

# VPFP International Cautious Fund

Month ended 28 June 2013

## Fund details†

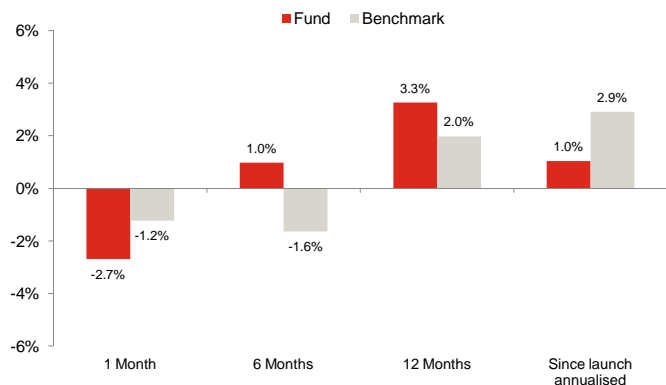
Investment manager: <b>Momentum Global Investment Management Limited</b>	Sub-investment manager: <b>Ampersand Asset Management (Pty) Limited*</b>
Initial fee: <b>none</b> Minimum subscription: <b>USD 7,500</b>	Subscriptions / redemptions: <b>daily</b> Investment timeframe: <b>3 years +</b>
Benchmark: <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 1.0377</b> Price per share B: <b>USD 1.0065</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: 3.8%  
 Annualised return: 1.0%  
 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

The volatility that started at the end of May continued into June, with significant movements occurring across asset classes. The highest risk assets were the most affected, which investors were able to profit from.

This continued volatility and uncertainty surrounding the global economic environment contributed towards first quarter economic growth figures being revised down in most major economies. Fear of potential quantitative weaning in the US as early as the fourth quarter of 2013, instead of the expected continued easing, resulted in declined risk appetite and increased risk premium.

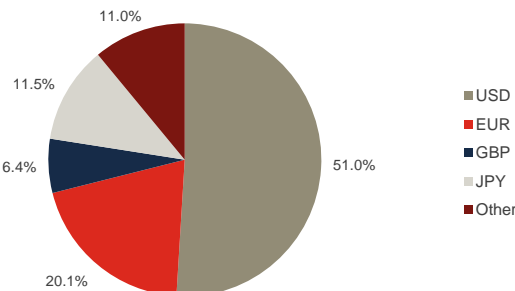
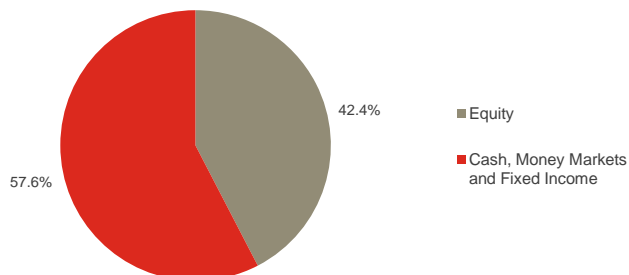
The MSCI All Country World Index was down 2.92% on the back of weak performance from emerging market stocks (down 6.37%), the BRIC's (down 8.14%), Europe (down 5.56%) and the US (down 1.34%), while Japan recovered from oversold levels in May, and returned 0.93%. Global bonds remained under pressure due to rising bond yields, resulting in a loss of 0.67%.

Our portfolios were under pressure due to our preference for global equity assets, but we remain committed to this thesis and believe that current valuations of global equity and corporate bond assets remain attractive relative to conventional nominal bonds. We expect markets to normalise in the short to medium term, after various central bankers across the globe provided commitment to continued quantitative easing.

Uncertainty in markets does remain high, but we remain cautiously optimistic due to a disciplined and proven investment approach. We remain cautiously positioned with a distinct focus on diversification across asset classes, geographies and investment managers/strategies.

## Asset allocation

## Currency allocation



† 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	18.9%
Amundi Global Aggregate	Fixed Income	18.6%
PIMCO Diversified Income	Fixed Income	18.0%
Epoch Global Choice	Equity	9.6%
Investec Global Franchise	Equity	9.5%
Schroder QEP Global Core	Equity	9.4%
RE:CM Global	Equity	9.3%
iShares MSCI World	Equity	4.6%
Cash	Cash	2.1%

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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