

# **The Montreux Natural Resources Fund PLC**

(an open-ended investment company with limited liability)

## **Financial Statements**

**For the year ended  
31 March 2022**

# The Montreux Natural Resources Fund PLC

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# The Montreux Natural Resources Fund PLC

## Directors and Other Information

### Board of Directors

Barry Monks  
Ita McArdle  
Oliver Harris (resigned 20th October 2021)

### Company Number

009475V

### Registered Office

Suntera Fund Services (IOM) Limited  
Peveril Buildings  
Peveril Square  
Douglas  
Isle of Man  
IM99 1RZ

### Manager

Suntera Fund Services (IOM) Limited  
Peveril Buildings  
Peveril Square  
Douglas  
Isle of Man  
IM99 1RZ

### Legal Advisor

Appleby (Isle of Man) LLC  
33 Athol Street  
Douglas  
Isle of Man  
IM1 1LB

### Investment Advisor (resigned 15th August 2022)

Montreux Capital Management Cayman  
C/O BDO CRI (Cayman) Limited  
2nd Floor  
Building 3  
Governors Square  
23 Lime Tree Bay Avenue  
PO Box 31229  
Grand Cayman  
KY-1205  
Cayman Islands

### Custodian and Bankers

Cayman National Bank (Isle of Man) Limited  
Cayman National House  
4-8 Hope Street  
Douglas  
Isle of MAN  
IM1 1AQ

### Auditor

Grant Thornton Limited  
Exchange House  
54-62 Athol Street  
Douglas  
Isle of Man  
IM1 1JD

# **The Montreux Natural Resources Fund PLC**

## **Directors' Report**

The Directors have pleasure in presenting their report and the audited financial statements of The Montreux Natural Resources Fund PLC ("the Fund") for the year ended 31 March 2022, which show the state of the Fund's affairs.

### **Principal activity**

The principal activity of the Fund is that of an investment fund.

### **Results and dividends**

The changes in net assets attributable to holders of redeemable shares, from operations, for the year after taxation amounted to a loss of USD 27,502 (2021: Profit of USD 12,191). The Directors do not recommend payment of a dividend and thus the balance is carried forward.

### **Directors**

The Directors of the Fund who served during the year and thereafter were as follows:

Barry Monks

Ita McArdle

Oliver Harris (resigned 20th October 2021)

None of the Directors held any interest in the share capital of the company.

### **Continuing Suspension of Subscriptions and Redemptions**

The Fund operates by investing substantially all of its assets in Montreux Natural Resources Fund, an exempted company incorporated under the laws of the Cayman Islands ("the Master Fund").

In the financial year 31st March 2019, the Master Fund entered into a transaction whereby it sold one of its assets to a company related to the Investment Advisor. This transaction was carried out at market value as determined by Duff & Phelps. Under the terms of the transaction the Master Fund is to receive a premium payment of \$12.4million over the next two years, subject to the asset achieving revenue to repay loans and generating sufficient revenue to satisfy such payment. In the year under review, the Master Fund has not achieved the conditions set for the receipt of the premium and as such the premium is excluded from the net assets of the Master Fund.

The above sale of investment and terms should put investors in a position where the best value can be achieved and the investors can exit at a reasonable gain to their original investment.

As a result of the board of the Master Fund deciding to enter a period of wind down, the Board have determined that it will make distributions to all shareholders as and when liquidity becomes available.

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the financial statements. The Directors have elected to prepare the financial statements of the Fund in accordance with UK Adopted IAS (International Accounting Standards). Isle of Man company law requires the Directors to prepare such financial statements in accordance with relevant accounting standards and the Companies Acts 2006.

# The Montreux Natural Resources Fund PLC

## Statement of Directors' Responsibilities (continued)

International Accounting Standards 1 require that financial statements present fairly for each financial year the company's position, financial performance and cash flows. This requires the faithful representation of the effect of the transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards' Board ("Framework for preparation and Presentation of Financial Statements"). In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable UK adopted IAS (International Accounting Standards). Directors are also required to:

- properly select and apply accounting standards;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so; and
- provide additional disclosures when compliance with the specific requirement of UK adopted IAS (International Accounting Standards) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for the system of internal control for safeguarding assets, for taking reasonable steps for the prevention of fraud and other irregularities and for the preparation of a director's report which complies with the requirements of the Companies Acts 2006.

In so far as the director's are aware:

- there is relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Signed on behalf of the Board of Directors:**

  
Director

Date: 29th November 2023

# **Independent Auditor's Report To the members of The Montreux Natural Resources Fund PLC**

## **Qualified Opinion**

We have audited the financial statements of The Montreux Natural Resources Fund PLC (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of net assets attributable to holders of redeemable shares and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted IAS (International Accounting Standards).

