

Discipline + Diversified Cell

**Supplementary Information,
Annual Report and Audited Financial Statements for**

**Discipline + Diversified Balanced Fund IC Limited
("Discipline + Diversified Cell")**

Momentum Mutual Fund ICC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2018

Discipline + Diversified Cell

Supplementary Information

	30.06.18	30.06.17
1. NUMBER OF SHARES OUTSTANDING		
Class A - USD	319,039	534,333
Class B - EUR	51,953	72,702
Class C - GBP	248,702	737,960
Class D - USD	1,732,542	2,081,092
Class E - GBP	2,706,010	2,490,945
2. NET ASSET VALUE PER SHARE		
Class A - USD	1.78	1.70
Class B - EUR	1.58	1.54
Class C - GBP	1.62	1.55
Class D - USD	1.34	1.29
Class E - GBP	1.29	1.25
3. HIGHEST/LOWEST PRICE *		
Class A - USD	1.85 / 1.69	1.72 / 1.50
Class B - EUR	1.66 / 1.54	1.56 / 1.39
Class C - GBP	1.68 / 1.55	1.57 / 1.39
Class D - USD	1.40 / 1.28	1.30 / 1.15
Class E - GBP	1.35 / 1.24	1.26 / 1.12
4. NUMBER OF SHARES SUBSCRIBED		
Class A - USD	-	-
Class B - EUR	-	-
Class C - GBP	-	-
Class D - USD	302,387	70,351
Class E - GBP	946,777	686,489
5. NUMBER OF SHARES REDEEMED		
Class A - USD	215,294	184,441
Class B - EUR	20,749	2,470
Class C - GBP	489,258	118,173
Class D - USD	650,937	888,745
Class E - GBP	731,712	704,221

*The highest/lowest price is based on prices from prior year-end to current year-end, being the 30.06.2018.

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Portfolio Statement

	Holdings	Fair Value USD	% of Net Assets
Financial assets at fair value through profit or loss			
Government Bonds: 6.58% (2017: 0.00%)			
United States Treasury Note/Bond 3.75% 15/11/2043	167,000	189,894	2.33
United States Treasury Note/Bond 2.25% 31/12/2023	355,000	345,695	4.25
		<u>535,589</u>	<u>6.58</u>
Options: 0.07% (2017: 0.00%)			
Option S&P 500 Index Put 2670 28/09/2018	1	5,610	0.07
		<u>5,610</u>	<u>0.07</u>
Collective Investment Schemes: 86% (2017: 96.66%)			
Alternatives Fund			
Allianz Structured Return GBP	10	13,268	0.16
Allianz Structured Return USD	158	163,325	2.01
Neuberger Berman Uncorrelated Strategies 12 Acc	12,545	130,971	1.61
Serviced Platform SICAV - Aberdeen Alternative Risk Premia Enhanced Fund	1,705	169,350	2.08
Total Alternatives Fund		<u>476,914</u>	<u>5.86</u>
Commodities Fund			
iShares Gold Producers UCITS ETF	4,135	38,378	0.47
iShares Physical Gold ETF	12,363	303,944	3.74
Total Commodities Fund		<u>342,322</u>	<u>4.21</u>
Equity Funds			
Chinook Gbl. Conv. "A" Usd Acc	2,048	218,784	2.69
F&C True Styles Portfolios ICVC - Global Equity Market Neutral Fund Accumulating	183,086	145,080	1.78
Firth Asian Smaller Companies Fund Class I Initial	83	153,998	1.89
FP Crux European Special Situations Fund	18,543	123,384	1.52
Heptagon Fund - Kopernik Global All-Cap Equity	1,246	147,865	1.82
Jupiter European Special Situations Fund	21,959	121,161	1.49
Maple-Brown Abbott Global Fund	259,438	322,145	3.96
Momentum Investment Funds SICAV-SIF - Momentum IF Global Emerging Markets Equity	2,888	597,585	7.34
Momentum Investment Funds SICAV-SIF - Momentum IF Global Equity Class M	19,527	2,600,376	31.95
Morgan Stanley Investment Funds - Global Brands Fund	1,793	236,928	2.91
Polar Capital Funds - Japan Fund	6,529	150,371	1.85
RWC Funds - RWC Asia Convertibles Fund Class B	998	133,523	1.64
Schroder Recovery Fund - Z Accumulating	109,192	168,884	2.08
Total Equity Funds		<u>5,120,084</u>	<u>62.92</u>
Fixed Income Funds			
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	1,267	238,994	2.94
Goldman Sachs Global Strategic Macro Bond Portfolio Class I	1,479	155,579	1.91
iShares \$ TIPS UCITS ETF	967	198,960	2.45
iShares JP Morgan \$ Emerging Markets Bond UCITS ETF	1,148	121,068	1.49
Muzinich Emg. Mkts, Short Drtn. S' \$ Acc	2,578	294,176	3.61
Westwood Strategic Global Convertibles Fund Class F	45	49,591	0.61
Total Fixed Income Funds		<u>1,058,368</u>	<u>13.01</u>
Total Collective Investment Schemes		<u>6,997,688</u>	<u>86.00</u>
Financial assets at fair value through profit or loss		<u>7,538,887</u>	<u>92.65</u>
Other Net Assets: 7.350% (2017: USD 309,005; 3.34%)		598,198	7.35
Net Assets Attributable to Holders of Participating Redeemable Shares		<u>8,137,085</u>	<u>100.00</u>

