

VPFP International Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

VFPF International Cautious Fund IC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2021

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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

Directors of the Incorporated Cell

Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ferdinand van Heerden
Kapil Joshi (appointed 23 February 2021)

Investment Manager

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

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

Distribution Partner

Vickers & Peters Financial Planning
2nd Floor, 1 Melrose Boulevard
Melrose Arch
South Africa

Legal Advisor

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

Manager

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

Independent Auditor

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

Custodian

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

Sub-Investment Manager

Ampersand Asset Management (Pty) Limited
2nd Floor, 1 Melrose Boulevard
Melrose Arch
South Africa

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Investment Manager's Report

Globally vaccine strategies have been the major driver of economic growth recoveries. Evidence clearly points to the fact that in countries where vaccination rates were lower, economic recovery followed suit.

An interesting development and perhaps a little unexpected is the broad-based surge in inflationary pressure, both across developed and emerging markets. This has caused renewed equity and bond market volatility on the back of heightened fears of rising rates and central bank tapering.

Looking ahead the key risk for equity and bond investors over the next 12 months will be the impact of central bank tapering. We do however believe that the impact of the unprecedented fiscal expenditure across the globe will be supportive of equity market returns into the foreseeable future.

Market performance:



Performance Data Source: Profile Data 30 June 2021 (USD)

Performance Key:

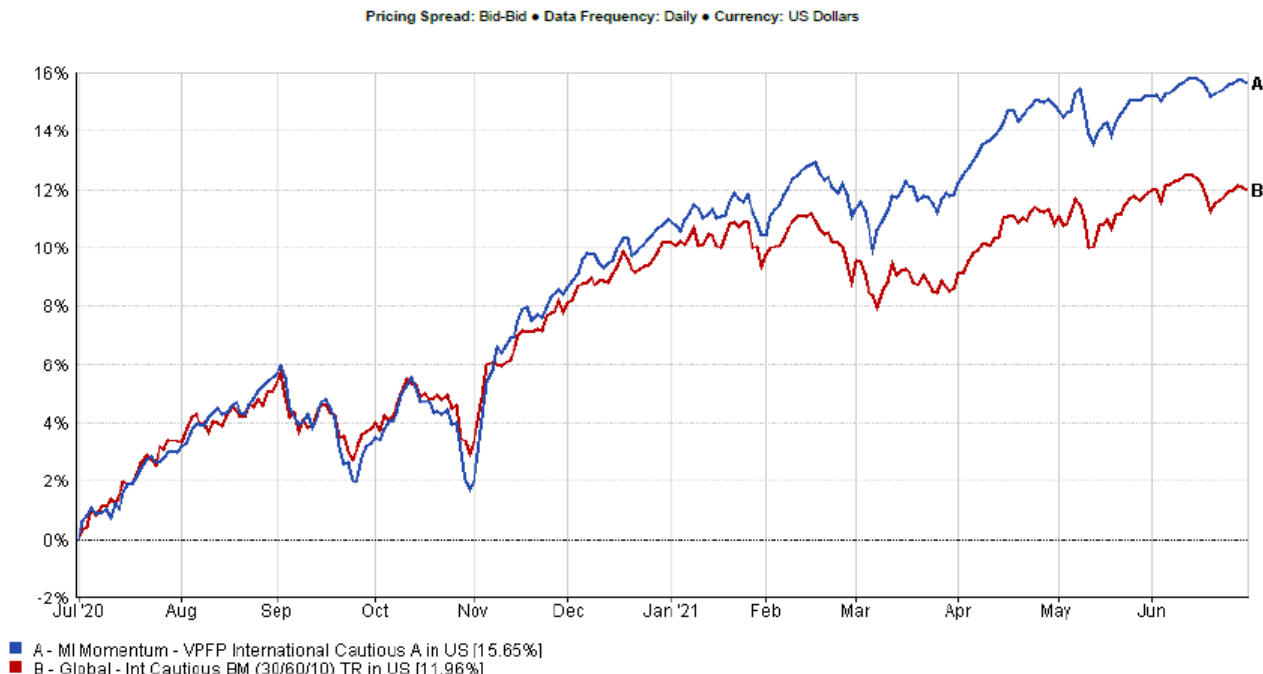
- MSCI ACWI = Global Equity
- FTSE EPRA Nareit = Global Property
- Bloomberg Global Aggregate = Global Investment Grade Debt
- FTSE World Government Bond = Global Bonds