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, The Montreux Natural Resources Fund PLC financial statements:

- give a true and fair view in accordance with UK-adopted IAS (International Accounting Standards) of the assets, liabilities and financial position of the company as at 31 March 2022 and of its financial
- have been prepared in accordance with the requirements of the Companies Act 2006

## **Basis for qualified opinion**

As disclosed in Note 8, the Company has an investment in Montreux Natural Resources Fund (the "Master Fund") measured at fair value through profit or loss and valued at \$13,452,202 as at 31 March 2022. Included in the valuation was a loan of \$4,270,000 and accrued interest balance of \$2,377,202 on that loan. The lender has not demanded repayment of the loan and interest continues to be charged. We were unable to obtain sufficient and appropriate audit evidence concerning the recoverability of these balances and we were unable to satisfy ourselves by alternative means. Based on this, the value of the financial assets at fair value through profit or loss may be overstated and consequently, we were unable to determine whether any adjustment to the net assets attributable to holders of redeemable shares was required.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Isle of Man, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report set out on pages 2 and 3, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **Independent Auditor's Report To the members of The Montreux Natural Resources Fund PLC (continued)**

## **Other information (continued)**

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 this other information, we are required to report that fact.

Except for the matters noted in the Basis for Qualified Opinion" paragraph, we have nothing to report in respect of the other information.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The directors are responsible for overseeing the company's financial reporting process.

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

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

– The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including UK Adopted IAS, Companies Act 2006, and taxation laws. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

– We understood how the company is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of minutes and documents provided to the audit team.

## **Independent Auditor's Report To the members of The Montreux Natural Resources Fund PLC (continued)**

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

– We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any unusual journal entries postings.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's member in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton Limited*

**Grant Thornton Limited**  
Douglas  
Isle of Man

29th November 2023

# The Montreux Natural Resources Fund PLC

## Statement of comprehensive income

For the year ended 31 March 2022

	Note	Year ended 31 March 2022 USD	Year ended 31 March 2021 USD
<b>Income</b>			
Net (loss)/gain from assets at fair value through profit or loss	3d	(1,081,657)	208,620
Realised loss on foreign currency spot rate		(17,340)	-
Net gain/(loss) from foreign currency translation		12,942	(13,256)
Dividend income		1,224,005	-
<b>Total income</b>		<u>137,949</u>	<u>195,364</u>
<b>Expenses</b>			
Management fee	6,10	32,000	32,000
Other expenses		133,434	151,173
<b>Total operating expenses</b>		<u>165,434</u>	<u>183,173</u>
<b>Finance costs</b>			
Interest paid		17	-
<b>Total comprehensive income for the year</b>		<u>(27,502)</u>	<u>12,191</u>
<b>Change in net assets attributable to holders of redeemable shares</b>		<u>(27,502)</u>	<u>12,191</u>

The notes on pages 11 to 32 are part of these financial statements.

# The Montreux Natural Resources Fund PLC

## Statement of Financial Position

As at 31 March 2022

	Note	Year ended 31 March 2022 USD	Year ended 31 March 2021 USD
<b>Assets</b>			
Cash and cash equivalents	7	1,276,102	10,200
Financial assets - fair value through profit or loss	8	13,452,202	14,533,859
Other assets		100	100
<b>Total assets</b>		<b>14,728,404</b>	<b>14,544,159</b>
<b>Equity</b>			
Share capital (100 shares @ USD1)	9	100	100
<b>Total equity</b>		<b>100</b>	<b>100</b>
<b>Liabilities</b>			
Management fee payable	6	8,000	13,333
Due to Investment Advisor	6	100	100
Amount due to Master fund		729,243	478,500
Other accruals	6	100,773	134,436
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>838,116</b>	<b>626,369</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>13,890,188</b>	<b>13,917,690</b>

These financial statements were approved by the Board of Directors on 29th November 2023 and signed on their behalf by:



Director



Director

The notes on pages 11 to 32 are part of these financial statements.

# The Montreux Natural Resources Fund PLC

## Statement of Cash flows

For the year ended 31 March 2022

	Year ended 31 March 2022 USD	Year ended 31 March 2021 USD
<b>Change in net assets attributable to holders of redeemable shares from operations</b>	(27,502)	12,191
Adjustments for:		
Net realised loss on spot rate	17,340	-
Net unrealised loss/(gain) on investments	1,081,657	(208,620)
Net loss from foreign currency translation	(12,942)	13,256
<b>Cash flows from operating activities</b>		
(Increase)/decrease in other accruals	(38,996)	111,254
Increase in balance due from Master Fund	250,743	49,112
Net realised loss on spot rate	(17,340)	-
<b>Net cash from operating activities</b>	<u>1,252,960</u>	<u>(22,807)</u>
<b>Net increase in cash and cash equivalents</b>	1,252,960	(22,807)
Cash and cash equivalents at the beginning of the year	10,200	46,263
Net gain/(loss) on foreign currency translation	12,942	(13,256)
<b>Cash and cash equivalents at the end of the year</b>	<u>1,276,102</u>	<u>10,200</u>

The notes on pages 11 to 32 are part of these financial statements.

