Fintax International Balanced Fund IC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2020

Contents

General Information

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Directors of the Incorporated Cell
Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ferdinand van Heerden (effective from 1 September 2019)

Investment Manager
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Administrator, Registrar & Secretary
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Distribution Partner
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Manager
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Independent Auditor
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Custodian
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Investment Manager's Report

Having maintained our core asset allocation through a volatile March, the Fintax International Balanced Fund rebounded sharply in the second quarter as risk assets rallied across the board. Returns were predominantly driven by our equity positions as the MSCI World index rose 19.4% in what has been one of the fastest recoveries on record. Within our equity allocation the standout performers were growth orientated strategies with greater exposure to technology, communications, healthcare and certain consumer areas. Jennison and Sands epitomised this with impressive returns both year to date and over Q2.

Within fixed income, we saw strong returns coming through emerging market debt, global credit and infrastructure-related loans, all of which outperformed government bonds handsomely over the quarter. Our position in gold also delivered double digit returns as the asset has become a more attractive hedge as central bank policy has reduced government bond yields across the globe.

The Fund’s allocation to gold has contributed positively to performance over the past 12 months. The key detractors have been manager selection within equity and, to a lesser extent, the inclusion of regional satellites which bias the Fund in favour of world ex US equities. On the former, we retain a balance of equity investment styles within the Fund but the good relative performance of our quality and growth managers has not been sufficient to offset the underperformance of our value managers during this period. This outcome should be viewed in the context of the worst drawdown for value relative to growth since data is available on Bloomberg, beginning in 1974; much more significant than during the dotcom bubble at the start of the millennium. With respect to the regional tilts within the Fund, US equities have enjoyed an unbroken run of outperformance since the financial crisis, resulting in the biggest outperformance of world ex US equities since data is available on Bloomberg. This seemingly ignores the world class businesses that are listed outside of the US.

Following last quarter’s spectacular rebound, we would not be too surprised to see equity markets pause for breath a little from here; there remains a lot of uncertainty around the pace of economies reopening, as well as concerns over a second wave of infections later in the year. We have marginally reduced equity as a result, however the positive effects of unprecedented government stimulus measures and lower rates are still impactful, and so they remain a meaningful part of the overall portfolio. We continue to hold index put options which together with US Treasuries and gold, serve as effective portfolio hedges.

As we enter another earnings season, we are likely to see corporates reporting some large losses as the full extent of economic shutdowns are laid bare. Analyst expectations are already factoring in ~45% declines, however, so much of this is already in the price and the focus will be on business solvency and how companies are adapting to the new normal. Our Managers remain invested in well run businesses, some of which are likely to entrench their competitive advantages throughout this crisis, however we remain mindful of developing macro risks around the US and elsewhere. We will continue to monitor these developments closely while running a well-diversified and resilient portfolio to withstand any future unexpected shocks.

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 2020.

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 16.

COVID-19 assessment

The Directors have, at the time of approving the financial statements, assessed the potential 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

In June 2017, the Independent Regulatory Board of Auditors published a rule prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation ("MAFR"), whereby audit firms shall not serve as the appointed auditor of a public interest entity for more than 10 consecutive years, with effect from 1 April 2023.

The Board of Momentum Metropolitan Holdings Limited ("MMH"), together with its Audit Committee, has resolved to early adopt MAFR. As a consequence, PricewaterhouseCoopers Inc. rotated off the audit on conclusion of its external audit responsibilities for the year ended 30 June 2019, at the conclusion of MMH's annual general meeting held on 9 December 2019.

On 9 December 2019, Ernst & Young LLP, was appointed as Auditor to the Incorporated Cell in accordance with Article 31.1 of the Cell's Articles of Incorporation and section 258 of the Companies (Guernsey) Law, 2008.

Marie Curutchet
Director
18 December 2020

Robert Rhodes
Director

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 2020 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Incorporated Cell's affairs as at 30 June 2020 and of the Incorporated Cell's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 below. We are independent of the Incorporated Cell in accordance with the ethical requirements issued by the International Ethics Standards Board for Accountants that are relevant to our audit of the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Incorporated Cell's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINTAX INTERNATIONAL BALANCED FUND IC LIMITED (Continued)

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporated Cell's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Incorporated Cell's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Incorporated Cell to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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

Ernst & Young LLP
Guernsey, Channel Islands
21 December 2020

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.