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Discipline + Diversified Cell

Statement of Financial Position

	Notes	30.06.18 <u>USD</u>	30.06.17 <u>USD</u>
ASSETS			
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	5	7,538,887	8,935,465
CURRENT ASSETS			
Cash and cash equivalents	6	12,477	323,789
Fair value of derivative financial instruments	7	23,196	53,732
Receivable on subscription of participating redeemable shares		508,296	498
Securities sold receivable		166,503	-
Interest receivable		5,311	-
Other receivables	8	2,439	1,239
		<u>718,222</u>	<u>379,258</u>
Total assets		<u>8,257,109</u>	<u>9,314,723</u>
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	6	66,867	-
Fair value of derivative financial instruments	7	8,695	15,467
Other payables	9	29,838	30,893
Due on redemption of participating redeemable shares		14,524	23,793
Liabilities (excluding net assets attributable to holders of participating redeemable shares)		119,924	70,153
Net assets attributable to holders of participating redeemable shares	2 & 11	8,137,085	9,244,470
Total liabilities		<u>8,257,009</u>	<u>9,314,623</u>
SHAREHOLDERS' EQUITY			
Management shares	10	100	100
Total equity		<u>100</u>	<u>100</u>
Total equity and liabilities		<u>8,257,109</u>	<u>9,314,723</u>
Net asset value per participating redeemable share			
Class A - USD	11	1.78	1.70
Class B - EUR		1.58	1.54
Class C - GBP		1.62	1.55
Class D - USD		1.34	1.29
Class E - GBP		1.29	1.25

The notes 1 to 16 on pages 136 to 143 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 5 December 2018 and signed on its behalf by:


 Director


 Director

Momentum Mutual Fund ICC Limited
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Discipline + Diversified Cell

Statement of Comprehensive Income

		Year ended 30.06.18	Year ended 30.06.17
	Notes	<u>USD</u>	<u>USD</u>
INCOME			
Deposit interest		3,024	122
Dividend income		22,106	30,377
Net realised gains on financial assets at fair value through profit or loss	5	456,327	228,341
Net unrealised gains on financial assets at fair value through profit or loss	5	121,611	1,047,632
Net (losses)/gains on derivatives		(134,730)	36,422
Other foreign exchange gains/(losses)		197,745	(175,894)
Other income/(expense)	13	2,382	(505)
Total net income		<u>668,465</u>	<u>1,166,495</u>
EXPENSES			
Audit fee		(15,566)	(13,550)
Custodian fees	13	(10,083)	(10,777)
Distribution Partner fee	13	(64,178)	(68,201)
Investment Management fee	13	(91,078)	(91,385)
Management and Administration fee	13	(29,950)	(31,827)
Finance cost		-	(250)
Sundry expenses		(4,517)	(4,446)
Total operating expenses		<u>(215,372)</u>	<u>(220,436)</u>
Net profit before tax		453,093	946,059
Withholding Tax		-	-
Increase in net assets attributable to holders of participating redeemable shares from operations		<u>453,093</u>	<u>946,059</u>

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

The notes 1 to 16 on pages 136 to 143 form part of these financial statements.