## The Montreux Natural Resources Fund PLC

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

For the year ended 31 March 2022

	Year ended 31 March 2022 USD	Year ended 31 March 2021 USD
<b>Net assets attributable to holders of redeemable shares at beginning of year</b>	<u>13,917,690</u>	<u>13,905,499</u>
Change in net assets attributable to holders of redeemable shares	<u>(27,502)</u>	<u>12,191</u>
<b>Net assets attributable to holders of redeemable shares at end of year</b>	<u>13,890,188</u>	<u>13,917,690</u>

The notes on pages 11 to 32 are part of these financial statements.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements

For the year ended 31 March 2022

### 1. Legal status and principal activity

The Montreux Natural Resources Fund PLC ("the Fund") (Formerly The Montreux Commodity Trading Fund Plc) was incorporated as an open-ended investment company with limited liability on 4 April 2013 in the Isle of Man and has been established as a Qualifying Fund in accordance with the Collective Investment Schemes Act 2008. The Fund changed its name from The Montreux Commodity Trading Fund PLC to The Montreux Natural Resources Fund PLC on 2 December 2016. The Fund commenced operations on 9 September 2013. The Registered office of the Fund is located at the offices of The Montreux Natural Resources Fund PLC, c/o Suntera Fund Services (IOM) Limited, Peveril Buildings, Peveril Square, Douglas, Isle of Man, IM99 1RZ.

The Fund has been organised to invest substantially all of its assets in Montreux Natural Resources Fund (the "Master Fund") which is an open-ended fund domiciled in the Cayman Islands. The investment objective of the Master Fund is to generate absolute returns through longer term, private equity type strategies complemented, where possible, with more liquid commodity focussed trading strategies.

Suntera Fund Services (IOM) Limited ("the Manager"), a private limited company incorporated in the Isle of Man, has been appointed as the Manager and administrator ("the Manager") to the Fund pursuant to the terms of the Management Agreement dated 1 October 2018.

The Fund has appointed Montreux Capital Management Cayman as Investment Advisor ("the Investment Advisor") to the Fund.

These separate financial statements of the Feeder Fund are its only financial statements.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with UK adopted IAS (International Accounting Standards) as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the Standing Interpretations Committee of the IASB.

#### (b) Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the derivative financial instruments and financial assets - fair value through profit or loss, which are measured at fair value.

#### (c) Foreign and presentational currency

Items included in the financial statements of the Fund are measured and presented in United States Dollar ("USD") which is the Fund's functional currency.

#### (d) Use of estimates and judgements

The preparation of these financial statements in conformity with UK Adopted IAS (international Accounting Standards) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 2. Basis of preparation (continued)

#### (d) Use of estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, considerable management judgement is required in respect of determining the fair values of derivative financial instruments.

Management concluded that activities arising from contracts between the Master Fund (which itself meets the definition of an investment entity) and third party service providers (e.g. for custodial and administrative services) do not represent separate substantial activities of the Master Fund.

### 3. Significant accounting policies

The accounting policies set out below have been applied to items that are considered material in relation to the funds financial statements.

#### (a) Interest income and expense

Interest income and expense for all interest bearing financial instruments is recognised in 'Interest income' and 'interest expense' in the statement of comprehensive income on an accruals basis, using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments earned or paid on a financial asset or financial liability through its expected life or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The calculation of the effective interest rate includes all fees paid or received that are an integral part of the effective interest rate.

#### (b) Gain or loss on financial assets and financial liabilities at fair value through profit or loss

Gain or loss on financial assets at fair value includes realised gains or losses arising on the sale of financial assets which are recognised in profit or loss when the Fund has transferred the risks and rewards of ownership of the financial assets to another party. In addition, any unrealised gains or losses arising from a change in fair value of such financial assets are also recognised in profit or loss in the year in which they arise.

#### (c) Expenses

Expenses of the Fund including management fee, organisation fee, administration fee and other expenses are borne by the Fund.

#### (d) Financial Instruments

A Financial instrument is any contract that gives rise to both a financial asset for the Fund and a financial liability or equity instrument of another party. All assets and liabilities in the statement of financial position are financial instruments, except for shareholders' funds and other accruals.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 3. Significant accounting policies (continued)

#### (d) Financial Instruments (continued)

##### Classification

The Fund classifies its investments in the Master Fund and derivatives, as financial assets or financial liabilities at fair value through profit or loss.

##### New standards, amendments and interpretations effective from years beginning on or after 1 April 2021

A number of new standards are effective from 1 April 2021 but they do not have a material effect on the Fund's financial statements.

The Fund has consistently applied the accounting policies as set out in this note to all periods presented in these financial statements.

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

Financial assets and liabilities are held at fair value through profit or loss. Financial assets or liabilities at fair value through profit or loss are acquired or incurred principally for the purpose of selling or repurchasing in the short term.

Financial assets and liabilities at fair value through profit and loss are recognised on the trade date, being the date on which the Fund commits to purchase or sell the investment. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Financial assets and liabilities at fair value through profit or loss are derecognised when the rights to receive cash flows from the assets have expired or the Fund has transferred all risks and rewards of ownership. Gains and losses arising from changes in the fair value of the "financial assets and liabilities at fair value through profit or loss" category are included in the Statement of Comprehensive Income in the year in which they arise.