The graph above shows the USD returns of global equity, property, government bonds and corporate credit over the 12 months ending June 2021. Both global equities and property have shown a significant recovery since the COVID-19 induced market crash in 2020. Government bonds and corporate credit have remained largely flat, in line with the low interest rate cycle.

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Investment Manager's Report

Fund Performance:



01/07/2020 - 30/06/2021 Data from FE fundinfo2021

The VPFP International Cautious Fund outperformed its benchmark (30% MSCI AC World, 60% ICE BofA Global Government, 10% Cash) for the 1 year period ending June 2021. The portfolio delivered 15.9% vs the benchmark's 10.7%, in USD. The Cautious Fund outperformance was on the back of the benchmark relative overweight to global listed property. This overweight was also the cause of the underperformance as at June 2020.

Fund Positioning:

After doing a lot of work on the Fund's portfolio benchmarks during Q1 2020, the team started rebalancing the portfolio back towards a better alignment to its benchmark. This assisted by locking in the outperformance generated by the listed property allocation during the first 6 months of 2021.

The current equity market conditions favour index tracking portfolios and ETF's. We have made small adjustments to the portfolio benchmarks that will be implemented on 1 October 2021. The changes will result in a reduction of the benchmark allocation to global government bonds in favour of global investment grade credit and listed property. Once the benchmarks are implemented the portfolios will be rebalanced to the new benchmark strategic asset allocation.

VFPF International Cautious Fund IC Limited

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Directors' Report

The Directors present their annual report together with the audited financial statements of VFPF International Cautious Fund IC Limited (the "Incorporated Cell" or the "Cell") for the year ended 30 June 2021.

Principal activities

The Cell with company number 50897 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 the ongoing impact of the COVID-19 global pandemic on the Cell. Refer to note 2 for the detailed disclosure.

Directors

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

Directors' interests

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

Directors' responsibilities

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

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Incorporated Cell and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. 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.

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
3 November 2021



Robert Rhodes
Director

VPFP International Cautious Fund IC Limited

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Independent Auditor's Report to the Members of VPFP International Cautious Fund IC Limited

Opinion

We have audited the financial statements of VPFP International Cautious Fund IC Limited (the "Incorporated Cell" or "Cell") for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 16, 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 2021 and of its profit 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 Protection of Investors (Bailiwick of Guernsey) Law, 1987.

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 a period to 31 December 2022 from when the financial statements are authorised for issue.

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 there is 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.

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 6, 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.

VPFP International Cautious Fund IC Limited

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

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 Protection of Investors (Bailiwick of Guernsey) Law, 1987);
- ▶ 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;
- ▶ 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. Our audit work has been undertaken so 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 4.02(3) of the Authorised Collective Investment Schemes (Class B) Rules, 2013. 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: November 9, 2021

Notes:

1. The maintenance and integrity of the Momentum Mutual Fund ICC Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Custodian's Report to the Members of VPFP International Cautious Fund IC Limited

In our opinion, the Cell has, in all material aspects, been managed for the year ended 30 June 2021 in accordance with the provisions of the Principal Documents, Scheme Particulars and The Authorised Collective Investment Schemes (Class B) Rules 2013.



For and on behalf of
Northern Trust (Guernsey) Limited
3 November 2021

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Supplementary Information

	30.06.21	30.06.20
1. NUMBER OF SHARES OUTSTANDING		
Class A	12,194,628	14,104,147
Class B	12,780,897	12,140,822
2. NET ASSET VALUE PER SHARE - USD		
Class A	1.36	1.18
Class B	1.29	1.12
3. HIGHEST/LOWEST PRICE - USD*		
Class A	1.37 / 1.18	1.34 / 1.05
Class B	1.30 / 1.12	1.28 / 1.00
4. NUMBER OF SHARES SUBSCRIBED		
Class A	1,375,733	-
Class B	3,131,235	3,408,347
5. NUMBER OF SHARES REDEEMED		
Class A	3,285,252	9,033,463
Class B	2,491,160	1,071,353

*The highest/lowest price is based on prices from prior year end to current year end, being 30.06.2021.