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Discipline + Diversified Cell

Statement of Cash Flows

	Year ended 30.06.18	Year ended 30.06.17
	<u>USD</u>	<u>USD</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets attributable to holders of participating redeemable shares from operations	453,093	946,059
ADJUSTMENT FOR:		
Net realised gains on financial assets at fair value through profit or loss	(456,327)	(228,341)
Net unrealised gains on financial assets at fair value through profit or loss	(121,611)	(1,047,632)
Net settlement on derivatives and other foreign exchange	(173,981)	(305,104)
Dividend income	(22,106)	(30,377)
Deposit interest	(3,024)	(122)
Operating loss before working capital changes	<u>(323,956)</u>	<u>(665,517)</u>
Net (increase)/decrease in other receivables	(1,200)	9,714
Net decrease in other payables	(1,055)	(2,066)
Purchase of financial assets at fair value through profit or loss	(2,505,041)	(3,573,333)
Sale of financial assets at fair value through profit or loss	4,313,054	5,944,516
Dividend received	22,106	30,377
Deposit interest	(2,287)	122
Net cash generated from operating activities	<u>1,501,621</u>	<u>1,743,813</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of participating redeemable shares	872,663	1,105,257
Cash paid on redemptions of participating redeemable shares	(2,950,208)	(2,874,932)
Net cash used in financing activities	<u>(2,077,545)</u>	<u>(1,769,675)</u>
Net decrease in cash and cash equivalents	(575,924)	(25,862)
Cash and cash equivalents at the beginning of the year	323,789	525,545
Exchange gains/(losses) on cash and cash equivalents	197,745	(175,894)
Cash and cash equivalents at the end of the year	<u>(54,390)</u>	<u>323,789</u>
Supplemental disclosure of non-cash financing activity		
Cash received from issuance of participating redeemable shares	872,663	1,105,257
Non-cash switch subscriptions of participating redeemable shares	630,898	-
Movement in receivable due on redemption of participating redeemable shares	507,798	498
Proceeds from issuance of participating redeemable shares	<u>2,011,359</u>	<u>1,105,755</u>
Cash paid on redemptions of participating redeemable shares	(2,950,208)	(2,874,932)
Non-cash switch redemptions of participating redeemable shares	(630,898)	-
Movement in payable due on redemption of participating redeemable shares	9,269	223,166
Payments on redemption of participating redeemable shares	<u>(3,571,837)</u>	<u>(2,651,766)</u>

The notes 1 to 16 on pages 136 to 143 form part of these financial statements.

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

	Notes	Year ended 30.06.18 <u>USD</u>	Year ended 30.06.17 <u>USD</u>
Net assets attributable to holders of participating redeemable shares at the beginning of the year		9,244,470	9,844,422
Proceeds from issuance of participating redeemable shares	10	2,011,359	1,105,755
Payments on redemption of participating redeemable shares	10	(3,571,837)	(2,651,766)
Increase in net assets attributable to holders of participating redeemable shares from operations		453,093	946,059
		<hr/>	<hr/>
Net assets attributable to holders of participating redeemable shares at the end of the year		8,137,085	9,244,470

The notes 1 to 16 on pages 136 to 143 form part of these financial statements.

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Discipline + Diversified Cell

Notes to the Financial Statements

1 General information

The Discipline + Diversified Balanced Fund IC Limited (the "Cell"), with company number 49524, is a Guernsey registered, Limited Liability Incorporated Cell of Momentum Mutual Fund ICC Limited (the "Company").

The Cell aims to provide a balance between capital preservation and capital growth in the base currency with a reduced level of volatility via strategic exposures to a wide range of asset classes. The Cell is ideally suited to investors with a moderate risk tolerance and with an investment horizon of 3 years or longer.

