

**Fintax International Balanced Fund IC Limited**

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

**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**

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**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**

**General Information**

**Address and Registered Office**

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

**Investment Manager**

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

**Distribution Partner**

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

**Manager**

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

**Custodian**

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

**Directors of the Incorporated Cell**

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

**Administrator, Registrar & Secretary**

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

**Legal Advisor**

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

**Independent Auditor**

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

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**Investment Manager's Report**

**June performance**

Fintax Balanced (the "Fund") returned 0.2% in June. The reflation trade, which has favoured cyclical businesses like energy and material companies, paused in June as the spread of the COVID-19 delta variant pushed back the reopening of economies. Global technology stocks added 7% over the month, while more economically sensitive areas such as materials and financials fell by around 4%. Inflation expectations beyond the next 12 months have declined and remain within the range of the past decade. As the inflation discounted by the market today doesn't look particularly high to us, we continue to retain our allocation to inflation linked bonds, to protect against inflation surprises.

**12 month performance**

Over the past 12 months, the key contributor to performance has been equity manager selection. Our top performing managers were our US deep value specialist, Lyrical, with an impressive return of 70.6% over the 12 month period; Chrysalis, who specialise in buying late stage private companies in the UK and Europe and have so far executed well on the strategy they set out at launch in 2018; and Sands within emerging markets, who specialise in identifying fast growing, sustainable companies.

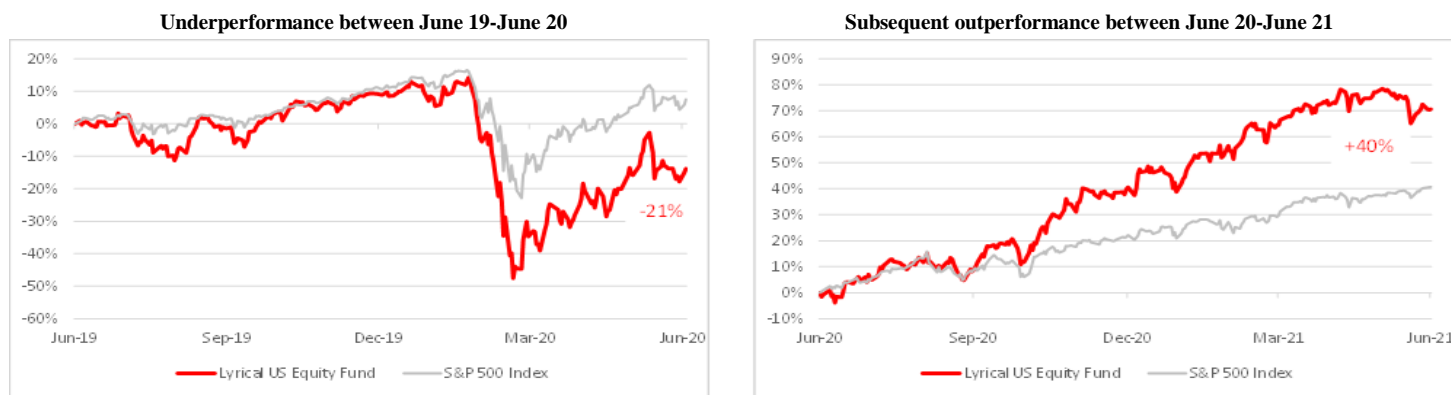
**Portfolio changes**

We elected to roll our equity index put options to the end of September: if the S&P 500 index, which measures the prices of the largest US stocks, is lower at the end of September than it is today, these options will pay out, thus protecting the Fund to an extent. Option prices are cheap relative to their history and therefore we continue to hold options as an excellent hedge against potential bouts of volatility.

**What are things worth?**

With prices updated throughout the day, financial markets provide a convenient guide for investors trying to understand the value of their portfolios. However, they are not always a reliable guide. We saw the stock market's short-term failings in 2020 as COVID-19 brought company valuations down to levels that implied their futures were permanently impaired. Share prices in the longer term will almost certainly be closer to (and above) the recovered prices that we see today rather than the distressed levels of 2020.