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Portfolio Statement

	Holdings	Fair Value % of Net Assets	
		<u>USD</u>	
Financial assets at fair value through profit or loss			
Collective Investment Schemes: 84.50% (2020: 98.37%)			
Asset Allocation Funds			
Prescient Global Income Fund Class A	960	<u>1,269</u>	<u>-</u>
Total Asset Allocation Funds		1,269	-
Equity Funds			
iShares Core MSCI EM IMI UCITS ETF	26,165	1,016,285	3.07
iShares Core MSCI World UCITS ETF	84,036	6,961,542	21.03
Satrix World Equity Tracker Fund – Class L (USD)	1,703,184	<u>2,173,603</u>	<u>6.57</u>
Total Equity Funds		10,151,430	30.67
Fixed Income Funds			
iShares Global Corporate Bond UCITS ETF	434,050	2,586,798	7.81
iShares Global Government Bond UCITS ETF	952,980	5,273,752	15.93
PIMCO Funds Global Investors Series - Diversified Income Fund Class I	241,986	8,663,084	26.17
Saffron African Yield Opportunity Fund Class B	11,810	<u>1,293,090</u>	<u>3.91</u>
Total Fixed Income Funds		17,816,724	53.83
Property and Infrastructure Funds			
Schroder International Selection Fund Global Cities Real Estate Class C	-	<u>2</u>	<u>-</u>
Total Property and Infrastructure Funds		2	-
Total Collective Investment Schemes		<u>27,969,425</u>	<u>84.50</u>
Financial assets at fair value through profit or loss		27,969,425	84.50
Other Net Assets: 15.50% (2020: USD 493,845; 1.63%)		5,131,579	15.50
Net Assets Attributable to Holders of Participating Redeemable Shares		<u><u>33,101,004</u></u>	<u><u>100.00</u></u>

VFPF International Cautious Fund IC Limited
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Statement of Financial Position

	Notes	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	27,969,425	29,719,490
Cash and cash equivalents	7	5,285,766	322,324
Securities sold receivable	3	900,708	520,002
Other receivables	8	548	502
		<u>34,156,447</u>	<u>30,562,318</u>
Total assets		<u>34,156,447</u>	<u>30,562,318</u>
LIABILITIES			
CURRENT LIABILITIES			
Due on redemption of participating redeemable shares	3	-	303,549
Other payables	9	54,798	45,334
Securities purchased payable		1,000,545	-
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		1,055,343	348,883
Net assets attributable to holders of participating redeemable shares	3 & 11	<u>33,101,004</u>	<u>30,213,335</u>
Total liabilities		<u>34,156,347</u>	<u>30,562,218</u>
SHAREHOLDERS' EQUITY			
Management Shares	10	<u>100</u>	<u>100</u>
Total equity		<u>100</u>	<u>100</u>
Total equity and liabilities		<u>34,156,447</u>	<u>30,562,318</u>
Net asset value per participating redeemable share	11		
Class A		1.36	1.18
Class B		1.29	1.12

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

These financial statements were authorised for issue by the Board of Directors on 3 November 2021 and signed on its behalf by:



Marie Curutchet
Director



Robert Rhodes
Director

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Statement of Comprehensive Income