The Cells intend to achieve their investment objective through a diversified portfolio that invests, primarily via other collective investment schemes, across a broad range of asset classes and currencies in varying proportions over time. These asset classes include international equities, fixed income, commodities, alternative strategies, property, money market instruments and asset allocation portfolios. The Cell may also invest in transferable securities.

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 14 August 2017, amendment was made to the Supplemental Prospectus of the Cell as follows:

- the Fund will not be permitted to enter into any form of borrowing or loan arrangement with other funds of the Company nor other collective investment schemes of the Manager.

The Financial Statements were authorised for issue by the Board of Directors on 5 December 2018.

2 Financial risk management

2.1 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. The Cell's overall risk management programme 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.

2.2 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 position is monitored regularly by the Cell's Investment Manager and is reviewed by the Board of Directors periodically.

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

	2018		2017	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
	<u>USD</u>		<u>USD</u>	
Government bonds	535,589	6.58	-	-
Options	5,610	0.07	-	-
Collective investment schemes	6,997,688	86.00	8,935,465	96.66
	<u>7,538,887</u>	<u>92.65</u>	<u>8,935,465</u>	<u>96.66</u>

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 rates movements are covered in notes 2.3 and 2.5 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:

	2018	2017
	Change in fair value	Change in fair value
	<u>USD</u>	<u>USD</u>
Government bonds	53,559	-
Options	561	-
Collective investment schemes	699,769	893,547

2.3 Interest rate risk

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

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

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

As at 30 June	2018	2017
	<u>USD</u>	<u>USD</u>
Net financial assets on which no interest is paid	7,435,021	8,755,978
Net floating rate financial assets	12,477	323,789

In accordance with the Cell's policy, the Investment Manager monitors the Cell's overall interest rate sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis.

Should interest rates have increased or decreased by 100 basis points with all other variables remaining constant, the increase in the net assets attributable to participating redeemable shareholders would amount to approximately:

As at 30 June	2018	2017
	<u>USD</u>	<u>USD</u>
Net floating rate financial assets	125	3,238

A decrease of 50 basis points would have a minimal effect as interest received at year end was immaterial.

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Notes to the Financial Statements

2 Financial risk management (continued)

2.4 Cash flow risk

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

2.5 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 denominated in currencies other than the US Dollar, the functional currency, and therefore it is exposed to currency risk. The exposures are based on the currencies of the underlying assets in the Cell. Where the Cell invests via Collective Investment Funds, the funds are treated as a single asset with its currency of exposure being assumed to be its reporting currency.

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

As at 30 June	2018 <u>USD</u>	2017 <u>USD</u>
GBP exposure	858,705	756,775
EUR exposure	121,682	226,418
JPY exposure	(4,998)	2

In accordance with the Cell's policy, the Investment Manager monitors the Cell's currency position on a regular basis, and the Board of Directors reviews it periodically. The Cell has the ability to enter into forward foreign exchange contracts in an attempt to mitigate any significant currency risk. Such contracts are used on a regular basis. The contracts which are outstanding at the year end are disclosed in note 7.

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

As at 30 June	2018 <u>USD</u>	2017 <u>USD</u>
GBP exposure	42,935	37,839
EUR exposure	6,084	11,321
JPY exposure	-	-

2.6 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 2.2. No such redemption problems have been encountered.

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

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

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

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

2.7 Liquidity risk

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

The table below analyses the Cell's financial assets, financial liabilities and net settled derivative 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.

	2018			Total <u>USD</u>	Total <u>USD</u>
	Less than 1 month <u>USD</u>	Between 1 and 12 months <u>USD</u>	More than 12 months <u>USD</u>		
Financial assets at fair value through profit or loss	7,384,889	153,998	-	7,538,887	8,935,465
Cash and cash equivalents	(54,390)	-	-	(54,390)	323,789
Fair value of derivative financial instruments	14,501	-	-	14,501	38,265
Securities sold receivable	166,503	-	-	166,503	-
Subscriptions receivable	508,296	-	-	508,296	498
Interest receivable	5,311	-	-	5,311	-
Other receivables	2,339	-	-	2,339	1,139
Other payables	(29,838)	-	-	(29,838)	(30,893)
Due on redemption of participating redeemable shares	(14,524)	-	-	(14,524)	(23,793)
Net assets attributable to participating redeemable shares	(8,137,085)	-	-	(8,137,085)	(9,244,470)
Net liquidity position	(153,998)	153,998	-	-	-

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Notes to the Financial Statements

2 Financial risk management (continued)

2.7 Liquidity risk (continued)

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.