##### Classification of financial assets

On initial recognition, the Fund classifies financial assets as measured at amortised cost or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

All other financial assets of the Fund are measured at FVTPL.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 3. Significant accounting policies (continued)

#### (d) Financial Instruments (continued)

##### **Business model assessment**

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

The Fund has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, balances due from affiliates, brokers and other assets. These financial assets are held to collect contractual cash flow and
- Other business model: this includes debt securities, equity investments and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

##### **Assessment of whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features limit the Fund's claim to cash flows from specified assets); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 3. Significant accounting policies (continued)

#### (d) Financial Instruments (continued)

##### Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

##### Subsequent measurement of financial assets

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses are recognised in net changes in fair value of financial assets and financial liabilities at fair value through profit and loss in the Statement of Comprehensive Income. Investments in equities and derivative financial instruments at gain are included in this category.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in interest income, foreign exchange gains and losses are recognised in 'foreign exchange loss' and impairment is recognised in 'impairment losses on financial instruments' in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in the Statement of Comprehensive Income. Cash and cash equivalents, amounts due from brokers and other receivables are included in this category.

##### Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Comprehensive Income.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in the Statement of Comprehensive Income.

Financial liabilities at FVTPL:

- This includes derivative financial instruments at loss and investments in equities sold short.

Financial liabilities at amortised cost:

- This includes amounts due to brokers, accrued expenses and equalisation payables.

##### Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 3. Significant accounting policies (continued)

#### (d) Financial Instruments (continued)

##### **Fair value measurement principles**

'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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market at the last traded price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

A hierarchical disclosure framework has been established which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

##### **Derecognition**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition.

The Fund uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions.

##### **Impairment**

Financial assets measured at amortised cost are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. Impairment loss is the difference between the net carrying value of an asset and its recoverable amount.

If in a subsequent period the amount of impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the write down or allowance is reversed through the statement of comprehensive income.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 3. Significant accounting policies (continued)

#### (d) Financial Instruments (continued)

##### Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when the Fund has a legally enforceable right to set off recognised amounts and the transactions are intended to be settled on a net basis.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances with banks having original maturity of three months or less.

#### (f) Foreign currencies

Foreign currency transactions are recorded at the rates of exchange ruling at the value dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies, which are stated at historic cost are translated into USD at the rates of exchange ruling at the reporting date. Any resultant gains and losses are recognised in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated into USD at the foreign exchange rates ruling at the dates at which fair values were determined.

#### (g) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation as a result of past events, and a reliable estimate can be made of the amount of the obligation.

#### (h) Taxation

The company is subject to Isle of Man taxation, however this is at a nil percentage rate, (2021: NIL) thus resulting in no tax charge arising. There are no known factors that would affect the future tax charge of the company.

#### (i) Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses—the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 3. Significant accounting policies (continued)

#### (d) Financial Instruments (continued)

##### (i) Impairment of financial assets (continued)

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### 4. Financial risk management

#### Introduction and overview

All the Fund's activities involve analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Fund's significant exposure can be broadly categorised into the following risks:

- Credit risk;
- Market risk;
- Liquidity risk; and
- Operational risk.

#### Risk management framework

The primary responsibility for managing risk rests with the Board of Directors of the Fund. The Board of Directors has the responsibility to cascade risk management policies which are designed to support the formation of risk appetite, guide employees and establish procedures for monitoring and controlling risk with timely and reliable reporting to the Board.

The management of all risks which are significant to the Fund are discussed below:

#### (a) Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty of the Fund fails to meet an obligation under a contract. Financial assets which expose the Fund to credit risk consist of cash and cash equivalents, investments in the Master Fund and foreign exchange forward contracts. Credit risk is managed by placing funds with banks and institutions with acceptable credit ratings.

#### Management of credit risk

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standard set out in the Fund's Manager's Internal Assessment Process.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 4. Financial risk management (continued)

#### Management of credit risk (continued)

The Fund's credit risk is monitored on a quarterly basis by the Board of Directors. Where the credit risk is not in accordance with the investment policy or guidelines of the Fund the Investment Advisor will be required to recommend whether action is necessary to resolve the situation.

#### Exposure to credit risk

The Fund's maximum credit risk exposure (without taking into account collateral and other credit enhancements) at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

#### Derivative financial instruments

The Fund enters in over-the counter (OTC) derivatives. OTC derivatives expose the Fund to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Fund.

#### Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval process described earlier.

#### Past due and impaired assets

No financial assets carried at amortised cost were past due or impaired as at 31 March 2022 and 31 March 2021.

### (b) Market risk management

Market risk is the risk that movements in market risk factors, including foreign exchange rates, interest rates and equity prices, will reduce the Fund's income or the value of its portfolio. Market risk arises principally from mismatches between the future yield on assets and their funding cost, as a result of interest rate risks.

#### Management of market risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund is a "feeder fund" in a Master/Feeder structure and substantially all of its assets are invested in the Montreux Natural Resources Fund (the "Master Fund"). The investment objective of the Master Fund is to generate uncapped absolute returns through a unique blend of physical commodity trading and systematic IT driven commodity trades.