	Notes	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
INCOME			
Net realised gains on financial assets at fair value through profit or loss	6	4,489,491	64,479
Change in unrealised gains/(losses) on financial assets at fair value through profit or loss	6	261,303	(2,351,253)
Net gains/(losses) on financial assets at fair value through profit or loss		4,750,794	(2,286,774)
Deposit interest		19,083	10,611
Dividend income		6,216	7,883
Other foreign exchange gains/(losses)		2,751	(3,899)
Other losses	13	-	(5,861)
Total net income/(loss)		4,778,844	(2,278,040)
OPERATING EXPENSES			
Audit fee		(14,045)	(7,927)
Custodian fee	13	(15,817)	(17,782)
Investment Management fee	13	(286,962)	(349,746)
Management and Administration fee	13	(92,482)	(114,020)
Sundry expenses		(9,413)	(5,973)
Finance cost		(1,156)	-
Total operating expenses		(419,875)	(495,448)
Net profit/(loss) for the year		4,358,969	(2,773,488)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		4,358,969	(2,773,488)

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

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

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Statement of Cash Flows

	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations	4,358,969	(2,773,488)
ADJUSTMENT FOR:		
Net realised gains on financial assets at fair value through profit or loss	(4,489,491)	(64,479)
Net unrealised (gains)/losses on financial assets at fair value through profit or loss	(261,303)	2,351,253
Other foreign exchange (gains)/losses	(2,751)	3,899
Dividend income	(6,216)	(7,883)
Deposit interest	(19,083)	(10,611)
Finance cost	1,156	-
Operating losses before working capital changes	<u>(418,719)</u>	<u>(501,309)</u>
Net (increase)/decrease in other receivables	(46)	5,858
Net increase/(decrease) in other payables	9,464	(3,497)
Purchase of financial assets at fair value through profit or loss	(23,285,348)	(11,106,683)
Sale of financial assets at fair value through profit or loss	30,406,047	12,211,797
Dividend income	6,216	7,883
Deposit interest	19,083	10,611
Finance cost paid	(1,156)	-
Net cash generated from operating activities	<u>6,735,541</u>	<u>624,660</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	5,746,478	3,923,808
Cash paid on redemption of participating redeemable shares	(7,521,328)	(11,652,429)
Net cash used in financing activities	<u>(1,774,850)</u>	<u>(7,728,621)</u>
Net increase/(decrease) in cash and cash equivalents	4,960,691	(7,103,961)
Cash and cash equivalents at the beginning of the year	322,324	7,430,184
Effect of foreign exchange rate on cash	2,751	(3,899)
Cash and cash equivalents at the end of the year	<u>5,285,766</u>	<u>322,324</u>

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

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

	Notes	Year ended 30.06.21 <u>USD</u>	Year ended 30.06.20 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		30,213,335	41,018,993
Proceeds from issuance of participating redeemable shares	10	5,746,478	3,923,808
Payments on redemption of participating redeemable shares	10	(7,217,778)	(11,955,978)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		4,358,969	(2,773,488)
Net assets attributable to holders of participating redeemable shares at the end of the year	11	<u>33,101,004</u>	<u>30,213,335</u>

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

VFPF International Cautious Fund IC Limited

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Notes to the Financial Statements

1. General information

The VFPF International Cautious Fund IC Limited (the "Incorporated Cell" or "Cell") with company number 50897, is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

The Cautious Cell aims to operate a diversified portfolio consisting of assets in liquid form and participatory interests of portfolios of Collective Investment Schemes or other similar schemes, which invest into a wide range of asset classes including cash, fixed income, equities, commodities and property. The portfolio aims to provide a balance between capital preservation and capital growth over the full investment cycle. The Cell is ideally suited to investors with a moderate risk tolerance and with an investment horizon of 3 years or longer.

The Cell intends to achieve its investment objective through a diversified global portfolio as described above. The portfolios have flexibility in terms of currencies and asset allocation both between and within asset classes, countries and regions. The Cell may invest in the units or shares of Collective Investment Schemes which are also managed or operated by the Manager or an associate of the Manager. Neither the Manager nor any such associated company shall be liable to account to investors for any profit, charges or remuneration made or received by the Manager or any such associated company and the Manager's fee shall not be abated thereby.

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"), and Ampersand Asset Management (Pty) Ltd acting as the Sub-Investment Manager.

On 8 July 2020, amendments were made to the Supplemental Prospectus of the Cell.

