

Momentum Global Cautious Fund IC Limited

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

Momentum Global Cautious Fund IC Limited

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

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Momentum Global Cautious Fund IC Limited

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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

Class D Distribution Partner

Momentum Consult (Pty) Limited
268 West Avenue
Centurion
South Africa
0157

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

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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 believe 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 its reduced equity weight and our higher allocation to infrastructure, which performed well relative to equities. Our best performing fund over the quarter was Gore Street Capital, who manage the Gore Street Energy Storage, 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. Our underlying equity managers also performed well in aggregate.

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 performed slightly ahead of a simple 30|70, equity|bond composite benchmark year to date, net of fees. Over 12 months the Fund has marginally outperformed the composite benchmark and its Strategic Asset Allocation policy benchmark gross of fees, but net of fees the Fund has underperformed both these reference rates, by 0.6% and 1.5% respectively. Asset allocation was positive over the past 12 months, 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 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.

Momentum Global Cautious Fund IC Limited

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Directors' Report

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

Principal activities

The Cell with company number 47777 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 geo-political issues on the Cell. Refer to note 2 for the detailed disclosure.

Directors

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

Directors' interests

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

Directors' responsibilities

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

Marie Curutchet

Director

13 October 2022

Robert Rhodes

Director

Momentum Global Cautious Fund IC Limited

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Independent Auditor's Report to the Members of Momentum Global Cautious Fund IC Limited

Opinion

We have audited the financial statements of Momentum 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.

Momentum Global Cautious Fund IC Limited

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Independent Auditor's Report to the Members of Momentum 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;

Momentum Global Cautious Fund IC Limited

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Independent Auditor's Report to the Members of Momentum Global Cautious 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 Cautious Fund IC Limited

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Custodian's Report to the Members of Momentum 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

Momentum Global Cautious Fund IC Limited

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Supplementary Information

	30.06.22	30.06.21
1. NUMBER OF SHARES OUTSTANDING		
Class A	11,919,911	9,919,876
Class B	7,074,249	6,380,561
Class C	290,514	349,534
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.26	1.50
Class B	1.25	1.48
Class C	5.72	6.77
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.53 / 1.26	1.52 / 1.34
Class B	1.51 / 1.25	1.50 / 1.31
Class C	6.93 / 5.73	6.89 / 6.52
4. NUMBER OF SHARES SUBSCRIBED		
Class A	3,603,080	3,287,134
Class B	1,655,393	2,132,432
Class C	45,459	614,859
5. NUMBER OF SHARES REDEEMED		
Class A	1,603,045	864,046
Class B	961,705	8,314,841
Class C	104,479	265,325

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

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Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Government Bonds: 8.54% (2021: 9.00%)			
United States Treasury Inflation Indexed Bonds 0.125% 15/01/2030	970,000	1,041,165	4.09
United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	1,020,000	1,135,349	4.46
Total Government Bonds		2,176,514	8.54
Collective Investment Schemes: 92.08% (2021: 89.71%)			
Commodities Funds			
iShares Gold Producers UCITS ETF Acc USD	17,200	202,874	0.80
iShares Physical Gold ETF	33,092	1,166,162	4.58
Total Commodities Funds		1,369,036	5.38
Equity Funds			
Fidelity Funds - Emerging Markets Fund	79,147	1,119,139	4.39
Maple-Brown Abbott Global Fund	256,717	385,384	1.51
Momentum Global Funds-Momentum GF Global Fixed Income Fund	23,748	5,311,788	20.85
Momentum MGF Global Equity Fund Class M	34,144	3,123,082	12.26
Morant Wright Fuji Yield Fund	43,889	542,113	2.13
Schroder Recovery Fund - Z Accumulating	250,114	383,333	1.50
Total Equity Funds		10,864,839	42.64
Fixed Income Funds			
Amundi Index Barclays Global AGG 500M	0.002	2	-
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	7,182	1,445,695	5.67
BlackRock Fixed Income Dublin Funds - Euro Credit Bond Index Fund	688	2,142,140	8.41
BlackRock Fixed Income Dublin Funds - US Corporate Bond Index Fund	1,128	501,094	1.97
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	19,668	14,909	0.06
iShares Emerging Markets Government Bond Index Fund Class Institutional Acc USD	53,150	18,908	0.07
Jupiter Global Emerging Markets Short Duration Bond	9,687	1,022,923	4.01
Muzinich Funds - Enhanced Yield Short-Term Fund	10,297	1,917,478	7.53
SPDR Bloomberg China Treasury Bond UCITS ETF	26,400	774,251	3.04
STANLIB Single Manager Global Bond Fund Class A	378	550,953	2.16
Total Fixed Income Funds		8,388,353	32.92
Investment Trusts			
Digital 9 Infrastructure Fund	125,000	167,898	0.66
Gore Street Energy Storage Fund	117,830	173,149	0.68
Merian Chrysalis Investment Company Limited	42,000	53,149	0.21
Schroder UK Public Private Trust	315,000	80,910	0.32
Sequoia Economic Infrastructure Income Fund	1,128,159	1,260,485	4.95
TwentyFour Income Fund	480,000	597,684	2.35
Total Investment Trusts		2,333,275	9.16
Property Funds			
iShares Developed Markets Property Yield ETF USD Dist	21,000	505,313	1.98
Third Avenue Real Estate Value Fund	5	182	-
Total Property Funds		505,495	1.98
Total Collective Investment Schemes		23,460,998	92.08