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 2020 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
18 December 2020

Supplementary Information

		30.06.20	30.06.19
1.	**NUMBER OF SHARES OUTSTANDING**		
	Class A	15,897,493	16,675,866
2.	**NET ASSET VALUE PER SHARE - USD**		
	Class A	1.37	1.41
3.	**HIGHEST/LOWEST PRICE - USD***		
	Class A	1.52 / 1.09	1.42 / 1.26
4.	**NUMBER OF SHARES SUBSCRIBED**		
	Class A	77,475	784,543
5.	**NUMBER OF SHARES REDEEMED**		
	Class A	855,848	1,352,220

*The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2020. The NAV on the 30.06.2020 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
Annual Report and Audited Financial Statements for the year ended 30 June 2020

Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Government Bonds: 5.81% (2019: 5.57%)			
United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	215,000	282,255	1.30
United States Treasury Note/Bond 1.625% 15/08/2029	900,000	982,230	4.51
Total Government Bonds		**1,264,485**	**5.81**
Equities: 4.12% (2019: 5.84%)			
Property			
Ediston Property Investment Company	418,889	279,493	1.28
Stenprop Limited GBP	428,043	618,801	2.84
Total Property		**898,294**	**4.12**
Collective Investment Schemes: 87.38% (2019: 86.79%)			
Commodity Funds			
iShares Physical Gold ETF	34,110	1,189,927	5.47
iShares Physical Silver ETC	30,294	531,281	2.44
Total Commodity Funds		**1,721,208**	**7.91**
Equity Funds			
Amundi Jpx-Nikkei 400 UCITS ETF	2,155	316,145	1.45
Artisan Global Value Fund	106,050	1,964,046	9.03
Conventum Lyrical Fund Class S	6,438	753,053	3.46
Dimensional Emerging Markets Value Fund USD Acc	19,599	333,572	1.53
Maple-Brown Abbott Global Fund	607,969	746,464	3.43
Morgan Stanley Global Sustain Fund Class F	139,470	1,876,662	8.62
Morgan Stanley Investment Funds - Global Brands Fund	12	1,973	0.01
PGIM Jennison Global Equity Opportunities Fund	2,743	592,296	2.72
Prusik Asian Equity Income Fund Class U	2,843	517,807	2.38
Sands Capital Funds - Sands Capital Global Growth Fund	35,787	1,471,204	6.76
Sands Capital Funds - Sands Emerging Markets Growth Fund	31,071	480,671	2.21
Veritas Funds - Global Focus Fund	43,674	1,743,889	8.01
Total Equity Funds		**10,797,782**	**49.61**
Fixed Income Funds			
Artemis Funds – Short-Dated Global High Yield Bond Class FI	433,656	417,350	1.92
Aviva Investors - Global Convertibles Fund	2,837	333,198	1.53
Institutional Cash Series - Institutional US Dollar Ultra Short Bond Fund	15,340	1,664,362	7.65
iShares Emerging Markets Government Bond Index Fund Class Institutional Acc USD	25,323	279,950	1.29
iShares JP Morgan $ Emerging Markets Bond UCITS ETF	5,560	602,815	2.77
Muzinich Funds - Enhanced Yield Short-Term Fund	5,827	1,079,356	4.95
RWC Funds - RWC Global Convertibles Fund Class B	177	321,857	1.48
Total Fixed Income Funds		**4,698,888**	**21.59**
Investment Trusts			
Merian Chrysalis Investment Company Limited	235,000	332,470	1.53
Sequoia Economic Infrastructure Income Fund	363,496	467,101	2.15
TwentyFour Income Fund	310,000	386,866	1.78
Total Investment Trusts		**1,186,437**	**5.46**

Portfolio Statement (continued)