The Master Fund's market risk is managed on a timely basis by the Investment Manager in accordance with policies and procedures in place.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 4. Financial risk management (continued)

#### Currency risk

The Fund holds assets denominated in currencies other than USD, the functional currency. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table analyses the Fund's currency risk exposure :

At 31 March 2022 and 31 March 2021:

		2022 USD	2021 USD
<b>Assets</b>			
Cash equivalents at bank and broker	GBP	404,651	9,561
Cash equivalents at bank and broker	EUR	155,535	233
Cash equivalents at bank and broker	CHF	1,479	-
Other assets		-	-
Total assets		<u>561,665</u>	<u>9,794</u>
<b>Liabilities</b>			
Directors fee payable	GBP	(71,703)	(96,081)
Custodian fees payable	GBP	-	(19,550)
Loan account	GBP	(242,243)	(103,500)
Total Liabilities		<u>(313,946)</u>	<u>(219,131)</u>
<b>Net Assets</b>		<u>247,719</u>	<u>(209,337)</u>

The below table sets out the effect on the Fund's changes in net assets attributable to holders of redeemable participating shares of a possible weakening GBP, EUR and CHF against the USD by 10%. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2022 USD	2022 %	2021 USD	2021 %
GBP	9,071	0.065	(20,957)	(0.015)
EUR	15,553.50	0.1120	23.30	0.0002
CHF	147.90	0.0011	-	-

A strengthening of USD against the above currencies would have resulted in an equal but opposite effect to the amounts shown above.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rates prevailing in the market. The amount of cash at bank will be affected by the fluctuations in interest rates.

The following table analyses the Fund's interest rate risk exposure:

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 4. Financial risk management (continued)

#### (b) Market risk management (continued)

##### Interest rate risk (continued)

	Fixed rate USD 2022	Floating rate USD 2022	Non-interest bearing USD 2022	Total USD 2022
<b>Assets</b>				
Cash and cash equivalents	-	1,276,102	-	1,276,102
Financial assets - fair value through profit or loss	-	-	13,452,202	13,452,202
Other assets	-	-	100	100
<b>Total</b>	<b>-</b>	<b>1,276,102</b>	<b>13,452,302</b>	<b>14,728,404</b>
<b>Liabilities</b>				
Management fee payable	-	-	8,000	8,000
Due to Investment Manager	-	-	100	100
Other accruals	-	-	830,016	830,016
<b>Total</b>	<b>-</b>	<b>-</b>	<b>838,116</b>	<b>838,116</b>
	Fixed rate USD 2021	Floating rate USD 2021	Non-interest bearing USD 2021	Total USD 2021
<b>Assets</b>				
Cash and cash equivalents	-	10,200	-	10,200
Financial assets - fair value through profit or loss	-	-	14,533,859	14,533,859
Other assets	-	-	100	100
<b>Total</b>	<b>-</b>	<b>10,200</b>	<b>14,533,959</b>	<b>14,544,159</b>
<b>Liabilities</b>				
Management fee payable	-	-	13,333	13,333
Due to Investment Manager	-	-	100	100
Other accruals	-	-	612,936	612,936
<b>Total</b>	<b>-</b>	<b>-</b>	<b>626,369</b>	<b>626,369</b>

#### (c) Liquidity risk and funding

Liquidity risk is the risk that the Fund does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an extensive cost. The risk arises from mismatches in the timing of cash flows. Funding risk arises when the necessary liquidity to fund illiquid asset positions cannot be obtained at the expected terms and when required. The management of liquidity and funding is carried out by the Fund in accordance with its practices and limits.

The Fund's Manager is responsible for monitoring the liquidity of the Fund.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 4. Financial risk management (continued)

#### (c) Liquidity risk and funding (continued)

##### Management of liquidity risk

The Fund's policy and approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's prospectus provides for the monthly creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions to each redemption date.

The Fund's liquidity is managed on a daily basis by the Investment Advisor in accordance with policies and procedures in place.

The Fund's overall liquidity is monitored on a timely basis by the Board of Directors. The Fund's redemption policy only allows for redemptions on the last Business Day of each calendar week and such other day or days as determined by the Directors and shareholders must provide 10 day's notice. The Fund is currently in suspension.

##### Maturity analysis of financial liabilities

	Carrying amount USD	Gross amount USD	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD
<b>31 March 2022</b>					
<b>Non derivative liabilities</b>					
Management fee payable	8,000	8,000	8,000	-	-
Administration fee payable	800	800	800	-	-
Audit fee payable	27,661	27,661	27,661	-	-
Due to Investment Manager	100	100	100	-	-
Other payables	801,556	801,556	801,556	-	-
<b>Total</b>	<b>838,117</b>	<b>838,117</b>	<b>838,117</b>	<b>-</b>	<b>-</b>
Net assets attributable to the holders of redeemable shares	13,890,188	13,890,188	13,890,188	-	-

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 4. Financial risk management (continued)

