

## VPFP International Cautious Fund

Month ended 31 July 2013

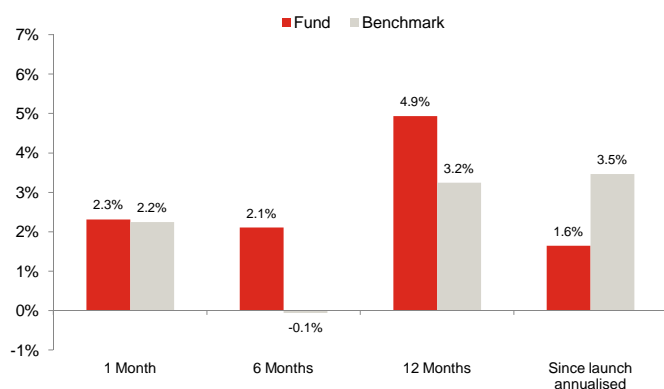
■ Fund details<sup>†</sup>

Investment manager: <b>Momentum Global Investment Management Limited</b>	Sub-investment manager: <b>Ampersand Asset Management (Pty) Limited*</b>		
Initial fee: <b>none</b> Minimum subscription: <b>USD 7,500</b>	Subscriptions / redemptions: <b>daily</b>	Investment timeframe: <b>3 years +</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>	
Inception: <b>25 November 2009</b>	Price per share A: <b>USD 1.0617</b>	Price per share B: <b>USD 1.0296</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 (since inception)

Cumulative return:	6.2%
Annualised return:	1.6%
Annualised volatility:	6.9%

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

Global equity markets performed strongly in July as talks of tapering have all but fizzled out. The MSCI AC World Index added 4.79% in US dollar terms, regaining all of the losses experienced in June and more, ending the month in the green. Global bonds gained 1.14%.

There has been a fair amount of positive data released recently.

In the US, inflation has ticked up to 1.80%, closer to the Federal Reserve's target of 2.00%. Second quarter GDP beat estimates at 1.70%, from downwardly revised first quarter growth of 1.10%. The majority of US companies reported earnings above estimates for Q2 and better earnings reports of the same quarter the previous year.

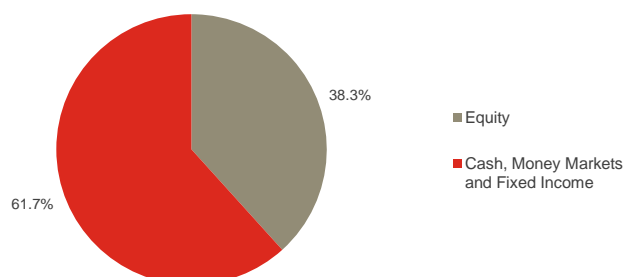
UK GDP also beat estimates at 1.40% from the previous quarter's growth of only 0.30%. Chinese GDP declined slightly from first quarter growth, but in line with estimates at 7.50%.

The IMF revised down their world growth outlook for 2013 and 2014 again, with the largest downward revisions in emerging markets, particularly South Africa and Russia. For 2013 world growth is now forecast at 3.10%, while growth in 2014 is forecast at 3.80%. The IMF highlighted that the downward revisions are driven largely by appreciably weaker domestic demand and slower growth. Downside risks still dominate.

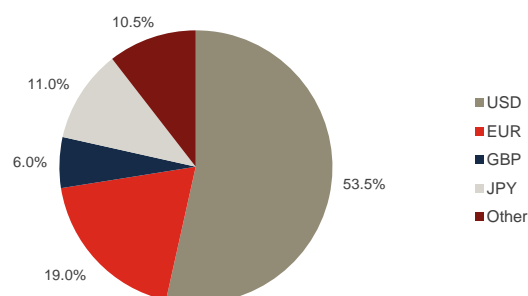
Interest rates remain at all-time lows and central banks remain accommodative across the globe, and given inflation and growth expectations, this trend is likely to continue for the foreseeable future.

With uncertainty still hovering over us, and global valuations beginning to look fuller, we remain vigilant with a distinct focus on diversification.

## ■ Asset allocation



## ■ Currency allocation



<sup>†</sup> Please refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts.

\* Formerly known as Celtis Capital (Pty) Limited.

Sources: Morningstar, Lipper Hindsight, Ampersand Asset Management (Pty) Limited, Momentum Global Investment Management Limited, Northern Trust International Fund Administration Services (Guernsey) Limited.

## ■ Top holdings

Holdings	Asset type	Weight
Coronation Global Strategic USD Income	Fixed Income	18.6%
Amundi Global Aggregate	Fixed Income	18.4%
PIMCO Diversified Income	Fixed Income	17.7%
Epoch Global Choice	Equity	9.8%
RE:CM Global	Equity	9.6%
Schroder QEP Global Core	Equity	9.5%
Investec Global Franchise	Equity	9.4%
Cash	Cash	7.0%

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

## ■ Risk warnings and important notes

Investment in the Fund may not be suitable for all investors and financial advice should be sought before proceeding with an investment. Past performance is not indicative of future returns and there can be no assurance that the performance of the Fund will achieve its stated objective. All performance is calculated on a total returns basis, net of all fees and commissions and in US Dollar terms. Daily forward pricing is used for this Fund.

Collective investments are generally medium to long term investments and are traded at ruling prices. The value of the Fund and any income arising from it are not guaranteed and may fall, as well as rise, due to the value of its holdings, the income derived from them, and changes in interest rates. The Fund may hold shares or units in underlying funds which invest internationally, which will be exposed to exchange rate fluctuations, and may erode any potential gains.

Higher risk investments, such as small companies (even in developed markets), emerging markets, single country debt, equity funds, high yield and sub-investment grade debt may be more prone to sudden and larger falls in value in comparison to other investments. Unregulated funds may permit a greater degree of leverage than is permitted with regulated funds that are available to the general public in South Africa, which increases volatility and the risk of larger losses should the fund's value decrease.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. It is not possible to immediately assess the proper market price of these investments, as they will only be realisable on their dealing days.

A fund of fund collective investment scheme only invests in other collective investments, which levy their own charges. The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and are subject to change thereby impacting the Fund's performance. Commissions and incentives may be paid and, if so, would be included in the overall costs. Deductions of charges and expenses mean that you may not get back the amount you invested.

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This document 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. For a detailed description of such fees and expenses, please refer to these Scheme Particulars which are available upon request from Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF.

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