- Section (E) - Share Dealing - The share dealing has been changed in respect of redemptions, whereby the application form and cleared funds must be provided no later than 12.00 noon (Guernsey time) on the relevant Dealing Day.

The financial statements were authorised for issue by the Board of Directors on 3 November 2021.

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 COVID-19 pandemic and the resultant uncertain economic environment and financial market volatility caused by it continues to create uncertainty in the operating environment of the Cell. All service providers have continued to operate effectively throughout the relevant COVID-19 local government restrictions. No concerns regarding liquidity, valuations or COVID-19 service provider issues have been identified that cause the Board to have any concern regarding the ongoing operation of the Cell or that require any changes to the financial statements of the Cell.

Notwithstanding the challenges arising from the impact of the COVID-19 virus, the Cell continues to operate, administer and price the Funds in accordance with regulatory requirements and in accordance with relevant accounting standards. The Cell will continue to monitor fund liquidity and market volatility to ensure funds are managed in the best interests of shareholders.

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 are satisfied that the Cell has sufficient liquidity to meet its liabilities for the period to 31 December 2022 and therefore it is appropriate 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

Standards, amendments and interpretations effective during the year

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

Periods beginning on or after 1 January 2020:

- a) Definition of a Business (Amendments to IFRS 3)
- b) Amendments to References to the Conceptual Framework in IFRS Standards
- c) Definition of Material (Amendments to IAS 1 and IAS 8)
- d) Interest Rate Benchmark Reform - phase 1 (Amendments to IFRS 9, IAS 39 and IFRS 7)

Periods beginning on or after 1 June 2020:

- e) COVID-19-Related Rent Concessions (Amendment to IFRS 16)

In March 2021 the International Accounting Standards Board issued COVID-19-Related Rent Concessions beyond 30 June 2021, which extended the availability of the practical expedient by one year.

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

VPEP International Cautious Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards (continued)

Standards, amendments and interpretations in issue not yet effective

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

(a) Interest Rate Benchmark Reform - phase 2 - Effective from 1 January 2021

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.

(b) IAS 16 - Property, Plant and Equipment - Effective from 1 January 2022

Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced.

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

Amendments regarding classification of liabilities and disclosure of accounting policies.

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

Amendments regarding the definition of accounting estimates.

(e) IFRS 17 – Insurance Contracts. Effective from 1 January 2023

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.

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

2.3 Foreign currency translation

(a) Functional and presentation currency

The currency in which the financial information is shown in the financial statements of 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.

VPEP International Cautious Fund IC Limited

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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)

(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.

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 13.

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 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.

VPEP International Cautious Fund IC Limited

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Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.11 Capital risk management

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

The Incorporated Cell's objectives when managing capital is to safeguard their 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 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 (2020:£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 them 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 policy allows them to use derivative financial instruments to both moderate and create certain risk exposure. The Cell did not hold any derivative financial instrument during the current or prior years.

3.2 Market price risk

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

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

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

	2021		2020	
	Fair Value USD	% of net assets	Fair Value USD	% of net assets
Collective Investment Schemes	27,969,425	84.50	29,719,490	98.37
	27,969,425	84.50	29,719,490	98.37

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

	2021	2020
	Change in fair value USD	Change in fair value USD
Collective Investment Schemes	2,796,943	2,971,949

VPEP International Cautious Fund IC Limited

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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 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	2021 <u>USD</u>	2020 <u>USD</u>
Net financial assets on which no interest is paid	27,815,238	29,891,011
Net floating rate financial assets	5,285,766	322,324

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

As at 30 June	2021 <u>USD</u>	2020 <u>USD</u>
Net floating rate financial assets	26,429	1,612

3.4 Cash flow risk

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

3.5 Currency risk

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

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

As at 30 June	2021 <u>USD</u>	2020 <u>USD</u>
GBP exposure	(13,121)	(8,031)
EUR exposure	2	1,142,922

In accordance with the Cell's policy, 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, however to date the Investment Manager and Board of Directors have deemed that such contracts have not been necessary.