	Holdings	Fair Value USD	% of Net Assets
Property Funds			
Third Avenue Real Estate Value Fund	18,925	612,224	2.81
Total Property Funds		**612,224**	**2.81**
Total Collective Investment Schemes		**19,016,539**	**87.38**
Options: 0.12% (2019: 0.00%)			
S&P 500 Index Put 2890 31/07/2020	7	25,900	0.12
Total Options		**25,900**	**0.12**
Financial assets at fair value through profit or loss		**21,205,218**	**97.43**
Other Net Assets: 2.57% (2019: USD425,213; 1.80%)		**560,523**	**2.57**
Net Assets Attributable To Holders Of Participating Redeemable Shares		**21,765,741**	**100.00**

Statement of Financial Position

	Notes	As at 30.06.20 USD	As at 30.06.19 USD
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	21,205,218	23,135,675
Cash and cash equivalents	7	557,381	425,242
Interest receivable		6,056	14,028
Fair value of derivative financial instruments	6,8	14,916	1,451
Other receivables	9	252	1,793
		21,783,823	23,578,189
Total assets		**21,783,823**	**23,578,189**
LIABILITIES			
CURRENT LIABILITIES			
Other payables	10	18,080	17,299
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		18,080	17,299
Net assets attributable to holders of participating redeemable shares	3,12	21,765,741	23,560,888
Total liabilities		**21,783,821**	**23,578,187**
SHAREHOLDERS' EQUITY			
Management Shares	11	2	2
Total equity		**2**	**2**
Total equity and liabilities		**21,783,823**	**23,578,189**
Net asset value per participating redeemable share	12	1.37	1.41

The notes 1 to 17 on pages 16 to 28 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 18 December 2020 and signed on its behalf by:

Marie Curutchet
Director

Robert Rhodes
Director

Statement of Comprehensive Income

	Notes	Year ended 30.06.20 USD	Year ended 30.06.19 USD
INCOME			
Net realised gains on financial assets at fair value through profit or loss	6	1,811,734	922,351
Change in unrealised losses on financial assets at fair value through profit or loss	6	(2,648,395)	(727,618)
Net (loss)/gain on financial assets at fair value through profit or loss.		(836,661)	194,733
Deposit interest		-	1,699
Bond income		26,926	28,302
Dividend income		218,924	192,811
Net gains on derivatives		72,354	845
Other foreign exchange (losses)/gains		(47,458)	13,536
Other income		(5,907)	6,012
Total net (loss)/income		**(571,822)**	**437,938**
EXPENSES			
Audit fee		(6,908)	(6,509)
Custodian fee	14	(14,101)	(13,030)
Investment Management fee	14	(56,882)	(57,443)
Manager and Administration fee	14	(45,505)	(45,955)
Deposit interest		(1,062)	-
Sundry expenses		(3,170)	(2,478)
Total operating expenses		**(127,628)**	**(125,415)**
Net (loss)/profit before tax		**(699,450)**	**312,523**
Withholding tax		(8,311)	(2,067)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		**(707,761)**	**310,456**

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

The notes 1 to 17 on pages 16 to 28 form part of these financial statements.

Statement of Cash Flows

	Year ended 30.06.20 USD	Year ended 30.06.19 USD
CASH FLOW FROM OPERATING ACTIVITIES		
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations	(707,761)	310,456
ADJUSTMENT FOR:		
Net realised gains on financial assets at fair value through profit or loss	(1,811,734)	(922,351)
Net unrealised losses on financial assets at fair value through profit or loss	2,648,395	727,618
Net settlement on derivatives and other foreign exchange	33,993	(17,274)
Dividend income	(218,924)	(192,811)
Withholding tax	8,311	2,067
Operating loss before working capital changes	**(47,720)**	**(92,295)**
Net decrease in other receivables	9,513	72
Net increase/(decrease) in other payables	781	(912)
Purchase of financial assets at fair value through profit or loss	(22,053,111)	(8,844,091)
Sale of financial assets at fair value through profit or loss	23,146,907	9,084,876
Dividend received	210,613	190,744
Net cash generated from operating activities	**1,266,983**	**338,394**
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	110,867	1,074,649
Cash paid on redemption of participating redeemable shares	(1,198,253)	(1,874,967)
Net cash used in financing activities	**(1,087,386)**	**(800,318)**
Net increase/decrease in cash and cash equivalents	**179,597**	**(461,924)**
Cash and cash equivalents at the beginning of the year	425,242	873,630
Other foreign exchange (losses)/gains	(47,458)	13,536
Cash and cash equivalents at the end of the year	**557,381**	**425,242**

The notes 1 to 17 on pages 16 to 28 form part of these financial statements.

