

## VFPF International Cautious Fund

Month ended 30 September 2011

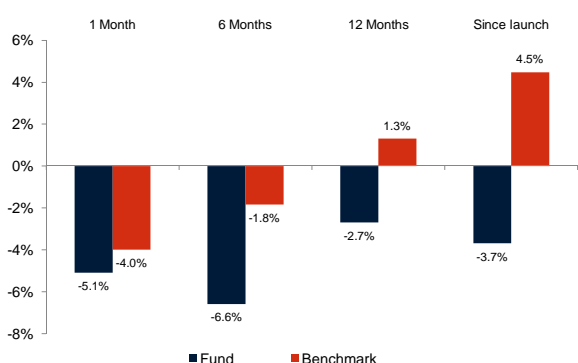
### Fund details†

|   |   |   |
|---|---|---|
| Investment manager: <b>Momentum Global Investment Management Limited*</b> | Sub investment manager: <b>Celtis Capital (Pty) Ltd</b> | Inception: <b>4 November 2009</b>         |
| Initial fee: <b>none</b>  | Minimum subscription: <b>USD 7,500</b>                  | Subscriptions / redemptions: <b>daily</b> |
| Benchmark: <b>30% MSCI AC World, 60% Citigroup WGBI, 10% Cash</b>         | Fund type: <b>roll up, non distributor status</b>       | Currency: <b>USD</b>                      |
| Price per share A: <b>0.9632</b>  | Price per share B: <b>0.9384</b>                        |   |

### Investment objective

A diversified portfolio consisting of assets in liquid form and participatory interests of portfolios of collective investment schemes or other similar schemes, which invests across all market sectors into a wide range of asset classes that includes cash, equity, fixed income, high yield and property investments. The portfolio aims to provide a balance between capital preservation and capital growth over the full investment cycle. The Cell is ideally suited to investors with an investment horizon of 3 years or longer.

### Fund performance



### Investment statistics

|                        |       |
|------------------------|-------|
| Cumulative return:     | -3.7% |
| Annualised return:     | -2.0% |
| Annualised volatility: | 7.2%  |

Source: Lipper Hindsight & Momentum Global Investment Management Limited. Past performance is not indicative of future returns. The fund performance is calculated in a total return basis, net of all fees and in US Dollar terms.

### Market commentary

Fear and risk aversion worsened in September leading to a further 9.44% drop in the MSCI All Country World Index, led by a 14.58% loss in Emerging Markets and an 8.64% fall in Developed Markets. The Citigroup Global Government Bond Index lost 1.95%.

While the US FOMC was widely expected to embark on another round of quantitative easing, instead it announced the launch of "Operation Twist", in which it would sell \$400bn worth of shorter dated Treasuries in favour of long term securities, in an attempt to lower long-term borrowing rates. This buoyed long-dated US treasuries, but investors were disappointed, as fears over the struggling US economy were stoked. The US 10 Year Treasury gained more than 12% over the month.

US CPI surprised on the upside, increasing to 3.80%. Interest rates were kept on hold, and the Fed committed to maintain them as such as long as unemployment is high and inflation remains subdued. GDP for the second quarter rose slightly higher than expectations, to 1.30%.

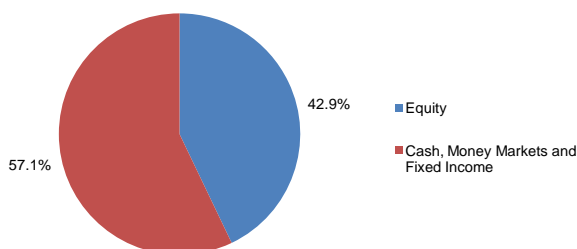
In an attempt to protect its economy from the European Debt Crisis, the Swiss National Bank pegged the Swiss franc against the euro in order to weaken the "safe-haven" currency.

The US dollar strengthened across the board, against major currencies like the euro and emerging market currencies like the South African rand, Brazilian real and Indian rupee. The reversal of flows into emerging markets and risky assets was prominent as risk aversion increased.