2.8 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 overall strategy of the Cell remains unchanged.

The Cell has no externally imposed capital requirements.

2.9 Fair value disclosure

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

3 Critical accounting estimates and judgments

The fair value of investments have been based on the listed market bid 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.

4 Portfolio analysis

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

The Cell operates using the main sector types which are disclosed in note 2.2 and the following main geographical areas:

	2018	2017
	<u>USD</u>	<u>USD</u>
Cayman Islands	153,998	164,703
Europe	6,151,657	7,810,598
United Kingdom	692,033	960,164
United States of America	541,199	-
	<u>7,538,887</u>	<u>8,935,465</u>

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

5 Financial assets at fair value through profit or loss

	2018	2017
	<u>USD</u>	<u>USD</u>
Financial asset at fair value through profit or loss:		
Government bonds	535,589	-
Options	5,610	-
Collective investment schemes	6,997,688	8,935,465
Total financial assets at fair value through profit or loss	<u>7,538,887</u>	<u>8,935,465</u>
Movement on financial assets at fair value through profit or loss		
Fair value of financial assets at the beginning of the year	8,935,465	9,952,707
Purchases of financial assets	2,505,041	3,573,333
Sales of financial assets	(4,479,557)	(5,866,548)
Realised gains on sales of financial assets	456,327	228,341
Movement in unrealised gains on revaluation of financial assets	121,611	1,047,632
Fair value of financial assets at the end of the year	<u>7,538,887</u>	<u>8,935,465</u>
Comprising:		
Cost at the end of the year	6,505,916	8,024,105
Unrealised gains at the end of the year	1,032,971	911,360
	<u>7,538,887</u>	<u>8,935,465</u>

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with 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).

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

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 to be 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 Company considers it to be the most advantageous market and would enter into transactions based on those prices.

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

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

The following tables present the Cell's financial assets and financial liabilities measured at fair value by level within the valuation hierarchy as of 30 June 2018 and 30 June 2017:

	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
30 June 2018				
Assets				
Financial assets at fair value through profit or loss				
Government bonds	535,589	-	-	535,589
Options	5,610	-	-	5,610
Collective investment schemes	6,843,690	153,998	-	6,997,688
Fair value of derivative financial instruments	-	23,196	-	23,196
Total assets	7,384,889	177,194	-	7,562,083
Liabilities				
Fair value of derivative financial instruments	-	8,695	-	8,695
Total liabilities	-	8,695	-	8,695

	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
30 June 2017				
Assets				
Financial assets at fair value through profit or loss				
Collective investment schemes	8,770,762	164,703	-	8,935,465
Fair value of derivative financial instruments	-	53,732	-	53,732
Total assets	8,770,762	218,435	-	8,989,197
Liabilities				
Fair value of derivative financial instruments	-	15,467	-	15,467
Total liabilities	-	15,467	-	15,467

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table analyses within the fair value hierarchy the Cell's assets and liabilities (by class) not measured at fair value at 30 June 2018 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Assets				
Cash and cash equivalents	12,477	-	-	12,477
Derivative financial instruments	-	23,196	-	23,196
Receivable on subscription of participating redeemable shares	-	508,296	-	508,296
Securities sold receivable	-	166,503	-	166,503
Interest receivable	-	5,311	-	5,311
Other receivables	-	2,439	-	2,439
Total	12,477	705,745	-	718,222
Liabilities				
Bank overdraft	66,867	-	-	66,867
Derivative financial instruments	-	8,695	-	8,695
Due on redemption of participating redeemable shares	-	14,524	-	14,524
Other payables	-	29,838	-	29,838
Net assets attributable to holders of participating redeemable shares	-	8,137,085	-	8,137,085
Total	66,867	8,190,142	-	8,257,009

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

Assets and liabilities not carried at fair value but for which fair value is disclosed (continued)

The following table analyses within the fair value hierarchy the Cell's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed.