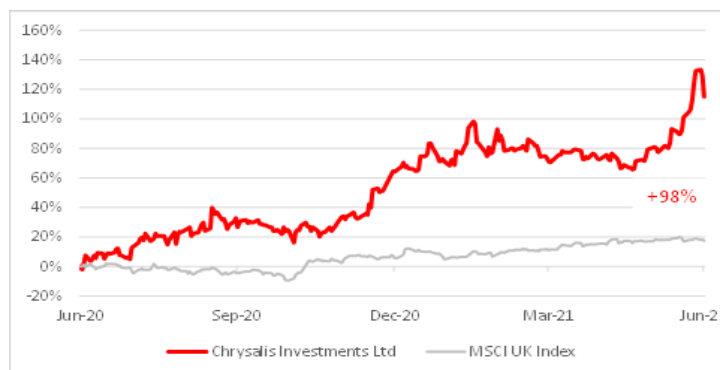
Having conviction that times will change and prices will rebound requires other tools for discerning true, intrinsic worth, namely a focus on business fundamentals. This includes an assessment of a company's assets and their historical income/dividend generating potential, as well as the potential for future profit expansion. This approach has worked well for Lyrical, our US equity specialist, whose performance has rebounded over the past 12 months following a disappointing 2019/20:



Source: Bloomberg Finance L.P.

Lyrical made just five changes to their portfolio in 2020/21, but the stock market's assessment of the value of their holdings changed markedly, as these charts show.

A lot of the tools described above are backward-looking. We want to make sure the Fintax Funds don't exclusively own established, dividend-paying companies and therefore miss opportunities in innovative new businesses. The Fund's investments in Chrysalis, an investment trust which raises capital to buy late stage private companies, some of which are still loss-making as they pump resources into growing their customer base, has also been extremely rewarding over the past 12 months. Chrysalis own stakes in fast-growing companies including Klarna (online payments), Wise (fintech solutions), THG Plc (online shopping) and Embark (digital retirement solutions). The trust has sufficient scale and capital to attract and dictate terms of deals, and has executed on the strategy they set out at launch in 2018.



Source: Bloomberg Finance L.P.

We maintain a blend of managers in the Fund to ensure we are exposed to the asset classes we want; parts of the world that offer attractive returns; and also different types of companies, both new and established. Our active managers are able to look through short term dislocations in markets, to good returns in future.

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**Investment Manager's Report (continued)**

**Outlook**

The recent rise in COVID-19 cases around the world has been significant, prompting countries including the US, Japan, Australia and South Africa to introduce additional restrictions. However, with the latest data showing vaccinations are helping to reduce hospitalisations and deaths, we maintain our view that vaccine programmes offer a credible path out of the pandemic for economies. Thus, with the economic boom still upon us, we think equities and other economically sensitive assets offer good prospective returns from here. Notwithstanding this positive outlook for risk assets, we continue to own protective assets in the form of the aforementioned put options, as well as precious metals, cash and bonds, to protect against bouts of volatility.

Parts of South Africa have witnessed social unrest following the 15-month imprisonment of former President Jacob Zuma. This unrest has resulted in loss of life, damage to infrastructure and extensive looting of businesses. Besides concerns over food shortages and supply chain disruptions, it is deeply concerning that many of these businesses will take months to reopen their doors (if they decide to at all) which will put further upward pressure on the unemployment rate. This clearly comes at a very difficult time for South Africa, as the country tries to rebuild in the wake of the pandemic, but we trust that South Africans will show the same resilience as they have done in the past and that conditions have improved materially by the time you read this.

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**Directors' Report**

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

**Principal activities**

The Cell with company number 47770 is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company"). The activities and objectives of the Cell can be found in note 1 on page 17.

**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 Incorporated Cell for that period. In preparing these financial statements the Directors are required to:

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

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

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

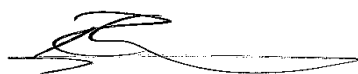
**Independent auditors**

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**

28 September 2021



**Robert Rhodes**  
**Director**

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

**Opinion**

We have audited the financial statements of Fintax International Balanced Fund IC Limited (the "Incorporated Cell") for the year ended 30 June 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 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 2021 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with International Financial Reporting Standards;
- ▶ 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.

**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.

**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**  
**Independent Auditor's Report to the Members of Fintax International Balanced Fund IC Limited (continued)**

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

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

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 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.

