

VFPF International Cautious Fund

Month ended 31 July 2014

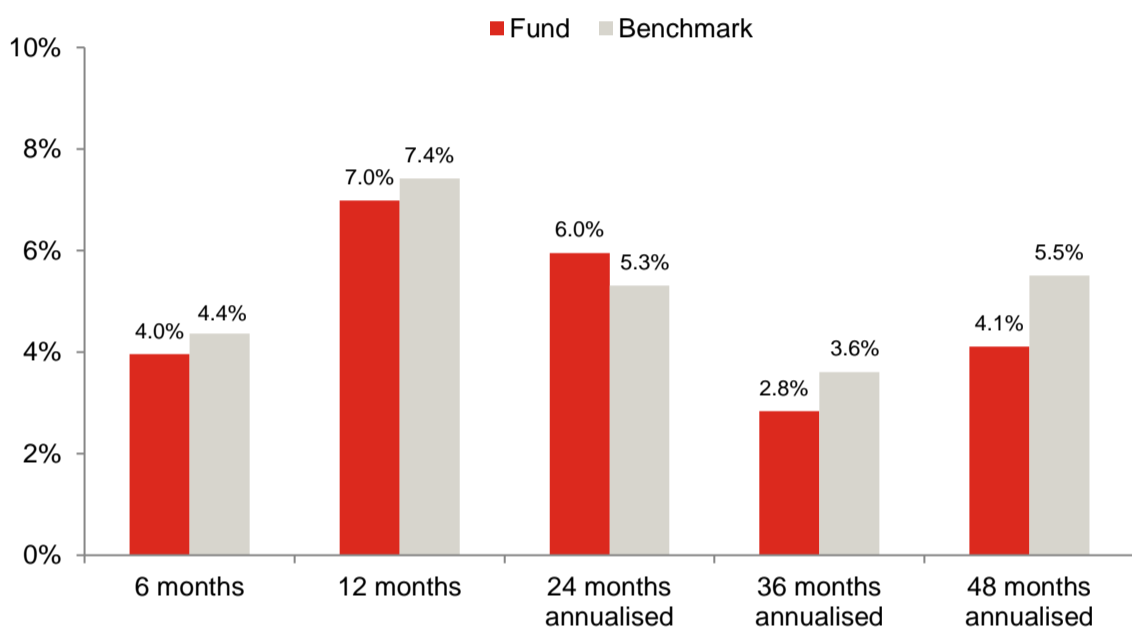
Fund details[†]

Investment manager: Momentum Global Investment Management	Sub-investment manager: Ampersand Asset Management (Pty) Limited*	
Initial fee: none Minimum subscription: USD 7,500	Subscriptions / redemptions: daily	Investment timeframe: 3 years +
Benchmark: 30% MSCI AC World, 60% Citigroup WGBI, 10% Cash	Fund type: roll up, non distributor status	Currency: USD
Inception: 25 November 2009	Price per share A: USD 1.1358	Price per share B: USD 1.0987

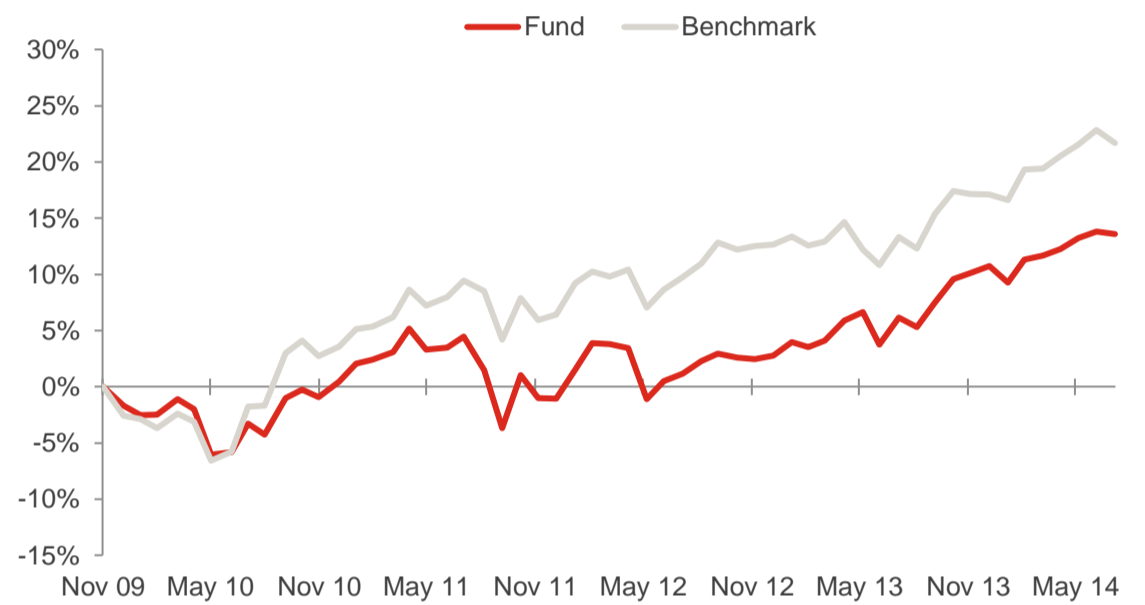
Investment objective

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.