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Portfolio Statement (continued)

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss		25,637,512	100.62
Other Net Liabilities: (0.62%) (2021: 1.29%)		(159,962)	(0.62)
Net Assets Attributable to Holders of Participating Redeemable Shares		<u><u>25,477,550</u></u>	<u><u>100.00</u></u>

Momentum Global Cautious Fund IC Limited

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Statement of Financial Position

	Notes	Year ended 30.06.22 USD	Year ended 30.06.21 USD
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	25,637,512	26,288,722
Cash and cash equivalents	7	53,082	501,456
Dividend receivable	3	5,043	3,390
Other receivables	9	723	616
Total assets		25,696,360	26,794,184
LIABILITIES			
CURRENT LIABILITIES			
Due on redemption of participating redeemable shares	3	5,155	-
Securities purchased payable		1,516	288
Fair value of derivative financial instruments	8	176,386	128,319
Other payables	10	35,751	33,732
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		218,808	162,339
Net assets attributable to holders of participating redeemable shares	3 & 12	25,477,550	26,631,843
Total liabilities		25,696,358	26,794,182
SHAREHOLDERS' EQUITY			
Management shares	11	2	2
Total equity		2	2
Total equity and liabilities		25,696,360	26,794,184
Net asset value per participating redeemable share	12		
Class A		1.26	1.50
Class B		1.25	1.48
Class C		5.72	6.77

The notes 1 to 17 on pages 18 to 30 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

Momentum Global Cautious Fund IC Limited

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

Statement of Comprehensive Income

		Year ended 30.06.22	Year ended 30.06.21
	Notes	USD	USD
INCOME			
Realised gains on financial assets at fair value through profit or loss	6	56,040	1,677,499
Unrealised (losses)/gains on financial assets at fair value through profit or loss	6	(3,885,800)	1,197,676
Net (losses)/gains on financial assets at fair value through profit or loss		<u>(3,829,760)</u>	<u>2,875,175</u>
Interest income		9,982	79,109
Deposit loss		(177)	(833)
Dividend income		130,741	81,124
Net (losses)/gains on forward derivative contracts		(857,252)	368,222
Other foreign exchange gains/(losses)		56,506	(249,085)
Other income		3,753	129
Total net (loss)/income		<u>(4,486,207)</u>	<u>3,153,841</u>
OPERATING EXPENSES			
Audit fee		(8,300)	(12,443)
Custodian fee	14	(15,672)	(13,569)
Distribution Partner's fee	14	(16,399)	(12,500)
Investment Management fee	14	(116,654)	(102,257)
Management and Administration fee	14	(73,458)	(65,330)
Sundry expenses		(11,273)	(11,947)
Total operating expenses		<u>(241,756)</u>	<u>(218,046)</u>
Net (loss)/profit for the year		<u>(4,727,963)</u>	<u>2,935,795</u>
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		<u>(4,727,963)</u>	<u>2,935,795</u>

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 30 form part of these financial statements.