DocuSigned by:  
  
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**Ernst & Young LLP**  
**Guernsey, Channel Islands**

Date: **September 30, 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 Fintax International Balanced 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  
28 September 2021

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**Supplementary Information**

	<b>30.06.21</b>	<b>30.06.20</b>
<b>1. NUMBER OF SHARES OUTSTANDING</b>		
Class A	13,888,540	15,897,493
<b>2. NET ASSET VALUE PER SHARE - USD</b>		
Class A	1.70	1.37
<b>3. HIGHEST/LOWEST PRICE - USD*</b>		
Class A	1.71 / 1.37	1.52 / 1.09
<b>4. NUMBER OF SHARES SUBSCRIBED</b>		
Class A	99,064	77,475
<b>5. NUMBER OF SHARES REDEEMED</b>		
Class A	2,108,017	855,848

\*The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2021. The NAV on the 30.06.2021 was specifically calculated for financial reporting purposes and therefore may differ slightly from the most recent published price at that time.

**Fintax International Balanced Fund IC Limited**  
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**Portfolio Statement**

	Holdings	Fair Value <u>USD</u>	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Government Bonds: 7.87% (2020: 5.81%)</b>			
United States Treasury Inflation Indexed Bonds 0.125% 15/01/2030	1,150,000	1,311,339	5.57
United States Treasury Note/Bond 1.625% 15/08/2029	530,000	542,173	2.30
<b>Total Government Bonds</b>		<b>1,853,512</b>	<b>7.87</b>
<b>Equities: 4.00% (2020: 4.12%)</b>			
<b>Property</b>			
Ediston Property Investment Company	418,889	392,341	1.67
Stenprop Limited GBP	263,043	548,705	2.33
<b>Total Property</b>		<b>941,046</b>	<b>4.00</b>
<b>Collective Investment Schemes: 87.160% (2020: 87.38%)</b>			
<b>Commodity Funds</b>			
iShares Physical Gold ETF	46,210	1,590,086	6.75
iShares Physical Silver ETC	9,494	235,166	1.00
<b>Total Commodity Funds</b>		<b>1,825,252</b>	<b>7.75</b>
<b>Equity Funds</b>			
Alma Hotchkis & Wiley Global Value Fund Class I	5,205	670,977	2.85
Amundi Jpx-Nikkei 400 UCITS ETF	2,155	387,792	1.65
Artisan Global Value Fund	65,179	1,811,975	7.69
Conventum Lyrical Fund Class S	2,520	502,987	2.13
Dimensional Emerging Markets Value Fund USD Acc	14,294	358,059	1.52
Maple-Brown Abbott Global Fund	483,474	696,203	2.96
Morgan Stanley Global Sustain Fund Class F	129,480	2,195,826	9.32
Morgan Stanley Investment Funds - Global Brands Fund	12	2,373	0.01
PGIM Jennison Global Equity Opportunities Fund	2,011	634,249	2.69
Prusik Asian Equity Income Fund Class U	1,691	369,484	1.57
Sands Capital Funds - Sands Capital Global Growth Fund	30,099	1,750,859	7.43
Sands Capital Funds - Sands Emerging Markets Growth Fund	27,685	655,304	2.78
Veritas Funds - Global Focus Fund	30,859	1,652,191	7.01
<b>Total Equity Funds</b>		<b>11,688,279</b>	<b>49.61</b>
<b>Fixed Income Funds</b>			
Artemis Funds – Short-Dated Global High Yield Bond Class FI	433,656	467,871	1.99
Aviva Investors - Global Convertibles Fund	2,843	410,216	1.74
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	14,140	1,538,758	6.52
iShares Emerging Markets Government Bond Index Fund Class Institutional Acc USD	33,838	402,334	1.71
iShares JP Morgan \$ Emerging Markets Bond UCITS ETF	4,060	451,919	1.92
Muzinich Funds - Enhanced Yield Short-Term Fund	6,323	1,247,718	5.30
RWC Funds - RWC Global Convertibles Fund Class B	178	395,617	1.68
<b>Total Fixed Income Funds</b>		<b>4,914,433</b>	<b>20.86</b>
<b>Investment Trusts</b>			
Merian Chrysalis Investment Company Limited	120,000	407,804	1.73
Sequoia Economic Infrastructure Income Fund	379,650	539,103	2.29
TwentyFour Income Fund	310,000	483,600	2.05
<b>Total Investment Trusts</b>		<b>1,430,507</b>	<b>6.07</b>

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**Portfolio Statement (continued)**