	Level 1 <u>USD</u>	Level 2 <u>USD</u>	Level 3 <u>USD</u>	Total <u>USD</u>
Assets				
Cash and cash equivalents	323,789	-	-	323,789
Other receivables	-	1,239	-	1,239
Total	323,789	1,239	-	325,028
Liabilities				
Due on redemption of participating redeemable shares	-	23,793	-	23,793
Other payables	-	30,893	-	30,893
Net assets attributable to holders of participating redeemable shares	-	9,244,470	-	9,244,470
Total	-	9,299,156	-	9,299,156

6 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:

	2018 <u>USD</u>	2017 <u>USD</u>
Cash at bank	12,477	323,789
Bank overdraft	(66,867)	-
	(54,390)	323,789

7 Derivative Financial Instruments

Spot foreign currency contracts designated as at fair value through profit or loss:

Expiration	Underlying	Notional amount of contracts outstanding	30.06.18 Fair value asset/ (liability)
02/07/2018	Foreign currency (purchase of EUR)	EUR 1,000	4
02/07/2018	Foreign currency (purchase of GBP)	GBP 56,000	354
			<u>358</u>

There were no spot foreign currency contracts open at 30 June 2017.

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

30 June 2018	Amount <u>CCY</u>	Maturity Date	Contracted rate	Closing rate	Contract value <u>CCY</u>	Market value <u>CCY</u>	Financial assets / (liabilities) <u>CCY</u>	Financial assets / (liabilities) <u>USD</u>
Outstanding contract to buy USD	USD 4,138,990	26/07/2018	0.7538	0.7574	GBP 3,119,975	GBP 3,135,005	GBP 15,030	19,844
Outstanding contract to buy USD	USD 500,000	26/07/2018	0.7570	0.7574	GBP 378,489	GBP 378,716	GBP 227	300
Outstanding contract to buy USD	USD 532,400	26/07/2018	0.7539	0.7574	GBP 401,355	GBP 403,257	GBP 1,902	2,511
Outstanding contract to buy USD	USD 82,010	26/07/2018	0.8546	0.8565	EUR 70,084	EUR 70,241	EUR 157	183
								<u>22,838</u>
Outstanding contract to buy EUR	EUR 449,470	26/07/2018	0.8548	0.8565	USD 525,820	USD 524,779	USD (1,041)	(1,041)
Outstanding contract to buy GBP	GBP 405,090	26/07/2018	0.7537	0.7574	USD 537,457	USD 534,820	USD (2,637)	(2,637)
Outstanding contract to buy JPY	JPY 44,235,320	26/07/2018	109.3951	110.7650	USD 404,363	USD 399,362	USD (5,001)	(5,000)
Outstanding contract to buy USD	USD 14,650	26/07/2018	0.8575	0.8565	EUR 12,562	EUR 12,548	EUR (14)	(17)
								<u>(8,695)</u>
Fair value of derivative financial instruments - asset								<u>23,196</u>
Fair value of derivative financial instruments - liability								<u>(8,695)</u>

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7 Derivative Financial Instruments (continued)

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

30 June 2017

	Amount	Maturity Date	Contracted rate	Closing rate	Contract value	Market value	Financial assets / (liabilities)	Financial assets / (liabilities)
	CCY				CCY	CCY	CCY	USD
Outstanding contract to buy USD	USD 125,180	06/07/2017	0.8925	0.8768	EUR 111,726	EUR 109,754	EUR 1,972	2,249
Outstanding contract to buy USD	USD 1,462,830	06/07/2017	0.7759	0.7699	GBP 1,135,036	GBP 1,126,163	GBP 8,873	11,525
Outstanding contract to buy USD	USD 4,037,030	06/07/2017	0.7759	0.7699	GBP 3,133,403	GBP 3,107,918	GBP 25,485	33,105
Outstanding contract to buy JPY	JPY 52,578,090	06/07/2017	110.7382	112.3600	USD 474,796	USD 467,943	USD 6,853	6,853
								53,732
Outstanding contract to buy EUR	EUR 535,320	06/07/2017	0.8924	0.8768	USD 599,881	USD 610,559	(USD 10,678)	(10,678)
Outstanding contract to buy GBP	GBP 496,160	06/07/2017	0.7756	0.7699	USD 639,698	USD 644,487	(USD 4,789)	(4,789)
								(15,467)
Fair value of derivative financial instruments - asset								53,732
Fair value of derivative financial instruments - liability								(15,467)

