

Investment Management fee is subject to a minimum fee of USD30,000 per annum for the Cell, which will be borne by the Classes on a pro rata basis by reference to their respective NAVs.

Investment Management fees charged during the year and accrued at year end

	<b>2022</b>	<b>2021</b>
	<u>USD</u>	<u>USD</u>
Charged during the year	44,887	32,685
Accrued at year end	4,007	4,280

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 "Custodian fee") for the services rendered in connection with the Cell. The Custodian Fee will accrue as at each Valuation Point, based on the current valuation and is payable monthly in arrears., subject to a minimum of USD8,000 per annum. Additional transaction fees may also apply.

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

Custodian fees charged during the year and accrued at year end

	<b>2022</b>	<b>2021</b>
	<u>USD</u>	<u>USD</u>
Charged during the year	12,072	12,243
Accrued at year end	2,429	723

14.4 Distribution Partner fee

The Cell has appointed PMK Consulting Services (Pty) Ltd as distribution partner to promote and market the Cell. The Distribution Partner is entitled to receive a fee equal to 0.35% of the NAV of the Cell attributable to the Class A USD Share per annum and 0.75% of the NAV of the Cell attributable to the Class C USD Shares per annum (the "Distribution Partner fee"). The Distribution Partner Fee will accrue as at each Valuation Point, based on the current valuation 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.

Distribution Partner fee charged during the year and accrued at the year end

	<b>2022</b>	<b>2021</b>
	<u>USD</u>	<u>USD</u>
Charged during the year	46,563	29,810
Accrued at year end	3,177	3,342

14.5 Board of Directors' remuneration

The Directors' fees in respect of the Incorporated Cell shall not exceed USD20,000 or currency equivalent in any 12-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.

Notes to the Financial Statements

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

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Net assets attributable to holders of participating redeemable shares	11,441,519	12,132,831
Adjustments:		
Adjustment to accrue for rebranding of financial statements	441	-
Accrued dividend income	(1,025)	(108,078)
Adjustment to fair value of derivatives financial instruments	(3,300)	(60)
Adjustment in value of assets at financial assets at fair value through profit and loss	25,095	57,851
Net assets attributable to holders of participating redeemable shares	<u>11,462,730</u>	<u>12,082,544</u>
NAV per Class A share per published valuation	<u>0.97</u>	<u>1.12</u>
NAV per Class C share per published valuation	<u>0.88</u>	<u>1.01</u>
NAV per Class A share per financial statements	<u>0.97</u>	<u>1.11</u>
NAV per Class C share per published valuation	<u>0.88</u>	<u>1.01</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.