#### (c) Liquidity risk and funding (continued)

##### Maturity analysis of financial liabilities (continued)

	Carrying amount USD	Gross amount USD	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD
<b>31 March 2021</b>					
<b>Non derivative liabilities</b>					
Management fee payable	13,333	13,333	13,333	-	-
Administration fee payable	1,333	1,333	1,333	-	-
Audit fee payable	29,283	29,283	29,283	-	-
Due to Investment Manager	100	100	100	-	-
Other payables	582,320	582,320	582,320	-	-
<b>Total</b>	<b>626,369</b>	<b>626,369</b>	<b>626,369</b>	<b>-</b>	<b>-</b>

The table above shows the undiscounted cash flows of the Fund's financial liabilities on the basis of their earliest possible contractual maturity. The Fund's expected cash flows on these instruments do not vary significantly from this analysis, except for net assets attributable to the holders of redeemable shares, which the Fund has a contractual obligation to redeem within 30 days.

#### (d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments either internally or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Fund is responsible for managing this risk through a controls-based environment in which processes are documented, authorisation is independent and transactions are reconciled and monitored. This is supported by monitoring external operational risk events, which ensure that the Fund stays in line with the best practice and takes account of lessons learned from publicised operational failures within the industry.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 4. Financial risk management (continued)

#### (d) Operational risk (continued)

##### Capital management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development activities of the Fund.

The Board of Directors and Manager monitor control on the basis of the value of net assets attributable to redeemable shares. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty or market factor, pricing assumptions and other risks affecting the specific instrument.

### 5. Use of estimates and judgements

#### Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the company's financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets.

The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on these financial statements.

##### Impairment of assets

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows. No impairment was required in the current year.

##### Fair value

Management believes that the carrying value of financial assets and liabilities in the statement of financial position represents a reasonable approximation of their fair values.

##### Fair value hierarchy

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly recurring market transactions on an arm's length basis.

Level 2: Valuation techniques based on observable input, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 5. Use of estimates and judgements (continued)

#### Fair value hierarchy (continued)

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Level 1	Level 2	Level 3
<b>31 March 2022</b>			
<b>Financial assets at fair value through profit or loss</b>			
Investments in Master Fund	-	13,452,202	-
	<u>-</u>	<u>13,452,202</u>	<u>-</u>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>31 March 2021</b>			
<b>Financial assets at fair value through profit or loss</b>			
Investments in Master Fund	-	14,533,859	-
	<u>-</u>	<u>14,533,859</u>	<u>-</u>

### 6. Fees

#### Management Fee

The Fund has appointed Suntera Fund Services (IOM) Limited to act as Manager of the Fund. The Manager is entitled to a management fee (the "Management Fee") of USD32,000 and an additional 10% of the fee as contribution to its out of pocket expenses. The Manager is also entitled to receive a USD10 transaction fee for each investor transaction. The Management fee charge for the current year is USD32,000 (2021: USD32,000), with a balance outstanding to the Manager of the Fund of USD8,000 (2021: USD13,333).

#### Investment Management Fee

The Fund appointed Montreux Capital Management to act as Investment Advisor of the Fund. The Investment Advisor is entitled to an investment management fee (the "Investment Management Fee") of 2% of the Net Asset Value of the Master Fund, payable out of the assets of the Master Fund.

#### Advisory fee

There is no advisory fee charge in both the current or prior year.

#### Director Fee

The Fund will pay fees to the Directors. The remuneration of the Directors shall be determined from time to time by the holders of the Voting Shares. In the current year, the Director's fees for the year were USD71,703 (2021: USD111,804), with an outstanding balance to Directors of USD96,081 (2021: USD96,081).

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 7. Cash and cash equivalents

	<b>2022</b> <b>USD</b>	<b>2021</b> <b>USD</b>
Balances with a bank	1,276,102	10,200
	<u>1,276,102</u>	<u>10,200</u>

### 8. Financial assets and liabilities at fair value through profit or loss

	<b>2022</b> <b>USD</b>	<b>2021</b> <b>USD</b>
<b>Financial assets and liabilities at fair value through profit or loss</b>		
Investments in Master Fund	13,452,202	14,533,859
	<u>13,452,202</u>	<u>14,533,859</u>

### 9. Share capital

The authorised share capital of the fund is USD 2,000 divided into 100 Management shares of USD 1.00 each and 1,900,000 Unclassified shares of USD 0.001 each. Management Shares carry a right to dividends (if any) declared in respect of the Fund. One Management share has been issued at par and allotted to Montreux Capital Management Cayman. The Directors may issue any of the Unclassified Shares in the capital of the Fund as Participating Shares. The Participating Shares are non-voting redeemable preference shares issued in classes with reference to a particular Share Class. The participating Shares carry a right to dividends (if any) declared in respect of the relevant Share Class.

As of 31 March 2022, the Fund has issued three classes: Share Class A, Share Class B and Share Class C with different currency subscription options (USD, CHF, Euro and GBP.)