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

	Notes	Year ended 30.06.20 USD	Year ended 30.06.19 USD
Net assets attributable to holders of participating redeemable shares at the beginning of the year		23,560,888	24,050,750
Proceeds receivable from issuance of participating redeemable shares	11	110,867	1,074,649
Payments on redemption of participating redeemable shares	11	(1,198,253)	(1,874,967)
(Decrease)/increase in net assets attributable to holders of participating redeemable shares from operations		(707,761)	310,456
Net assets attributable to holders of participating redeemable shares at the end of the year	12	**21,765,741**	**23,560,888**

The notes 1 to 17 on pages 16 to 28 form part of these financial statements.

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 however 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. The 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").

On 28 February 2020, amendments were made to the Supplemental Prospectuses of the Cell which were as follows:

- The dealing day was changed from each Wednesday to each Business Day;
- Cleared funds for subscription must now be received by 4.00pm (Guernsey time) three business days after the relevant dealing day (previously by 12 noon on the relevant dealing day); and
- The proceeds of redemptions will now be paid within 5 business days (previously 30 Business Days).

The Financial Statements were authorised for issue by the Board of Directors on 18 December 2020.

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 COVID-19 pandemic and the resultant uncertain economic environment and financial market volatility caused by it has created 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.

After careful consideration the Board is satisfied that 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.

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 Cell’s accounting policies.

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

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:

a)IFRS 16 Leases(effective date – 1 January 2019)

b) Definition of Material (Amendments to IAS 1 and IAS 8)(effective date –1 January 2020)

c) Prepayment Features with Negative Compensation (Amendments to IFRS 9) (effective date – 1 January 2019)

d) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)(effective date –1 January 2020)

(a) IFRS 16 Leases

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

IFRS 16 contains expanded disclosure requirements for lessees.

The adoption of IFRS 16 had no material impact on the net assets attributable to holders of ordinary redeemable shares of the Incorporated Cell as the Cell is not party to any lease arrangements.

Notes to the Financial Statements

2.2 Adoption of new and revised standards (continued)

(b) (Amendments to IAS 1 and IAS 8) Definition of Material

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The adoption of above amendments to IAS1 and IAS8 had no material impact on the net assets attributable to holders of ordinary redeemable shares of the Incorporated Cell.

(c) (Amendments to IFRS 9) Prepayment Features with Negative Compensation

The IASB published Prepayment Features with Negative Compensation (Amendments to IFRS 9) to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets.

The amendments address changes regarding symmetric prepayment options and clarification regarding the modification of financial liabilities.

Changes regarding symmetric prepayment options

Management assessed the above and concluded the amendments have no effect on the Cell's Financial Statements as the Cell does not have any prepayable financial assets or interest-bearing financial liabilities that may require measurement modification.

(d) (Amendments to IFRS 9, IAS 39 and IFRS 7) Interest Rate Benchmark Reform - effective 1 January 2020

The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.

- In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The Board anticipates that the adoption of this standard, which will be adopted for the year ending 30 June 2021, will not have a material impact on the financial statements of the Incorporated Cell.

Standards, amendments and interpretations that are not yet effective

The following new standards, amendments and interpretations are not yet effective but will be applied, where relevant. Where EU effective date differs from the IASB effective date, these are explained below:

IFRS 17 – Insurance Contracts (effective date – 1 January 2023)

The Board anticipates that the adoption of this standard, which will be adopted for the year ending 30 June 2022, will not have a material impact on the financial statements of the Cell, on the basis that the Cell has not entered into any insurance contracts.

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.

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

(b) Recognition/derecognition

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

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 11.

