

# VFPF International Cautious Fund

Month ended 29 August 2014

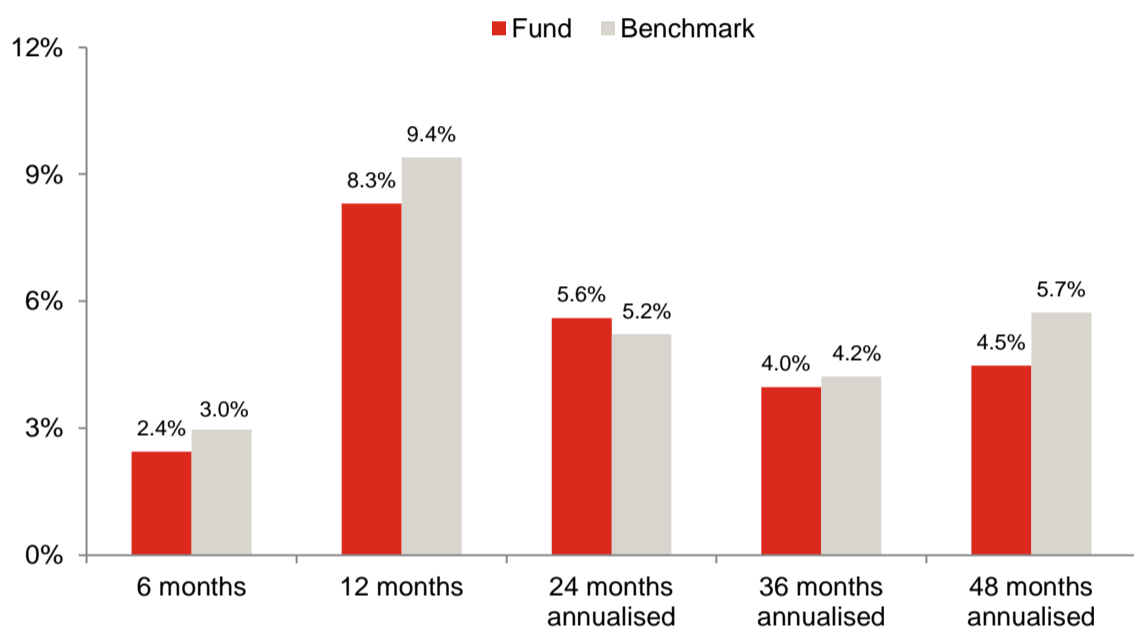
## Fund details<sup>†</sup>

Investment manager: <b>Momentum Global Investment Management</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 1.1406</b>	Price per share B: <b>USD 1.1031</b>

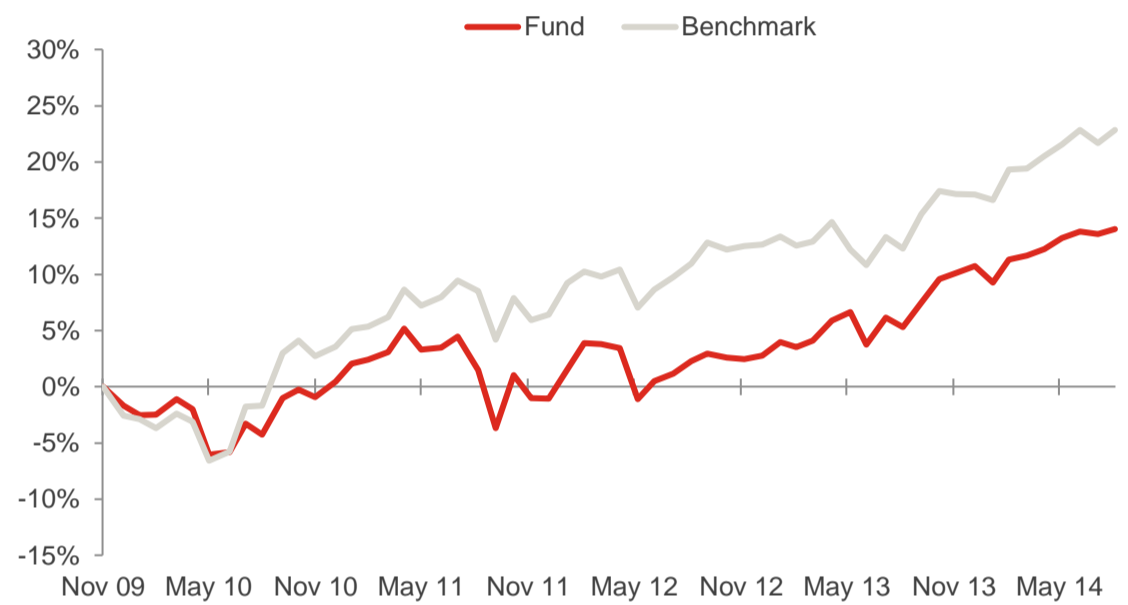
## Investment objective

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



## Cumulative returns



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.