	Holdings	Fair Value USD	% of Net Assets
<b>Property Funds</b>			
Third Avenue Real Estate Value Fund		676,243	2.87
<b>Total Property Funds</b>		<u>676,243</u>	<u>2.87</u>
<b>Total Collective Investment Schemes</b>		<u>20,534,714</u>	<u>87.16</u>
<b>Options: 0.15% (2020: 0.12%)</b>			
S&P 500 Index Put 3955 30/06/2021	4	20	-
S&P 500 Index Put 4280 30/09/2021	3	34,860	0.15
<b>Total Options</b>		<u>34,880</u>	<u>0.15</u>
<b>Financial assets at fair value through profit or loss</b>		<b>23,364,152</b>	<b>99.18</b>
<b>Other Net Assets: 0.82% (2020: USD560,523; 2.57%)</b>		<b>195,831</b>	<b>0.82</b>
<b>Net Assets Attributable To Holders Of Participating Redeemable Shares</b>		<u><u>23,559,983</u></u>	<u><u>100.00</u></u>

**Fintax International Balanced Fund IC Limited**  
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**Statement of Financial Position**

	Notes	As at 30.06.21 USD	As at 30.06.20 USD
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	6	23,364,152	21,205,218
Cash and cash equivalents	7	82,939	557,381
Securities sold receivable		175,000	-
Proceeds from the issue of shares receivable		23,614	-
Interest receivable		3,907	6,056
Fair value of derivative financial instruments	6,8	-	14,916
Other receivables	9	284	252
		<u>23,649,896</u>	<u>21,783,823</u>
<b>Total assets</b>		<b><u>23,649,896</u></b>	<b><u>21,783,823</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Fair value of derivative financial instruments	6,8	29,323	-
Securities purchased payable		36,728	-
Other payables	10	23,860	18,080
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		89,911	18,080
Net assets attributable to holders of participating redeemable shares	3,12	23,559,983	21,765,741
<b>Total liabilities</b>		<b><u>23,649,894</u></b>	<b><u>21,783,821</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Management shares	11	2	2
<b>Total equity</b>		<b><u>2</u></b>	<b><u>2</u></b>
<b>Total equity and liabilities</b>		<b><u>23,649,896</u></b>	<b><u>21,783,823</u></b>
<b>Net asset value per participating redeemable share</b>	12	1.70	1.37

The notes 1 to 17 on pages 17 to 27 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 September 2021 and signed on its behalf by:



**Marie Curutchet**  
**Director**



**Robert Rhodes**  
**Director**

**Fintax International Balanced Fund IC Limited**  
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**Statement of Comprehensive Income**

		Year ended 30.06.21	Year ended 30.06.20
	Notes	<u>USD</u>	<u>USD</u>
<b>INCOME</b>			
Net realised gains on financial assets at fair value through profit or loss	6	1,066,857	1,811,734
Change in unrealised gains/(losses) on financial assets at fair value through profit or loss	6	3,996,128	(2,648,395)
Net gains/(losses) on financial assets at fair value through profit or loss.		5,062,985	(836,661)
Bond income		15,030	26,926
Dividend income		181,734	218,924
Net (losses)/gains on derivatives		(37,695)	72,354
Other foreign exchange losses		(25,105)	(47,458)
Other losses		(5,806)	(5,907)
<b>Total net income/(loss)</b>		<b>5,191,143</b>	<b>(571,822)</b>
<b>OPERATING EXPENSES</b>			
Audit fee		(12,544)	(6,908)
Custodian fee	14	(13,470)	(14,101)
Investment Management fee	14	(59,476)	(56,882)
Manager and Administration fee	14	(52,897)	(45,505)
Deposit interest		(257)	(1,062)
Sundry expenses		(3,648)	(3,170)
<b>Total operating expenses</b>		<b>(142,292)</b>	<b>(127,628)</b>
<b>Net profit/(loss) before tax</b>		<b>5,048,851</b>	<b>(699,450)</b>
Withholding tax		(7,829)	(8,311)
<b>Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations</b>		<b>5,041,022</b>	<b>(707,761)</b>

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 17 on pages 17 to 27 form part of these financial statements.