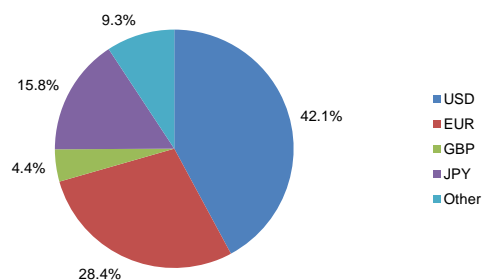
We added further to our international equity position as this asset class continues to offer the greatest value. We maintain an underweight position in global bonds, favouring inflation-linked bonds in this space.

Source: Celtis Capital (Pty) Limited

### Asset allocation



### Currency allocation



Source: Momentum Global Investment Management Limited, Northern Trust International Fund Administration Services Limited.

† Please refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts

\* Formerly known as RMB Asset Management International Ltd



## ■ Top holdings

| Holdings  | Asset type   | Weight |
|---|--------------|--------|
| iShares MSCI World                                | Equity       | 18.9%  |
| iShares Barcap Global Inflation-Linked Bond       | Fixed Income | 15.7%  |
| iShares Citigroup Global Government Bond          | Fixed Income | 15.5%  |
| Insight USD Liquidity Fund                        | Money Market | 11.3%  |
| iShares III FTSE Developed World ex-UK            | Equity       | 10.0%  |
| iShares S&P/Citigroup International Treasury Bond | Fixed Income | 6.4%   |
| iShares MSCI North America                        | Equity       | 5.4%   |
| Insight EUR Liquidity Fund                        | Money Market | 3.9%   |
| iShares MSCI Emerging Markets                     | Equity       | 3.7%   |
| iShares II MSCI Europe                            | Equity       | 3.4%   |

Source: Momentum Global Investment Management Limited, Northern Trust International Fund Administration Services Limited.

## ■ Risk warnings and important notes

Collective investments are generally medium to long term investments. The value of units may go down as well as up, and past performance is not necessarily a guide to the future.

Collective investments are traded at ruling prices. Commission and incentives may be paid and, if so, would be included in the overall costs. All performance is calculated Total Return, Net of all fees and commissions and in US Dollar terms. Weekly Forward pricing is used.

A fund of fund collective investment scheme only invests in other collective investments, which levy their own charges.

Fluctuations in the value of the underlying funds and the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed.

Deductions of charges and expenses mean that you may not get back the amount you invested.

The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.

Higher risk investments may be subject to sudden and large falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies, even in developed markets, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the Fund will achieve its stated objectives.

The Fund may contain shares or units in underlying funds that invest internationally. The value of your investment and the income arising from it may therefore be subject to exchange rate fluctuations.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments other than on the fund's dealing days.

Certain unregulated Collective Investment Schemes may permit a greater degree of leverage than is permitted with investment funds that are available to the general public in South Africa. Such Collective Investment Schemes have a greater underlying volatility, which increases the risk of loss.

Investment in the Fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.

This Report should be read in conjunction with the Prospectus of Momentum Mutual Fund ICC Limited and the Fund Supplement, in which all the current fees and expenses charged to the Fund are disclosed.

Copies of these Scheme Particulars are available upon request from Momentum Wealth International Limited (formerly known as RMB Investment Services Limited), La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF.

This Report should not be construed as an investment advertisement, or investment advice or guidance or proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund and clients of the Distribution Partner.

Whilst all care has been taken by the Investment Manager in the preparation of the information contained in this Report, neither the Manager nor Investment Manager make any representations or give any warranties as to the correctness, accuracy or completeness of the information, nor does either the Manager or Investment Manager assume liability or responsibility for any losses arising from errors or omissions in the information.

Momentum Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised as a Class B Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

VPFP International Cautious Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 50897.

Momentum Wealth International Limited is the Fund Manager, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF. Momentum Wealth International Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

Northern Trust International Fund Administration Services (Guernsey) Limited is the Fund Administrator, licensed by the Guernsey Financial Services Commission, with its registered office at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

Momentum Global Investment Management Limited is the appointed Investment Manager of the fund and is authorised and regulated by the UK Financial Services Authority, with its registered address at 20 Gracechurch Street, London, EC3V 0BG. Momentum Global Investment Management Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

This Report may not be circulated or copied where it may constitute an infringement of any local laws or regulations. This Report is for the sole use of the intended recipient and may not be reproduced or circulated without the prior written approval of the Manager.