Momentum Global Cautious Fund IC Limited

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

Statement of Cash Flows

	Year ended 30.06.22 <u>USD</u>	Year ended 30.06.21 <u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations	(4,727,963)	2,935,795
ADJUSTMENT FOR:		
Net realised gains on financial assets at fair value through profit or loss	(56,040)	(1,677,499)
Net unrealised losses/(gains) on financial assets at fair value through profit or loss	3,885,800	(1,197,676)
Net settlement on derivatives and other foreign exchange	(10,283)	472,850
Dividend income	(130,741)	(81,124)
Deposit loss	177	833
Interest income	(9,982)	(79,109)
Operating (loss)/profit before working capital changes	(1,049,032)	374,070
Net increase in other receivables	(107)	(68)
Net increase in other payables	2,019	6,770
Purchase of financial assets at fair value through profit or loss	(18,185,584)	(27,575,734)
Sale of financial assets at fair value through profit or loss	15,008,260	29,920,113
Interest income	9,982	79,109
Deposit loss	(177)	(833)
Dividend received	129,088	85,990
Net cash (used in)/generated from operating activities	(4,085,551)	2,889,417
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	7,961,752	11,938,124
Cash paid on redemptions of participating redeemable shares	(4,382,926)	(14,836,149)
Net cash generated from/(used in) financing activities	3,578,826	(2,898,025)
Net decrease in cash and cash equivalents	(506,725)	(8,608)
Cash and cash equivalents at the beginning of the year	501,456	768,268
Effect of foreign exchange rate on cash	58,351	(258,204)
Cash and cash equivalents at the end of the year	53,082	501,456

The notes 1 to 17 on pages 18 to 30 form part of these financial statements.

Momentum Global Cautious Fund IC Limited

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

	Notes	Year ended 30.06.22 USD	Year ended 30.06.21 USD
Net assets attributable to holders of participating redeemable shares at the beginning of the year		26,631,843	26,593,073
Proceeds from issuance of participating redeemable shares	11	7,961,752	11,938,124
Payments on redemption of participating redeemable shares	11	(4,388,082)	(14,835,149)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		<u>(4,727,963)</u>	<u>2,935,795</u>
Net assets attributable to holders of participating redeemable shares at the end of the year	12	<u>25,477,550</u>	<u>26,631,843</u>

The notes 1 to 17 on pages 18 to 30 form part of these financial statements.

Momentum Global Cautious 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 Cautious Fund IC Limited (the "Incorporated Cell" or "Cell") with company number 47777 is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

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 Cell aims to operate a conservative portfolio with an emphasis on capital preservation. A significant proportion of the portfolio will be held in the base currency and will invest into a wide range of asset classes including equities, alternative strategies and property. As such, some degree of volatility is to be expected and the Cell is aimed at investors with a low risk tolerance.

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, bonds, property, alternative strategies and equities. The Cell is suitable for investors with a time horizon of over 3 years. The Cell may invest in the units of Collective Investment Schemes which are also managed by the Manager or an associate of the Manager.

During the year, on 16 February 2022, amendments were made to the Supplemental Prospectus of the Incorporated Cell, implementing the following changes with effect from that date:

- New share Class was launched in the Cell being Class D USD Shares.
- Definitions - definition of Subscription Price, Minimum Initial Investment and Classes of Participating Shares were amended to include Class D USD Shares.
- Fees - Distribution Partner fee, Investment Management fee and Management and Administration fee have been amended to include the Class D USD shares. Additional information on these fees is in note 14.

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.

Momentum Global Cautious 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 accounting 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.

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.

(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.

Momentum Global Cautious Fund IC Limited

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

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

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

(c) Measurement

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

(d) Fair value estimation

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

2.5 Offsetting financial instruments

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

2.6 Forward currency contracts

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

2.7 Cash and cash equivalents

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

2.8 Other financial instruments

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

2.9 Share capital

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

(a) Management shares

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

The Incorporated Cell has issued 2 management shares.

(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.

Momentum Global Cautious Fund IC Limited

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

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.9 Share capital (continued)

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 Increase/(decrease) 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 objective 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.

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.

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 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 they trade primarily in Collective Investment Schemes. Through its investment in traded securities and instruments the Cell is subject to market movements in the equity and bond markets.