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

8 Other receivables

	30.06.18	30.06.17
	USD	USD
Management shares receivable	100	100
Management fee rebate receivable	1,557	328
Prepayments	782	811
	2,439	1,239

9 Other payables

	30.06.18	30.06.17
	USD	USD
Management and administration fee payable	2,176	2,657
Custodian fee payable	614	658
Investment management fee payable	6,638	7,764
Audit fee payable	14,976	13,994
Distributors fee payable	4,663	5,694
Sundry Fees payable	771	126
	29,838	30,893

10 Share Capital

Each 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. Each share class has the same rights and obligations.

Management Shares in Issue

	30.06.18	30.06.17
	USD	USD
Management Shares	100	100

Participating Redeemable Shares in Issue

	Class A - USD		Class B - EUR		Class C - GBP	
	Year ended 30.06.18	Year ended 30.06.17	Year ended 30.06.18	Year ended 30.06.17	Year ended 30.06.18	Year ended 30.06.17
Balance at the beginning of the year	534,333	718,774	72,702	75,172	737,960	856,133
Redemption of participating redeemable shares	(215,294)	(184,441)	(20,749)	(2,470)	(489,258)	(118,173)
Balance at the end of the year	319,039	534,333	51,953	72,702	248,702	737,960

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10 Share Capital (continued)

Participating Redeemable Shares in Issue (continued)

	Class D - USD		Class E - GBP	
	Year ended	Year ended	Year ended	Year ended
	30.06.18	30.06.17	30.06.18	30.06.17
Balance at the beginning of the year	2,081,092	2,899,486	2,490,945	2,508,677
Issue of participating redeemable shares	302,387	70,351	946,777	686,489
Redemption of participating redeemable shares	(650,937)	(888,745)	(731,712)	(704,221)
Balance at the end of the year	1,732,542	2,081,092	2,706,010	2,490,945

Participating Redeemable Shares Capital Account

	Year ended	Year ended
	30.06.18	30.06.17
	USD	USD
Balance at the beginning of the year	4,501,697	6,047,708
Issue of participating redeemable shares	2,011,359	1,105,755
Redemption of participating redeemable shares	(3,571,837)	(2,651,766)
Balance at the end of the year	2,941,219	4,501,697

11 Net asset value per participating redeemable share

As at 30 June	NAV per share	Net assets attributable	Shares in issue	NAV per share	Net assets attributable	Shares in issue
	2018	2018	2018	2017	2017	2017
Class A - USD	1.78	567,358	319,039	1.70	907,459	534,333
Class B - EUR	1.58	82,254	51,953	1.54	112,205	72,702
Class C - GBP	1.62	401,815	248,702	1.55	1,145,696	737,960
Class D - USD	1.34	2,322,462	1,732,542	1.29	2,677,458	2,081,092
Class E - GBP	1.29	3,498,087	2,706,010	1.25	3,112,800	2,490,945

12 Dividends payable to participating redeemable shareholders

No dividends were paid during the year (2017: Nil) and the Board does not intend to pay any dividends. All available income will be reinvested.

13 Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

13.1 Management and Administration fee

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

The Manager is entitled to receive a Management and Administration fee of 0.35% of the NAV of the Cell, subject to a minimum fee of USD22,000 per annum, or currency equivalent. The Management and Administration fee will accrue as at each Valuation Point, based on the current valuation of the Cell and payable monthly in arrears.