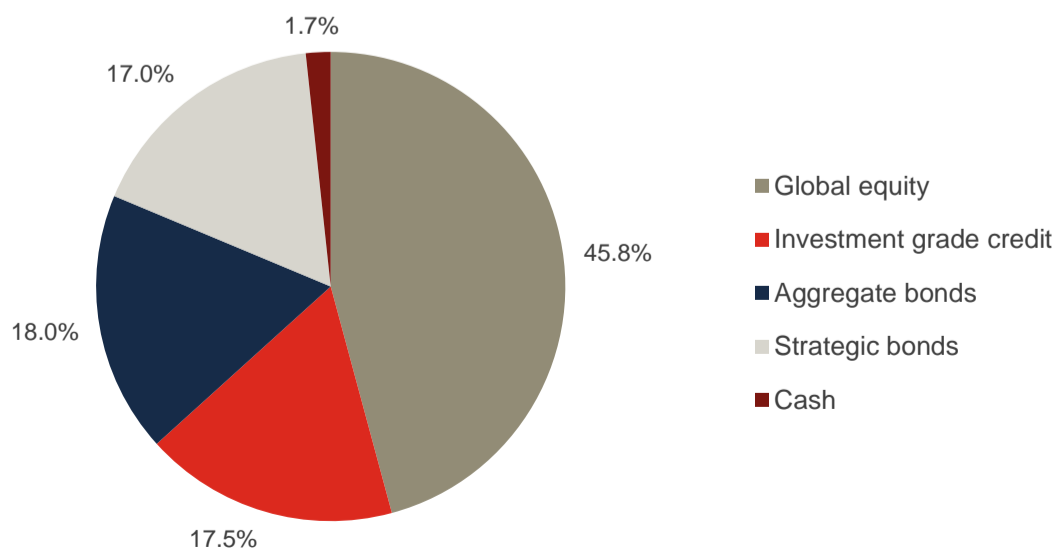
## Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	18.0%
Prescient Global Income	Fixed Income	17.5%
Coronation Global Strategic USD Income	Fixed Income	17.0%
RE:CM Global	Equity	13.2%
Nedgroup Global Flexible	Equity	12.7%
Epoch Global Choice	Equity	10.0%
Investec Global Franchise	Equity	9.9%
Cash	Cash	1.7%

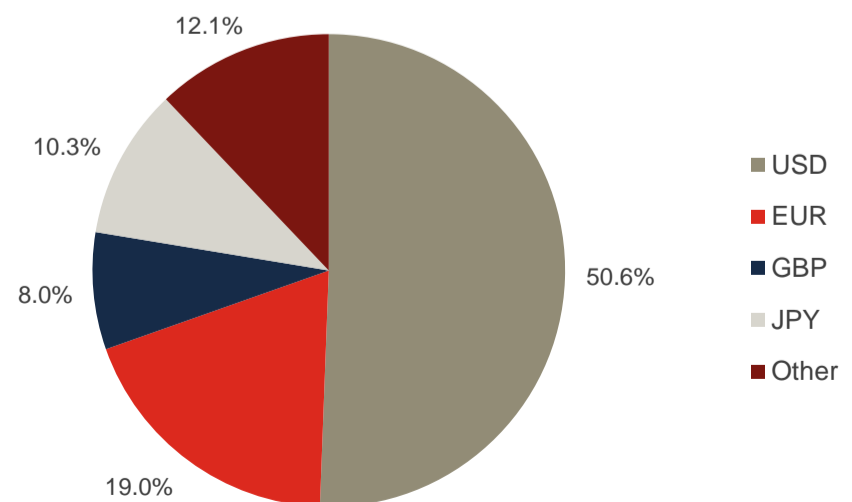
## Investment statistics (since inception)

Cumulative return:	14.1%
Annualised return:	2.8%
Annualised volatility:	6.3%

## Strategy allocation



## Currency allocation



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

<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.

## ■ Market commentary

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Global markets were positive this month with the MSCI World Index gaining 2.2% and global bonds gaining 0.6% in US dollar terms. The US dollar strengthened by 1.6% against the euro and British pound.

Global growth was mixed this quarter. US GDP saw a significant upward revision to 4.2% in the second quarter, from the 2.1% contraction in the previous quarter. This uptick was attributed to a rise in business investment and inventories. Unless economic or labour data surprises on the down-side QE is set to end in October 2014 with the first rate hike estimated for mid-2015.

Preliminary data showed that UK GDP expanded by 3.2% year-on-year in Q2, beating expectations of 3.1%. Transport and communication, electricity and gas production added to this growth. EU GDP growth declined by 0.2% to 0.7%. This growth decline was seen in most of the major countries like France, Germany and Italy.

Japan saw a 10 bps rise to 3.8% in the unemployment rate, which was slightly worse than expectations. Inflation declined by 20 bps to 3.4%, in line with expectations, due to food inflation stabilising. Recent economic data from Japan has displayed signs of weakness but occasional positive data seems to be delaying any further stimulus from the BOJ.

Globally economies such as the US and UK are showing signs of improvement while recovery in some economies remains unclear. Global policy remains accommodative but signs of a tightening next year are starting to be considered. We anticipate a more volatile environment going forward and believe being more cautiously positioned is the most appropriate strategy. Diversification remains key.

Source: Ampersand Asset Management (Pty) Limited

## ■ Risk warnings and important notes

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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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