Momentum Global Cautious 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)

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 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 USD	% of net assets	Fair Value USD	% of net assets
Government Bonds	2,176,514	8.54	2,396,916	9.00
Collective Investments Schemes	23,460,998	92.08	23,891,806	89.71
	25,637,512	100.62	26,288,722	98.71

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 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:

	2022	2021
	Change in fair value USD	Change in fair value USD
Government Bonds	217,651	239,691
Collective Investments Schemes	2,346,100	2,389,181
	2,563,751	2,628,872

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 risks. It includes the Cell's assets and trading liabilities at fair values, all of which have contractual re- pricing or maturity dates within one month.

As at 30 June	2022 USD	2021 USD
Net financial assets on which no interest is paid	23,247,954	23,733,471
Net floating rate financial assets	53,082	501,456
Net fixed rate financial assets	2,176,514	2,396,916

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

As at 30 June	2022 USD	2021 USD
Movement in net floating rate financial assets	265	2,507
Movement in net fixed rate financial assets	10,883	11,985

Momentum Global Cautious 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)

3.4 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 Dollars, 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 GBP exposure	3,319,829	1,633,798
Net EUR exposure	(62,022)	299,302
Net JPY exposure	(136,913)	(14,295)
Net ZAR exposure	365	419

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 preference shareholders would have increased, or decreased, as follows:

As at 30 June	2022 <u>USD</u>	2021 <u>USD</u>
Net GBP exposure	165,991	81,690
Net EUR exposure	(3,101)	14,965
Net JPY exposure	(6,846)	(715)
Net ZAR exposure	18	21

3.6 Credit risk

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

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

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

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

The Government bonds held in the Cell's portfolio are Aaa and Aa2 rated by Moody's.

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

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 tradeable and have reported no warnings regarding its ability to process redemptions as normal.

Momentum Global Cautious Fund IC Limited

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Notes to the Financial Statements

3. Financial risk management (continued)

3.7 Liquidity risk (continued)

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 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.

	Less than 1 month USD	Between 1 and 12 months USD	2022 Total USD	2021 Total USD
Financial assets at fair value through profit or loss	25,637,512	-	25,637,512	26,288,722
Cash and cash equivalents	53,082	-	53,082	501,456
Fair value of derivative financial instruments	-	(176,386)	(176,386)	(128,319)
Dividend receivable	5,043	-	5,043	3,390
Prepayments	721	-	721	614
Due on redemption of participating redeemable shares	(5,155)	-	(5,155)	-
Securities purchased payable	(1,516)	-	(1,516)	(288)
Other payables	(35,751)	-	(35,751)	(33,732)
Net assets attributable to holders of participating redeemable shares	(25,477,550)	-	(25,477,550)	(26,631,843)
Net liquidity position	176,386	(176,386)	-	-

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.

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.

Momentum Global Cautious Fund IC Limited

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

Notes to the Financial Statements

5. Portfolio analysis

The Cell's 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 disclosed in note 3.2 and the following main geographical areas:

	2022	2021
	USD	USD
Asia	1,138,047	-
Channel Islands	7,344,458	1,934,686
Emerging Markets	1,524,016	-
Europe	3,720,767	21,957,120
Ireland	7,108,511	-
Japan	542,113	-
United Kingdom	637,392	-
United States of America	3,622,208	2,396,916
	25,637,512	26,288,722

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

6. Financial assets at fair value through profit or loss

	2022	2021
	USD	USD
Financial assets at fair value through profit or loss:		
Government Bonds	2,176,514	2,396,916
Collective Investment Schemes	23,460,998	23,891,806
Total financial assets at fair value through profit or loss	25,637,512	26,288,722

Movement on financial assets at fair value through profit or loss

Fair value of financial assets at the beginning of the year	26,288,722	25,757,639
Purchases of financial	18,186,810	27,576,021
Sales of financial assets	(15,008,260)	(29,920,113)
Realised gains on financial assets	56,040	1,677,499
Movement in unrealised (losses)/gains on revaluation of financial assets	(3,885,800)	1,197,676
Fair value of financial assets at the end of the year	25,637,512	26,288,722
Comprising:		
Cost at the end of the year	26,899,541	23,664,951
Unrealised (losses)/gains at the end of the year	(1,262,029)	2,623,771
	25,637,512	26,288,722

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.