	<b>2022</b>	<b>2021</b>
Number of voting shares at beginning of the year	100	100
Number of voting shares at the end of the year	<u>100</u>	<u>100</u>

These voting shares are held by the Investment Advisor of the Fund.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 9. Share capital (continued)

	<b>Class A CHF 2022</b>	<b>Class A EUR 2022</b>	<b>Class A GBP 2022</b>	<b>Class A USD 2022</b>
<b>Number of redeemable shares at the beginning of the year</b>	310.00	10,439.25	25,086.27	76,501.05
Subscriptions during the year	-	-	-	-
Redemptions during the year	-	-	-	-
<b>Number of redeemable shares at the end of the year</b>	<b>310.00</b>	<b>10,439.25</b>	<b>25,086.27</b>	<b>76,501.05</b>
		<b>Class B EUR 2022</b>	<b>Class B GBP 2022</b>	<b>Class B USD 2022</b>
<b>Number of redeemable shares at the beginning of the year</b>		1,398.26	11,024.60	1,623.78
Subscriptions during the year		-	-	-
Redemptions during the year		-	-	-
<b>Number of redeemable shares at the end of the year</b>		<b>1,398.26</b>	<b>11,024.60</b>	<b>1,623.78</b>
		<b>Class C EUR 2022</b>	<b>Class C GBP 2022</b>	<b>Class C USD 2022</b>
<b>Number of redeemable shares at the beginning of the year</b>		11,018.00	8,398.07	33,857.84
Subscriptions during the year		-	-	-
Redemptions during the year		-	-	-
<b>Number of redeemable shares at the end of the year</b>		<b>11,018.00</b>	<b>8,398.07</b>	<b>33,857.84</b>
	<b>Class A CHF 2021</b>	<b>Class A EUR 2021</b>	<b>Class A GBP 2021</b>	<b>Class A USD 2021</b>
<b>Number of redeemable shares at the beginning of the year</b>	310.00	10,439.25	25,086.27	76,501.05
Subscriptions during the year	-	-	-	-
Redemptions during the year	-	-	-	-
<b>Number of redeemable shares at the end of the year</b>	<b>310.00</b>	<b>10,439.25</b>	<b>25,086.27</b>	<b>76,501.05</b>

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 9. Share capital (continued)

	<b>Class B EUR 2021</b>	<b>Class B GBP 2021</b>	<b>Class B USD 2021</b>
<b>Number of redeemable shares at the beginning of the year</b>	1,398.26	11,024.60	1,623.78
Subscriptions during the year	-	-	-
Redemptions during the year	-	-	-
<b>Number of redeemable shares at the end of the year</b>	<u>1,398.26</u>	<u>11,024.60</u>	<u>1,623.78</u>
	<b>Class C EUR 2021</b>	<b>Class C GBP 2021</b>	<b>Class C USD 2021</b>
<b>Number of redeemable shares at the beginning of the year</b>	11,018.00	8,398.07	33,857.84
Subscriptions during the year	-	-	-
Redemptions during the year	-	-	-
<b>Number of redeemable shares at the end of the year</b>	<u>11,018.00</u>	<u>8,398.07</u>	<u>33,857.84</u>

In accordance with the Private Placement Memorandum, in calculating the net assets attributable to holders of redeemable shares ("the NAV"), the Fund amortised the preliminary expenses over 60 months and valued its investments at the last-traded price. In these financial statements, the Fund charged all the establishment expenses to profit or loss as incurred in accordance with IAS 39. Accordingly, the NAV calculated under the Private Placement Memorandum does not equal the NAV shown in the financial statements at the year end. The difference is reconciled below:

	<b>Class A CHF 2022 CHF</b>	<b>Class A EUR 2022 EUR</b>	<b>Class A GBP 2022 GBP</b>	<b>Class A USD 2022 USD</b>
NAV as stated in the financial statements	15,868	707,355	1,668,162	5,647,015
Adjustment for contingent receivable in Master	13,079	583,032	1,374,968	4,654,503
Adjustment of timing difference	-	-	-	-
<b>NAV valued in accordance with Private Placement Memorandum</b>	<u>28,947</u>	<u>1,290,387</u>	<u>3,043,130</u>	<u>10,301,518</u>
<b>Number of redeemable shares in issue</b>	310.00	10,439.25	25,086.27	76,501.05
<b>Net asset value per redeemable share in accordance with Private Placement Memorandum</b>	93.38	123.61	121.31	134.66

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 9. Share capital (continued)

	Class B EUR 2022 EUR	Class B GBP 2022 GBP	Class B USD 2022 USD
NAV as stated in the financial statements	100,347	779,858	127,491
Adjustment for contingent receivable in Master	82,711	642,791	105,084
Adjustment of timing difference	-	-	-
	<hr/>	<hr/>	<hr/>
NAV valued in accordance with Private Placement Memorandum	<u>183,058</u>	<u>1,422,649</u>	<u>232,575</u>
<b>Number of redeemable shares in issue</b>	1,398.26	11,024.60	1,623.78
<b>Net asset value per redeemable share in accordance with Private Placement Memorandum</b>	130.92	129.04	143.23
	Class C EUR 2022 EUR	Class C GBP 2022 GBP	Class C USD 2022 USD
NAV as stated in the financial statements	823,092	601,576	2,284,797
Adjustment for contingent receivable in Master	678,426	495,844	1,883,224
Adjustment of timing difference	-	-	-
	<hr/>	<hr/>	<hr/>
NAV valued in accordance with Private Placement Memorandum	<u>1,501,518</u>	<u>1,097,420</u>	<u>4,168,021</u>
<b>Number of redeemable shares in issue</b>	11,018.00	8,398.07	33,857.84
<b>Net asset value per redeemable share in accordance with Private Placement Memorandum</b>	136.28	130.68	123.10