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

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

	2018	2017
	USD	USD
Charged during the year	29,950	31,827
Accrued at year end	2,176	2,657

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

	2018	2017
	USD	USD
Paid during the year	2,382	(505)
Accrued at year end	1,557	328

13.2 Investment Management fee

<u>Fee - % of NAV per annum</u>	<u>Fee - % of NAV per annum</u>	<u>Cell NAV</u>
Class A, B and C Shares	Class D and E Shares	
0.65%	1.15%	Up to USD15m
0.55%	1.05%	From USD15m to USD30m
0.45%	0.95%	From USD30m to USD60m
0.35%	0.85%	Above USD60m

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13 Related-party transactions (continued)

13.2 Investment Management fee (continued)

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

	2018	2017
	<u>USD</u>	<u>USD</u>
Charged during the year	91,078	91,385
Accrued at year end	<u>6,638</u>	<u>7,764</u>

13.3 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 annum

	<u>Cell NAV</u>
0.05%	Up to USD30m
0.04%	From USD30m to USD60m
0.03%	From USD60m to USD100m
0.02%	Above USD100m

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

	2018	2017
	<u>USD</u>	<u>USD</u>
Charged during the year	10,083	10,777
Accrued at year end	<u>614</u>	<u>658</u>

13.4 Distribution Partner fee

The Cell has appointed Wealth Management Group as distribution partner to promote and market the Cell. The Distribution Partner is entitled to receive a fee (the "Distribution Partner Fee") of up to 0.75% of the NAV of each class of shares per annum. 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.

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

	2018	2017
	<u>USD</u>	<u>USD</u>
Charged during the year	64,178	68,201
Accrued at year end	<u>4,663</u>	<u>5,694</u>

13.5 Board of Directors' remuneration

The Directors are entitled to fees in respect of the Cell that 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 2018 (2017: Nil).

14 Ultimate controlling party

In the opinion of the Directors, on the basis of the shareholdings advised to them, the Cell has no ultimate controlling party.

15 Reconciliation of published valuation to financial statements

	2018	2017
Net assets per financial statements	8,137,085	9,244,470
Adjustment:		
Adjustment in value of assets at financial assets at fair value through profit and loss due to late redemption of shares	(14)	10,153
Adjustment in value of assets at financial assets at fair value through profit and loss	(16,159)	-
Adjustment in value of derivative financial instruments	474,171	-
Issue of participating redeemable shares	(1,055,459)	-
Redemption of participating redeemable shares	19,887	-
Net assets per published valuation	<u>7,559,510</u>	<u>9,254,623</u>
NAV per Class A - USD per published valuation	<u>1.78</u>	<u>1.70</u>
NAV per Class B - EUR per published valuation	<u>1.58</u>	<u>1.54</u>
NAV per Class C - GBP per published valuation	<u>1.60</u>	<u>1.55</u>
NAV per Class D - USD per published valuation	<u>1.34</u>	<u>1.29</u>
NAV per Class E - GBP per published valuation	<u>1.28</u>	<u>1.25</u>
NAV per Class A - USD per financial statements	<u>1.78</u>	<u>1.70</u>
NAV per Class B - EUR per financial statements	<u>1.58</u>	<u>1.54</u>
NAV per Class C - GBP per financial statements	<u>1.62</u>	<u>1.55</u>
NAV per Class D - USD per financial statements	<u>1.34</u>	<u>1.29</u>
NAV per Class E - GBP per financial statements	<u>1.29</u>	<u>1.25</u>

16 Subsequent events

These financial statements were approved for issuance by the Board on 5 December 2018. Subsequent events have been evaluated until this date.

On 22 August 2018, amendments were made to the Supplemental Prospectus of the Cell. These amendments include minor changes and the following:

- the share class namely "Class B Shares" will be removed. The Directors of the Fund resolved to close this share class as there are no longer any shares in issue and the Distribution Partner no longer wishes to promote this share class;
- share classes namely "Class A Shares" and "Class C Shares" will be closed for Subscriptions; and
- the Minimum Initial Investment amount will be reduced to US\$ 7,500, and the Minimum Subsequent Investment amount will be removed. In addition, the Minimum Redemption amount will be reduced to US\$ 10.

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