Momentum Global Cautious Fund IC Limited

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Notes to the Financial Statements

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

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:

30 June 2022

	Level 1 <u>USD</u>	Level 2 <u>USD</u>	Level 3 <u>USD</u>	Total <u>USD</u>
Financial assets at fair value through profit or loss				
Government Bonds	2,176,514	-	-	2,176,514
Collective Investment Schemes	23,460,998	-	-	23,460,998
	25,637,512	-	-	25,637,512

30 June 2021

	Level 1 <u>USD</u>	Level 2 <u>USD</u>	Level 3 <u>USD</u>	Total <u>USD</u>
Financial assets at fair value through profit or loss				
Government Bonds	2,396,916	-	-	2,396,916
Collective Investment Schemes	23,891,806	-	-	23,891,806
	26,288,722	-	-	26,288,722

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 <u>USD</u>	2021 <u>USD</u>
Cash at bank	53,082	501,456
	53,082	501,456

8. Derivative financial instruments

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

30 June 2022	Amount <u>EUR/GBP/YEN</u>	Maturity Date	Contracted rate	Closing rate	Contract value <u>USD</u>	Market value <u>USD</u>	Financial assets/ (liabilities) <u>USD</u>
Outstanding contract to buy EUR	3,280,000	24/08/2022	0.933535	0.9565258	3,513,526	3,429,076	(84,450)
Outstanding contract to sell GBP	(1,063,905)	24/08/2022	0.795688	0.82342	(1,337,088)	(1,292,059)	45,029
Outstanding contract to buy YEN	170,000,000	24/08/2022	127.141928	135.85500	1,337,088	1,251,334	(85,754)
Outstanding contract to buy YEN	100,000,000	24/08/2022	127.0179	135.85500	787,291	736,079	(51,211)
							(176,386)

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Notes to the Financial Statements

8. Derivative financial instruments (continued)

30 June 2021	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial liabilities
	<u>EUR/YEN</u>				<u>USD</u>	<u>USD</u>	<u>USD</u>
Outstanding contract to buy EUR	2,940,000	18/08/2021	0.816552	0.8432414	3,600,506	3,486,546	(113,960)
Outstanding contract to buy YEN	60,000,000	18/08/2021	108.661001	110.99000	552,176	540,589	(11,587)
Outstanding contract to buy YEN	60,000,000	18/08/2021	110.4239	110.99000	543,361	540,589	(2,772)
							<u>(128,319)</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 its investment portfolios. As there is no assurance that these hedges will be effective in achieving the offsetting of changes in cash flows attributable to currency risk on these investments it is the policy of the Cell not to apply hedge accounting.

9. Other receivables

	2022	2021
	<u>USD</u>	<u>USD</u>
Prepayments	721	614
Management shares receivable	2	2
	<u>723</u>	<u>616</u>

10. Other payables

	2022	2021
	<u>USD</u>	<u>USD</u>
Management fee payable	5,647	6,341
Custodian fee payable	2,982	977
Investment Management fee payable	8,970	10,025
Distribution Partner's fee payable	1,263	1,352
Audit fee payable	8,659	9,772
Sundry expenses payable	4,010	5,265
Management fee rebate payable	4,220	-
	<u>35,751</u>	<u>33,732</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.

	2022	2021
	<u>USD</u>	<u>USD</u>
Management Shares in issue		
Management shares	2	2

	Year ended	Year ended
	30.06.22	30.06.21
Participating Redeemable Shares in Issue - Class A		
Balance at the beginning of the year	9,919,876	7,496,788
Issue of participating redeemable shares	3,603,080	3,287,134
Redemption of participating redeemable shares	(1,603,045)	(864,046)
Balance at the end of the year	<u>11,919,911</u>	<u>9,919,876</u>

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Notes to the Financial Statements

11. Share capital (continued)

	Year ended 30.06.22	Year ended 30.06.21
Participating Redeemable Shares in Issue - Class B		
Balance at the beginning of the year	6,380,561	12,562,970
Issue of participating redeemable shares	1,655,393	2,132,432
Redemption of participating redeemable shares	(961,705)	(8,314,841)
Balance at the end of the year	7,074,249	6,380,561
	Year ended 30.06.22	Year ended 30.06.21
Participating Redeemable Shares in Issue - Class C		
Balance at the beginning of the year	349,534	-
Issue of participating redeemable shares	45,459	614,859
Redemption of participating redeemable shares	(104,479)	(265,325)
Balance at the end of the year	290,514	349,534