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	2021 <u>USD</u>	2020 <u>USD</u>
GBP exposure	(656)	(402)
EUR exposure	-	57,146

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.

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Notes to the Financial Statements

3. Financial risk management (continued)

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

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

3.7 Liquidity risk

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

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

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.

	2021	2020
	Less than 1 month	month
	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss	27,969,425	29,719,490
Cash and cash equivalents	5,285,766	322,324
Securities sold receivable	900,708	520,002
Other receivables	448	402
Other payables	(1,055,343)	(45,334)
Due on redemption of participating redeemable shares	-	(303,549)
Net assets attributable to participating redeemable shares	(33,101,004)	(30,213,335)
Net liquidity position	-	-

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 judgments

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.

VPEP International Cautious Fund IC Limited

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Notes to the Financial Statements

5. Portfolio analysis

The Cell's portfolios are organised by focusing on the type of security held, and then secondarily by geographical analysis based on the location of the Cell. The Cell operates using the main sector types which are disclosed in note 3.2 and the following main geographical areas:

	2021	2020
	<u>USD</u>	<u>USD</u>
Europe	27,969,425	29,719,490
	<u>27,969,425</u>	<u>29,719,490</u>

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

	2021	2020
	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit		
Collective Investment Schemes	27,969,425	29,719,490
Total financial assets at fair value through profit or loss	<u>27,969,425</u>	<u>29,719,490</u>
Movement on financial assets at fair value through profit		
Fair value of financial assets at the beginning of the year	29,719,490	33,631,380
Purchases of financial assets	24,285,893	11,106,683
Sales of financial assets	(30,786,752)	(12,731,799)
Net realised gains on financial assets	4,489,491	64,479
Movement in unrealised gains/(losses) on revaluation of financial assets	261,303	(2,351,253)
Fair value of financial assets at the end of the year	<u>27,969,425</u>	<u>29,719,490</u>
Comprising:		
Cost at the end of the year	24,293,829	26,305,197
Unrealised gains at the end of the year	3,675,596	3,414,293
	<u>27,969,425</u>	<u>29,719,490</u>

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

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

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

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

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

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

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

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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 2021 and 30 June 2020:

30 June 2021	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss				
Collective Investment Schemes	27,969,425	-	-	27,969,425
	27,969,425	-	-	27,969,425

30 June 2020	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss				
Collective Investment Schemes	29,719,490	-	-	29,719,490
	29,719,490	-	-	29,719,490

There were no movements or reclassifications of investments within the levels of the fair value hierarchy during the years ended 30 June 2021 and 30 June 2020.

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:

	2021	2020
	<u>USD</u>	<u>USD</u>
Cash at bank	5,285,766	322,324
	5,285,766	322,324

8. Other receivables

	2021	2020
	<u>USD</u>	<u>USD</u>
Prepayments	448	402
Management shares receivable	100	100
	548	502

9. Other payables

	2021	2020
	<u>USD</u>	<u>USD</u>
Management fee payable	8,946	8,170
Custodian fee payable	1,486	1,360
Investment Management fee payable	28,124	25,028
Audit fee payable	11,102	8,433
Sundry expenses payable	5,140	2,343
	54,798	45,334

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Notes to the Financial Statements

10. 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.

	2021	2020
	<u>USD</u>	<u>USD</u>
Management Shares in Issue		
Management Shares	100	100
	Year ended	Year ended
	30.06.21	30.06.20
Participating Redeemable Shares in Issue - Class A		
Balance at the beginning of the year	14,104,147	23,137,610
Issue of participating redeemable shares	1,375,733	-
Redemption of participating redeemable shares	(3,285,252)	(9,033,463)
Balance at the end of the year	12,194,628	14,104,147
Participating Redeemable Shares in Issue - Class B		
Balance at the beginning of the year	12,140,822	9,803,828
Issue of participating redeemable shares	3,131,235	3,408,347
Redemption of participating redeemable shares	(2,491,160)	(1,071,353)
Balance at the end of the year	12,780,897	12,140,822
	Year ended	Year ended
	30.06.21	30.06.20
	<u>USD</u>	<u>USD</u>
Participating Redeemable Share Capital Account		
Balance at the beginning of the year	25,351,631	33,383,801
Issue of participating redeemable shares	5,746,478	3,923,808
Redemption of participating redeemable shares	(7,217,778)	(11,955,978)
Balance at the end of the year	23,880,331	25,351,631