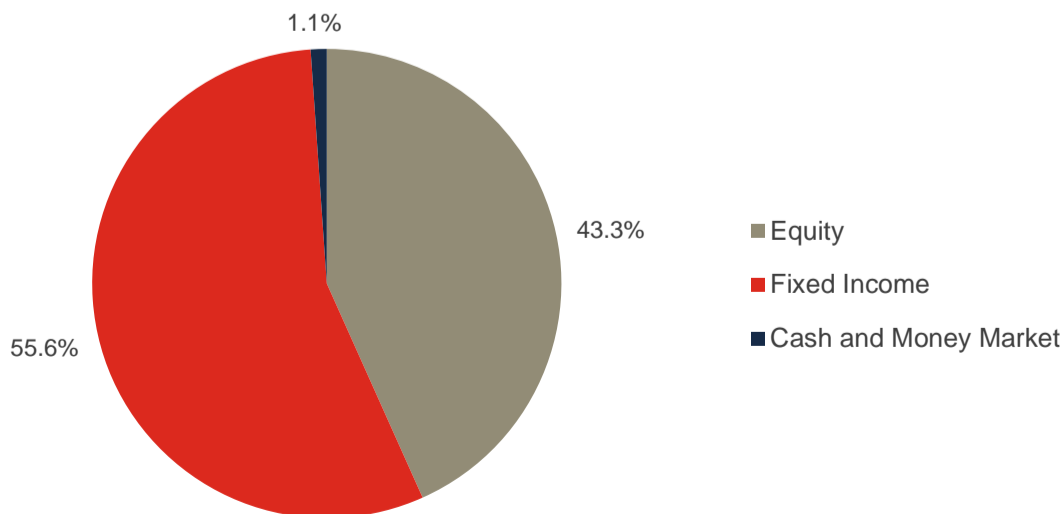
Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	18.9%
Prescient Global Income	Fixed Income	18.6%
Coronation Global Strategic USD Income	Fixed Income	18.1%
RE:CM Global	Equity	11.5%
Nedgroup Global Flexible	Equity	10.9%
Epoch Global Choice	Equity	10.5%
Investec Global Franchise	Equity	10.4%
Cash	Cash	1.1%

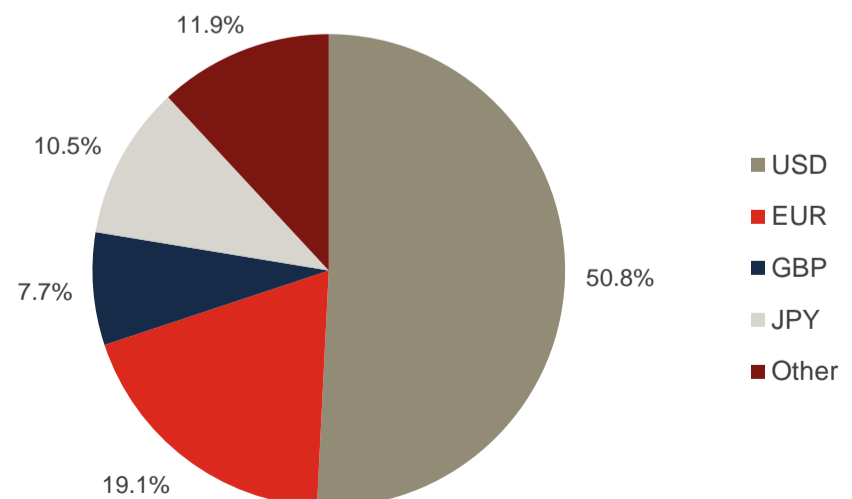
Investment statistics (since inception)

Cumulative return:	13.6%
Annualised return:	2.8%
Annualised volatility:	6.4%

Asset allocation



Currency allocation



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

[†] 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

Global markets retracted marginally this month with the MSCI World Index declining by 1.2% and global bonds declining by 0.8% in US dollar terms. The US dollar strengthened against the euro and British pound, 2.3% and 1.3% respectively.

China saw a slight uptick in GDP to 7.5% from 7.4% in the previous quarter. This was the first sign of growth in 3 quarters as China's stimulus efforts seem to be making an impact. Retail sales and factory output also saw improvement.

US unemployment saw a decrease of 20 bps to 6.1%. GDP surged to 4.0% in Q2 2014 from the disappointing -2.1% (a revision from -2.9%) in Q1 2014. The Fed continued to taper their QE program by US\$10 billion at this month's FOMC meeting. The committee agreed that the QE program would end in October as long as the economy continued to recover. The interest rate remained unchanged and the committee indicated that it will likely be appropriate to maintain the current target range for a considerable time after the asset purchase program ends.

UK unemployment marginally decreased in line with expectations. CPI increased from 1.5% to 1.9%, surprising on the upside from expectations of 1.6%, yet still below the 2% target level. The highest contributors to this uptick were the increase in alcohol and tobacco (5%), housing costs (3.2%) and clothing and footwear (2.4%).

Global markets continue at elevated levels and are likely to remain volatile for the rest of the year. With that said, we still believe that there are opportunities in the current global economic environment and continue to favour equity assets. We continue to monitor indicators closely and remain diversified across different managers and strategies.

Source: Ampersand Asset Management (Pty) 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.

Momentum Global Investment Management Limited is the Investment Manager, authorised and regulated by the UK Financial Conduct Authority, with its registered address at The Rex Building, 62 Queen Street, London EC4R 1EB. Momentum Global Investment Management Limited is also an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

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

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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.

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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