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 9. Share capital (continued)

	Class A CHF 2021 CHF	Class A EUR 2021 EUR	Class A GBP 2021 GBP	Class A USD 2021 USD
NAV as stated in the financial statements	15,899	668,436	1,591,404	5,658,196
Adjustment for contingent receivable in Master	12,842	539,883	1,285,346	4,570,014
Adjustment of timing difference	-	-	-	-
NAV valued in accordance with Private Placement Memorandum	<u>28,741</u>	<u>1,208,319</u>	<u>2,876,750</u>	<u>10,228,210</u>
<b>Number of redeemable shares in issue</b>	310.00	10,439.25	25,086.27	76,501.05
<b>Net asset value per redeemable share in accordance with Private Placement Memorandum</b>	92.71	115.75	114.67	133.70
		Class B EUR 2021 EUR	Class B GBP 2021 GBP	Class B USD 2021 USD
NAV as stated in the financial statements		94,826	743,974	127,744
Adjustment for contingent receivable in Master		76,590	600,893	103,176
Adjustment of timing difference		-	-	-
NAV valued in accordance with Private Placement Memorandum		<u>171,416</u>	<u>1,344,867</u>	<u>230,920</u>
<b>Number of redeemable shares in issue</b>		1,398.26	11,024.60	1,623.78
<b>Net asset value per redeemable share in accordance with Private Placement Memorandum</b>		122.59	121.99	142.21

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 9. Share capital (continued)

	Class C EUR 2021 EUR	Class C GBP 2021 GBP	Class C USD 2021 USD
NAV as stated in the financial statements	777,805	573,896	2,289,321
Adjustment for contingent receivable in Master	628,217	463,524	1,849,040
Adjustment of timing difference	-	-	-
	<hr/>	<hr/>	<hr/>
NAV valued in accordance with Private Placement Memorandum	1,406,022	1,037,420	4,138,361
<b>Number of redeemable shares in issue</b>	11,018.00	8,398.07	33,857.84
<b>Net asset value per redeemable share in accordance with Private Placement Memorandum</b>	127.61	123.53	122.23

#### Share Premium

As per the Private Placement Memorandum ("PPM") of the Fund, Redeemable Shares will be offered at a Subscription Price of USD 100,000 during the offering period. Subsequent subscriptions will be issued at the Net Asset Value as at the immediately preceding Valuation Date. The Fund reserves the right to raise or lower the minimum initial subscription amount. Upon exercise of share subscription, the cash proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

### 10. 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. In the case of the Fund, related parties, as defined in the International Accounting Standard 24 ("IAS 24") (revised), include major shareholders of the Fund, directors and officers of the Fund and companies of whom they are principal owners and key management personnel. Transactions are entered into with related parties on agreed terms and conditions approved by Management.

One of the previous directors of the Fund, Oliver Harris (resigned 20 October 2021) is also a director of the Investment Advisor.

Barry Monks, a director and Oliver Harris, a previous director (resigned 20th October 2021) are both shareholders of Aurum (Holdings) IOM Limited, a Company with whom the Master Fund has a loan receivable balance.

# The Montreux Natural Resources Fund PLC

## Notes to the Financial Statements (continued)

For the year ended 31 March 2022

### 10. Related party transactions (continued)

Transactions and balances with related parties are as follows:

	2022 USD	2021 USD
<b>Transactions during the year</b>		
Management Fee	32,000	32,000
Directors fee	101,888	111,804
<b>Balances as at 31 March 2021</b>		
<b>Included in liabilities:</b>		
Management fee payable	8,000	13,333
Directors fee payable	71,703	96,081

### 11. Contingent liabilities and commitments

There were no significant liabilities at the reporting date. The Fund has no external capital commitments as of the reporting date. (2021: \$NIL).

### 12. Significant events

In the prior years, the Master Fund completed the sale of one of its assets, GRB Mining Limited, to a related entity to the Investment Advisor. The transaction included a contingent premium receipt of USD12,350,000, dependent on the occurrence of uncertain events. Though the contingent event has not occurred, the counterpart with whom the transaction was entered has acknowledged the debt and committed to pay the receivable owing to the fund.

### 13. Subsequent events

The Investment Manager, Montreux Capital Management (Cayman) terminated their agreement with the Fund with effect 15 August 2022. Russell Smith and Declan Magennis of BDO CRI (Cayman) Limited were appointed as liquidators 7 July 2022 to the Investment Manager. Montreux Capital Management (Cayman) was dissolved 13 December 2022. All Management Shares were transferred to Aurum (Holdings) IOM Limited 12 December 2022.

The financial statements were approved by the Board of Directors on 29th November 2023