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.

Notes to the 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 (2019:£1,200).

The Cell incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

3. Financial risk management

3.1 Strategy in using financial instruments

The Cell's activities and investment objectives expose it to a variety of financial risks: market risk (which is made up of price risk, interest rate risk and currency risk), credit risk and liquidity risk (including cash flow risk). The Cell's overall risk management programme seeks to maximise the return derived for the level of risk to which the Cell is exposed and focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Cell's financial performance. The following policies and procedures to mitigate risk have been in place throughout the year.The fair value of derivative financial instruments as at 30 June 2020 is disclosed under note 8 of these financial statements.

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

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:

	2020		2019	
	Fair Value	**% of net assets**	**Fair Value**	**% of net assets**
	USD		**USD**	
Collective Investment Schemes	19,016,539	87.38	20,446,961	86.79
Equities	898,294	4.12	1,376,325	5.84
Government Bonds	1,264,485	5.81	1,312,389	5.57
Options	25,900	0.12	-	-
	21,205,218	**97.43**	**23,135,675**	**98.20**

Notes to the Financial Statements

3. Financial risk management (continued)

3.2 Market price risk (continued)

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

As at 30 June	2020	2019
	Change in fair value	
	USD	USD
Collective Investment Schemes	1,901,654	2,044,696
Equities	89,829	137,633
Government Bonds	126,449	131,239
Options	2,590	-
	2,120,522	**2,313,568.00**

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	2020	2019
	USD	USD
Net financial assets on which no interest is paid	21,202,304	23,120,167
Net floating rate financial assets	563,437	439,270

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	2020	2019
	USD	USD
Movement in net floating rate financial assets	2,817	2,197

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	2020	2019
	USD	USD
EUR exposure	10,519	2,644,759
GBP exposure	4,828,953	3,570,607
SGD exposure	20,297	20,929

3. Financial risk management (continued)

3.5 Currency risk (continued)

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

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

As at 30 June	**2020**	**2019**
	USD	**USD**
EUR exposure	526	132,238
GBP exposure	241,448	178,530
SGD exposure	1,015	1,046

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.

			2020	**2019**
	Less than 1 month	**Between 1 and 12 months**	**Total**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets at fair value through profit or loss	21,205,218	-	21,205,218	23,135,675
Cash and cash equivalents	557,381	-	557,381	425,242
Fair value of derivative financial instruments	14,916	-	14,916	1,451
Interest receivable	6,056	-	6,056	14,028
Other receivables	250	-	250	1,791
Other payables	(18,080)	-	(18,080)	(17,299)
Net assets attributable to participating redeemable shareholders	(21,765,741)	-	(21,765,741)	(23,560,888)
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.

Notes to the Financial Statements

3. Financial risk management (continued)

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:

	2020 USD	2019 USD
Europe	15,953,439	17,916,969
Channel Islands	1,805,238	1,791,063
United Kingdom	2,156,155	2,115,254
United States	1,290,386	1,312,389
	21,205,218	**23,135,675**

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

	2020	2019
	USD	USD
Financial assets at fair value through profit or loss:		
Collective Investment Schemes	19,016,539	20,446,961
Equity Funds	898,294	1,376,325
Government Bonds	1,264,485	1,312,389
Options	25,900	-
Total financial assets at fair value through profit or loss	**21,205,218**	**23,135,675**

Movement on financial assets at fair value through profit or loss

Fair value of financial assets at the beginning of the year	23,135,675	23,181,727
Purchases of financial assets	22,053,111	8,844,091
Sales of financial assets	(23,146,907)	(9,084,876)
Realised gains on sales of financial assets	1,811,734	922,351
Movement in unrealised losses on revaluation of financial assets	(2,648,395)	(727,618)
Fair value of financial assets at the end of the year	**21,205,218**	**23,135,675**
Comprising:		
Cost at the end of the year	20,097,195	19,379,257
Unrealised gains at the end of the year	1,108,023	3,756,418
	21,205,218	**23,135,675**

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.