11. Net asset value per participating redeemable share

	NAV per share	Net assets attributable	Shares in issue	NAV per share	Net assets attributable	Shares in issue
	2021	2021	2021	2020	2020	2020
As at 30 June	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
Class A	1.36	16,579,744	12,194,628	1.18	16,596,557	14,104,147
Class B	1.29	16,521,260	12,780,897	1.12	13,616,778	12,140,822
Total		33,101,004	24,975,525		30,213,335	26,244,969

12. Dividends payable to participating redeemable shareholders

No dividends were paid during the year (2020: Nil) and the Board does not intend to pay any dividends. All available income will be reinvested.

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Notes to the Financial Statements

13. 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.

13.1 Management and Administration fee

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

Pursuant to the Management and Administration Agreements, the Manager and the Administrator shall be entitled to receive a fee (the "Management and Administration fee") for the services rendered in connection with the Cell. The 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, subject to a minimum annual fee of USD22,000 or currency equivalent.

The Management and Administration fee will be chargeable on a sliding scale, in respect of all Share Classes, as follows:

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.30%	Up to USD30m
0.25%	From USD30m to USD60m
0.20%	Over USD60m

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

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Charged during the year	92,482	114,020
Accrued at year end	8,946	8,170

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

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Paid during the year	-	(5,861)

13.2 Investment Management fee

Pursuant to the Investment Management Agreement, Momentum Global Investment Management Limited (the "Investment Manager") is entitled to receive a fee (the "Investment Management fee") of 0.80% of the NAV of the Cell per annum in respect of the Class A shares and 1.05% of the NAV of the Cell per annum in respect of the Class B shares. The Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cell and share classes and is payable monthly in arrears.

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

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Charged during the year	286,962	349,746
Accrued at year end	28,124	25,028

13.3 Sub-Investment Management fee

The Investment Manager has appointed Ampersand Asset Management (Pty) Ltd, a South African registered company as Sub-Investment Manager to the Cell (the "Sub-Investment Manager"). The Sub-Investment Manager is entitled to receive a fee (the "Sub-Investment Management fee") of 0.75% of the NAV of the Cell per annum in respect of the Class A shares and 1.00% of the NAV of the Cell per annum in respect of the Class B shares which will be paid out of the fee received by the Investment Manager. The Sub-Investment Management fee will accrue as at each Valuation Point, based on the current valuation of the Cell and is payable monthly in arrears.

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13. Related-party transactions (continued)

13.4 Custodian fee

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

<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
0.05%	Up to USD30m
0.04%	From USD30m to USD 60m
0.03%	From USD60m to USD100m
0.02%	Over USD100m

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

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Charged during the year	15,817	17,782
Accrued at year end	1,486	1,360

13.5 Distribution Partner fee

The Cell has appointed Vickers & Peters Financial Planning (Pty) Limited as distribution partner to promote and market the Cell. The Distribution Partner will not be paid a fee.

13.6 Board of Directors' remuneration

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 Cell of the Company or assets of the Company itself.

The Directors waived their right to a fee in 2021 (2020: Nil).

14. 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.

15. Reconciliation of published valuation to financial statements

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Net assets per financial statements	33,101,004	30,213,335
Adjustments:		
Adjustment in value of assets at financial assets at fair value through profit or loss	94,876	(68,823)
Net assets per published valuation	33,195,880	30,144,512
NAV per Class A share per published valuation	1.36	1.17
NAV per Class B share per published valuation	1.30	1.12
NAV per Class A share per financial statements	1.36	1.18
NAV per Class B share per financial statements	1.29	1.12

16. Subsequent events

These financial statements were approved for issuance by the Board on 3 November 2021. Subsequent events have been evaluated until this date.

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