**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**

**Statement of Cash Flows**

	<b>Year ended</b> <b>30.06.21</b> <b><u>USD</u></b>	<b>Year ended</b> <b>30.06.20</b> <b><u>USD</u></b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations	5,041,022	(707,761)
<b>ADJUSTMENT FOR:</b>		
Net realised gains on financial assets at fair value through profit or loss	(1,066,857)	(1,811,734)
Net unrealised (gains)/losses on financial assets at fair value through profit or loss	(3,996,128)	2,648,395
Net settlement on derivatives and other foreign exchange	69,344	33,993
Dividend income	(181,734)	(218,924)
Withholding tax	7,829	8,311
<b>Operating loss before working capital changes</b>	<b><u>(126,524)</u></b>	<b><u>(47,720)</u></b>
Net decrease in other receivables	2,117	9,513
Net increase in other payables	5,780	781
Purchase of financial assets at fair value through profit or loss	(6,016,784)	(22,053,111)
Sale of financial assets at fair value through profit or loss	8,782,563	23,146,907
Dividend received	173,905	210,613
<b>Net cash generated from operating activities</b>	<b><u>2,821,057</u></b>	<b><u>1,266,983</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received from issuance of participating redeemable shares	135,091	110,867
Cash paid on redemption of participating redeemable shares	(3,405,485)	(1,198,253)
<b>Net cash used in financing activities</b>	<b><u>(3,270,394)</u></b>	<b><u>(1,087,386)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(449,337)</b>	<b>179,597</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>557,381</b>	<b>425,242</b>
Effect of foreign exchange rate on cash	(25,105)	(47,458)
<b>Cash and cash equivalents at the end of the year</b>	<b><u>82,939</u></b>	<b><u>557,381</u></b>

The notes 1 to 17 on pages 17 to 27 form part of these financial statements.

**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**

**Statements 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>
<b>Net assets attributable to holders of participating redeemable shares at the beginning of the year</b>		21,765,741	23,560,888
Proceeds from issuance of participating redeemable shares	11	158,705	110,867
Payments on redemption of participating redeemable shares	11	(3,405,485)	(1,198,253)
Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations		5,041,022	(707,761)
		<hr/>	<hr/>
<b>Net assets attributable to holders of participating redeemable shares at the end of the year</b>	12	<b><u>23,559,983</u></b>	<b><u>21,765,741</u></b>

The notes 1 to 17 on pages 17 to 27 form part of these financial statements.



# **Fintax International Balanced Fund IC Limited**

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

### **Notes to the Financial Statements**

#### **1. General Information**

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

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

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

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

The financial statements were authorised for issue by the Board of Directors on 28 September 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 is satisfied that the Cell has sufficient liquidity to meet its liabilities for the period to 31 December 2022 and therefore it is appropriate to adopt the going concern basis in preparing the financial statements and they have a reasonable expectation that the Cell will continue in existence as a going concern.

##### **2.2 Adoption of new and revised standards**

*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 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.

# **Fintax International Balanced 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 (Amendments to IFRS 9, IAS 39 and IFRS 7) - 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 the Incorporated Cell is deemed to be its functional and presentational currency. In arriving at the functional currency, the Directors have considered the primary economic environment of the Incorporated Cell, and in doing so have considered the currency in which the original capital was raised, any distributions are to be made, performance is evaluated and ultimately, the currency in which capital would be returned on break up basis. They have also considered the currency to which the majority of the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that the currency selected best represent the functional currency.

(b) Transactions and balances

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

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

(a) Classification

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

(b) Recognition/derecognition

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

(c) Measurement

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

(d) Fair value estimation

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

**Fintax International Balanced 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)**

**2.6 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.

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 their carrying amounts at the reporting date. For the purposes of this disclosure, shares are considered to be capital.

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

**2.12 Interest and dividend income**

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

**2.13 Expenses**

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

**2.14 Custodian bank charges**

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

**2.15 Taxation**

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

**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**

**Notes to the Financial Statements**

**3. Financial risk management**

**3.1 Strategy in using financial instruments**

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

The Cell's policies allow it to use derivative financial instruments to both moderate and create certain risk exposure.