12. Net asset value per participating redeemable share

As at 30 June	NAV per	Net assets	Shares in	NAV per	Net assets	Shares in
	share	attributable	issue	share	attributable	issue
	2022	2022	2022	2021	2021	2021
	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
Class A	1.26	14,994,164	11,919,911	1.50	14,838,804	9,919,876
Class B	1.25	8,821,962	7,074,249	1.48	9,425,202	6,380,561
Class C	5.72	1,661,424	290,514	6.77	2,367,837	349,534
Total		25,477,550	19,284,674		26,631,843	16,649,971

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, chargeable at a rate of 0.30% of the NAV of Class A shares per annum and 0.21% of the NAV of Class B, Class C and Class D shares per annum, which will accrue at each valuation point, based on the current valuation of the Cell, payable monthly in arrears and is subject to a minimum fee of USD22,000, per annum, or currency equivalent.

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.

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Notes to the Financial Statements

14. Related-party transactions (continued)

14.1 Management and Administration fee (continued)

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

	2022	2021
	USD	USD
Charged during the year	73,458	65,330
Accrued at year end	5,647	6,341

Management Fee rebate received during the year and accrued at year end:

	2022	2021
	USD	USD
Received during the year	3,753	129
Accrued at year end	4,220	-

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 0.30% of the NAV of Class B, Class C and Class D 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:

	2022	2021
	USD	USD
Charged during the year	116,654	102,257
Accrued at year end	8,970	10,025

14.3 Custodian fee

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

Fee % of NAV per annum

	Cell NAV
0.04%	Up to USD70m
0.03%	From USD70m to USD140m
0.02%	Over USD140m

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

	2022	2021
	USD	USD
Charged during the year	15,672	13,569
Accrued at year end	2,982	977

14.4 Distribution Partner's fee

The Cell has appointed the Manager, Momentum Wealth International Limited (in respect of Class A, Class B and Class C shares) and Momentum Consult (Pty) Limited (in respect of Class D shares). Until the issue of Class D shares, the Distribution Partner is entitled to receive a fee of up to 0.10% of the NAV of Class A shares per annum (the "Distribution Partner's fee") and will accrue as at each Valuation Point, based on the current valuation of the Cell and is payable monthly in arrears. No Distribution Partner fee has been accrued and charged in respect of the Class B, Class C and Class D shares. Upon issue of Class D shares, the Distribution Partner will be entitled to receive a fee of up to 0.20% of the NAV of Class D shares per annum (the "Distribution Partner's fee") and will accrue as at each Valuation Point, based on the current valuation of the Cell and will be payable monthly in arrears. No Distribution Partner fee will be accrued and charged in respect of the Class A, Class B and Class C shares. The Distribution Partner will also be entitled to be paid any expenses and disbursements reasonably incurred in performance of its duties.

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Notes to the Financial Statements

14. Related-party transactions (continued)

14.4 Distribution Partner's fee (continued)

Distribution Partner's fee charged during the year and accrued at year end:

	2022	2021
	USD	USD
Charged during the year	16,399	12,500
Accrued at year end	<u>1,263</u>	<u>1,352</u>

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.

16. Reconciliation of published valuation to financial statements

	2022	2021
	USD	USD
Net assets attributable to holders of participating redeemable shares per financial statements	25,477,550	26,631,843
Adjustments:		
Adjustment in value of assets at financial assets at fair value through profit or loss	29,197	125,607
Adjustment in value of derivative financial instruments	16,108	3,578
Adjustment for accrued income	(1,516)	-
Adjustment to accrue for rebranding of financial statements	441	-
Net assets attributable to holders of participating redeemable shares per published valuation	<u>25,521,780</u>	<u>26,761,028</u>
NAV per Class A share per published valuation	<u>1.26</u>	<u>1.50</u>
NAV per Class B share per published valuation	<u>1.25</u>	<u>1.48</u>
NAV per Class C share per published valuation	<u>5.73</u>	<u>6.81</u>
NAV per Class A share per financial statements	<u>1.26</u>	<u>1.50</u>
NAV per Class B share per financial statements	<u>1.25</u>	<u>1.48</u>
NAV per Class C share per financial statements	<u>5.72</u>	<u>6.77</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.