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 2020 and 30 June 2019:

Financial assets at fair value through profit or loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
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
	21,205,218	14,916	-	21,220,134

30 June 2019

Financial assets at fair value through profit or loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Collective Investment Schemes	20,446,961	-	-	20,446,961
Equities	1,376,325	-	-	1,376,325
Government Bonds	1,312,389	-	-	1,312,389
Derivative financial instruments	-	1,451	-	1,451
	23,135,675	1,451	-	23,137,126
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	-	2,287	-	2,287
	-	2,287	-	2,287

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:

	2020 USD	2019 USD
Cash at bank	557,381	425,242
	557,381	**425,242**

Notes to the Financial Statements

8. Derivative Financial Instruments

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

30 June 2020	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial assets / (liabilities)
	GBP				USD	USD	USD
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
							14,916
Fair value of derivative financial instruments - asset							14,916

30 June 2019	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial assets / (liabilities)
	GBP				USD	USD	USD
Outstanding contract to buy GBP	270,000	21/08/2019	0.7891	0.7857	342,178	343,629	1,451
							1,451
Fair value of derivative financial instruments - asset							1,451

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

	2020	2019
	USD	USD
Prepayments	250	252
Management fee rebate receivable	-	1,539
Management shares receivable	2	2
	252	**1,793**

Notes to the Financial Statements

10. Other payables

	2020	2019
	USD	USD
Management fee payable	3,799	3,823
Custodian fee payable	950	956
Investment management fee payable	4,749	4,779
Audit fee payable	7,330	6,996
Sundry expense payable	1,252	745
	18,080	**17,299**

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	2020	2019
	USD	USD
Management shares	2	2

	Year ended	Year ended
Participating Redeemable Shares in Issue	**30.06.20**	**30.06.19**
Balance at the beginning of the year	16,675,866	17,243,543
Issue of participating redeemable shares	77,475	784,543
Redemption of participating redeemable shares	(855,848)	(1,352,220)
Balance at the end of the year	15,897,493	16,675,866

	Year ended	Year ended
	30.06.20	**30.06.19**
Participating Redeemable Share Capital Account	USD	USD
Balance at the beginning of the year	17,143,804	17,944,122
Issue of participating redeemable shares	110,867	1,074,649
Redemption of participating redeemable shares	(1,198,253)	(1,874,967)
Balance at the end of the year	16,056,418	17,143,804

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	**2020**	**2020**	**2020**	**2019**	**2019**	**2019**
	USD	USD		USD	USD	
International Balanced Cell	1.37	21,765,741	15,897,493	1.41	23,560,888	16,675,866

13. Dividends payable to participating redeemable shareholders

No dividends were paid during the year (2019: Nil) and the Board does not intend to pay any dividends. All available income will be reinvested.

Notes to the Financial Statements

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.

Fee - % of NAV per	Cell NAV
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:

	2020 USD	2019 USD
Charged during the year	45,505	45,955
Accrued at year end	3,799	3,823

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

	2020 USD	2019 USD
Received during the year	(1,539)	981
Accrued at year end	-	1,539

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:

	2020 USD	2019 USD
Charged during the year	56,882	57,443
Accrued at year end	4,749	4,779

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.

Fee% of NAV per	Cell NAV
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:

	2020 USD	2019 USD
Charged during the year	14,101	13,030
Accrued at year end	950	956

Notes to the Financial Statements

14. Related-party transactions (continued)

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 2020 (2019: 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

	2020 USD	2019 USD
Net assets per financial statements	21,765,741	23,560,888
Adjustment:		
Adjustment in value of assets at financial assets at fair value through profit and loss	(57,170)	-
Adjustment of closing cash balance	-	3,454
Adjustment in value of derivative financial instruments	22,552	(3,651)
Net assets per published valuation	21,731,123	23,560,691

	USD	USD
Shares in issue per published NAV as at 30 June	15,897,493	42,369,674
Shares in issue per Financial Statements	15,897,493	42,369,674
NAV per share per published valuation	1.37	1.41
NAV per share per financial statements	1.37	1.41

17. Subsequent events

These financial statements were approved for issuance by the Board on 18 December 2020. 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.