**3.2 Market price risk**

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

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

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

	2021		2020	
	Fair Value <u>USD</u>	% of net assets	Fair Value <u>USD</u>	% of net assets
Collective Investment Schemes	20,534,714	87.16	19,016,539	87.38
Equities	941,046	4.00	898,294	4.12
Government Bonds	1,853,512	7.87	1,264,485	5.81
Options	34,880	0.15	25,900	0.12
	<b>23,364,152</b>	<b>99.18</b>	<b>21,205,218</b>	<b>97.43</b>

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

As at 30 June	2021	2020
	<u>USD</u>	<u>USD</u>
		<b>Change in fair value</b>
		<u>USD</u>
Collective Investment Schemes	2,053,471	1,901,654
Equities	94,105	89,829
Government Bonds	185,351	126,449
Options	3,488	2,590
	<b>2,336,415</b>	<b>2,120,522</b>

**3.3 Interest rate risk**

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

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

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

As at 30 June	2021	2020
	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	23,502,460	21,202,304
Net floating rate financial assets	86,846	563,437

**Fintax International Balanced Fund IC Limited**  
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**Notes to the Financial Statements**

**3. Financial risk management (continued)**

**3.3 Interest rate risk (continued)**

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:

<b>As at 30 June</b>	<b>2021</b>	<b>2020</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Movement in net floating rate financial assets	434	2,817

**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:

<b>As at 30 June</b>	<b>2021</b>	<b>2020</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
EUR exposure	21,794	10,519
GBP exposure	5,308,526	4,828,953
SGD exposure	21,065	20,297

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

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

<b>As at 30 June</b>	<b>2021</b>	<b>2020</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
EUR exposure	1,090	526
GBP exposure	265,426	241,448
SGD exposure	1,053	1,015

**3.6 Credit risk**

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

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

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

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

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

**3.7 Liquidity risk**

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

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

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.

**Fintax International Balanced Fund IC Limited**  
**Annual Report and Audited Financial Statements for the year ended 30 June 2021**

**Notes to the Financial Statements**

**3. Financial risk management (continued)**

**3.7 Liquidity risk (continued)**

	Less than 1 month	Between 1 and 12 months	2021 Total	2020 Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial assets at fair value through profit or loss	23,364,152	-	23,364,152	21,205,218
Cash and cash equivalents	82,939	-	82,939	557,381
Fair value of derivative financial instruments	-	-	-	14,916
Securities sold receivable	175,000	-	175,000	-
Proceeds from the issue of shares receivable	23,614	-	23,614	-
Interest receivable	3,907	-	3,907	6,056
Other receivables	282	-	282	250
Fair value of derivative financial instruments	-	(29,323)	(29,323)	-
Securities purchased payable	(36,728)	-	(36,728)	-
Other payables	(23,860)	-	(23,860)	(18,080)
Net assets attributable to participating redeemable shareholders	(23,559,983)	-	(23,559,983)	(21,765,741)
<b>Net liquidity position</b>	<b>29,323</b>	<b>(29,323)</b>	<b>-</b>	<b>-</b>

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

**3.8 Management of capital**

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

The Cell has no externally imposed capital requirements.

**3.9 Fair value disclosure**

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

**4. Critical accounting estimates and 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.

**5. Portfolio analysis**

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

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

	2021 <u>USD</u>	2020 <u>USD</u>
Europe	16,908,380	15,953,439
Channel Islands	1,979,212	1,805,238
United Kingdom	2,588,168	2,156,155
United States	1,888,392	1,290,386
	<b>23,364,152</b>	<b>21,205,218</b>

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

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**6. Financial assets at fair value through profit or loss**

	<b>2021</b>	<b>2020</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
<b>Financial assets at fair value through profit or loss:</b>		
Collective Investment Schemes	20,534,714	19,016,539
Equity Funds	941,046	898,294
Government Bonds	1,853,512	1,264,485
Options	34,880	25,900
<b>Total financial assets at fair value through profit or</b>	<b><u>23,364,152</u></b>	<b><u>21,205,218</u></b>
<b>Movement on financial assets at fair value through profit or loss</b>		
Fair value of financial assets at the beginning of the year	21,205,218	23,135,675
Purchases of financial assets	6,053,512	22,053,111
Sales of financial assets	(8,957,563)	(23,146,907)
Realised gains on sales of financial assets	1,066,857	1,811,734
Movement in unrealised losses on revaluation of financial assets	3,996,128	(2,648,395)
Fair value of financial assets at the end of the year	<b><u>23,364,152</u></b>	<b><u>21,205,218</u></b>
Comprising:		
Cost at the end of the year	18,260,001	20,097,195
Unrealised gains at the end of the year	5,104,151	1,108,023
	<b><u>23,364,152</u></b>	<b><u>21,205,218</u></b>

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

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

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

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

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

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

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

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**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**

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

**30 June 2020**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Collective Investment Schemes	19,016,539	-	-	19,016,539
Equities	898,294	-	-	898,294
Government Bonds	1,264,485	-	-	1,264,485
Options	25,900	-	-	25,900
Derivative financial instruments	-	14,916	-	14,916
	<u>21,205,218</u>	<u>14,916</u>	<u>-</u>	<u>21,220,134</u>

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:

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	82,939	557,381
	<u>82,939</u>	<u>557,381</u>

**8. Derivative Financial Instruments**

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

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



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**8. Derivative Financial Instruments (continued)**

30 June 2020	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial assets /
							(liabilities)
	<u>GBP</u>				<u>USD</u>	<u>USD</u>	<u>USD</u>
Outstanding contract to buy GBP	490,000	15/07/2020	0.8030	0.8093	610,246	605,444	(4,802)
Outstanding contract to buy GBP	825,000	15/07/2020	0.8192	0.8093	1,007,086	1,019,371	12,285
Outstanding contract to sell GBP	490,000	15/07/2020	0.8194	0.8093	598,011	605,444	7,433
							<u>14,916</u>
							<u>14,916</u>

**Fair value of derivative financial instruments - asset**

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

**9. Other receivables**

	2021	2020
	<u>USD</u>	<u>USD</u>
Prepayments	282	250
Management shares receivable	2	2
	<u>284</u>	<u>252</u>

**10. Other payables**

	2021	2020
	<u>USD</u>	<u>USD</u>
Management fee payable	4,278	3,799
Custodian fee payable	1,070	950
Investment management fee payable	5,348	4,749
Audit fee payable	9,837	7,330
Sundry expense payable	3,327	1,252
	<u>23,860</u>	<u>18,080</u>

**11. Share capital**

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

Management Shares in Issue	2021	2020
	<u>USD</u>	<u>USD</u>
Management Shares	2	2

Participating Redeemable Shares in Issue	Year ended	Year ended
	30.06.21	30.06.20
Balance at the beginning of the year	15,897,493	16,675,866
Issue of participating redeemable shares	99,064	77,475
Redemption of participating redeemable shares	(2,108,017)	(855,848)
<b>Balance at the end of the year</b>	<u>13,888,540</u>	<u>15,897,493</u>

Participating Redeemable Share Capital Account	Year ended	Year ended
	30.06.21	30.06.20
	<u>USD</u>	<u>USD</u>
Balance at the beginning of the year	16,056,418	17,143,804
Issue of participating redeemable shares	158,705	110,867
Redemption of participating redeemable shares	(3,405,485)	(1,198,253)
<b>Balance at the end of the year</b>	<u>12,809,638</u>	<u>16,056,418</u>

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**12. 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
As at 30 June	2021	2021	2021	2020	2020	2020
	<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>	
International Balanced Cell	1.70	23,559,983	13,888,540	1.37	21,765,741	15,897,493

**13. 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.

**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.

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

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

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

**14.1 Management and Administration fee**

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

	2021	2020
	<u>USD</u>	<u>USD</u>
Charged during the year	52,897	45,505
Accrued at year end	4,278	3,799

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

	2021	2020
	<u>USD</u>	<u>USD</u>
Received during the year	288	(1,539)
Accrued at year-end	-	-

**14.2 Investment Management fee**

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

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

	2021	2020
	<u>USD</u>	<u>USD</u>
Charged during the year	59,476	56,882
Accrued at year end	5,348	4,749

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**14. Related-party transactions (continued)**

**14.3 Custodian fee**

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

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

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	13,470	14,101
Accrued at year-end	1,070	950

**14.4 Distribution Partner fee**

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

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

**14.5 Board of Director's remuneration**

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

The Directors waived their right to a fee in 2021 (2020: 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**

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Net assets per financial statements	23,559,983	21,765,741
Adjustment:		
Adjustment in value of assets at financial assets at fair value through profit and loss	68,889	(57,170)
Adjustment in value of derivative financial instruments	21,850	22,552
Net assets per published valuation	23,650,722	21,731,123
	<u>USD</u>	<u>USD</u>
Shares in issue per published NAV as at 30 June	13,888,540	15,897,493
Shares in issue per financial statements	13,888,540	15,897,493
NAV per share per published valuation	1.70	1.37
NAV per share per financial statements	1.70	1.37

**17. Subsequent events**

These financial statements were approved for issuance by the Board on 28 September 2021. 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.