

# VFPF International Cautious Fund

Month ended 30 June 2014

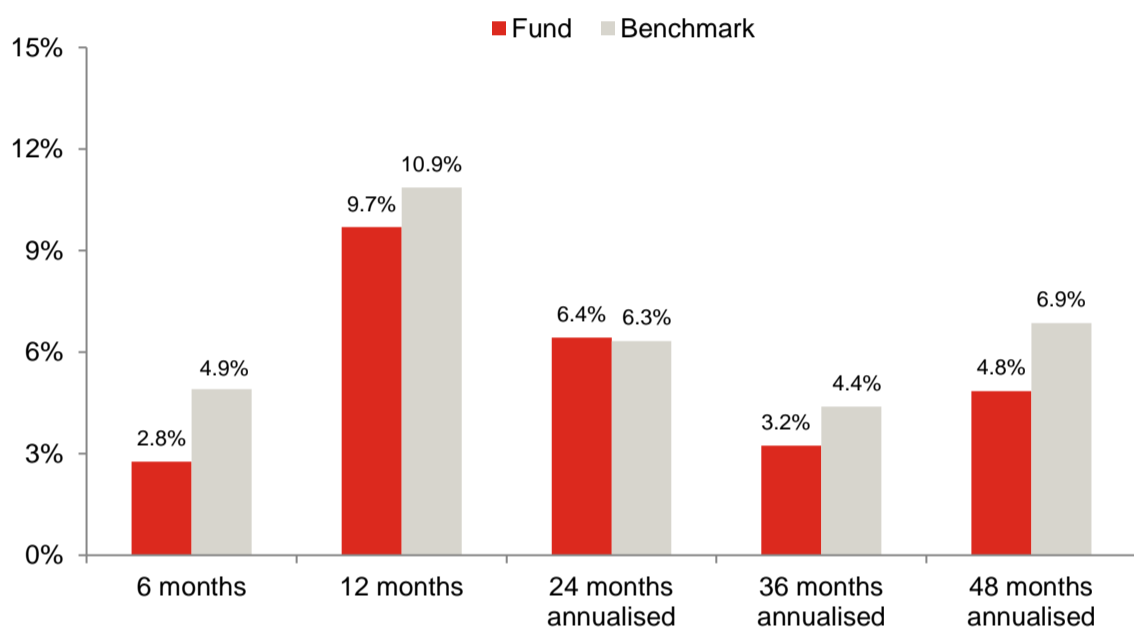
## Fund details†

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 1.1382</b>	Price per share B: <b>USD 1.1012</b>

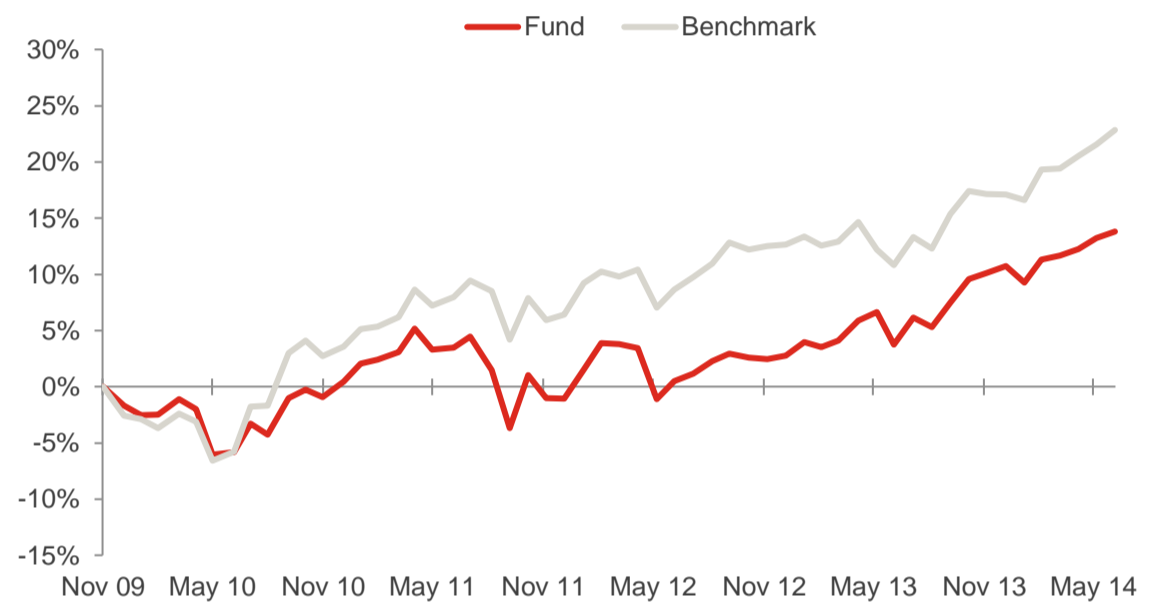
## Investment objective

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.

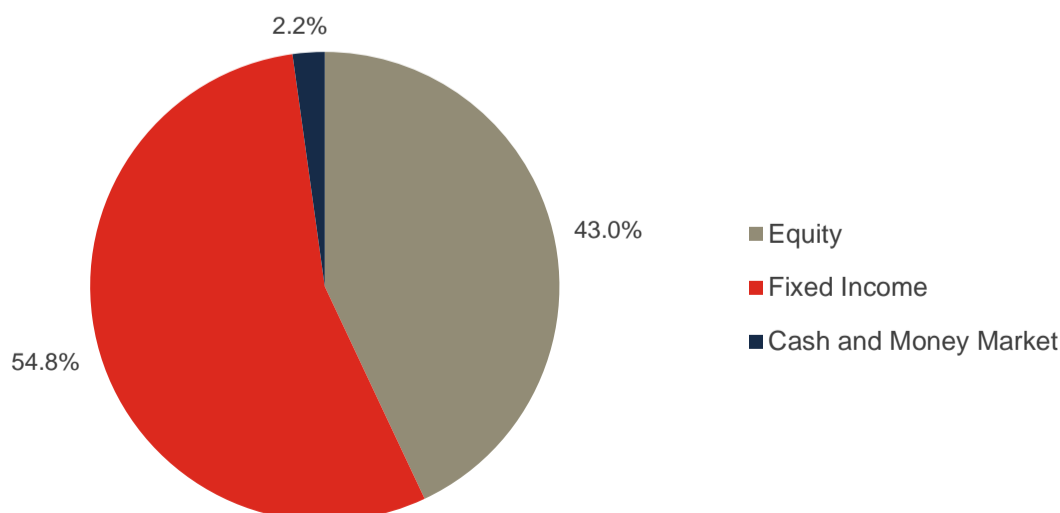
## Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	18.6%
Prescient Global Income	Fixed Income	18.4%
Coronation Global Strategic USD Income	Fixed Income	17.8%
RE:CM Global	Equity	11.4%
Nedgroup Global Flexible	Equity	10.7%
Investec Global Franchise	Equity	10.5%
Epoch Global Choice	Equity	10.4%
Cash	Cash	2.2%

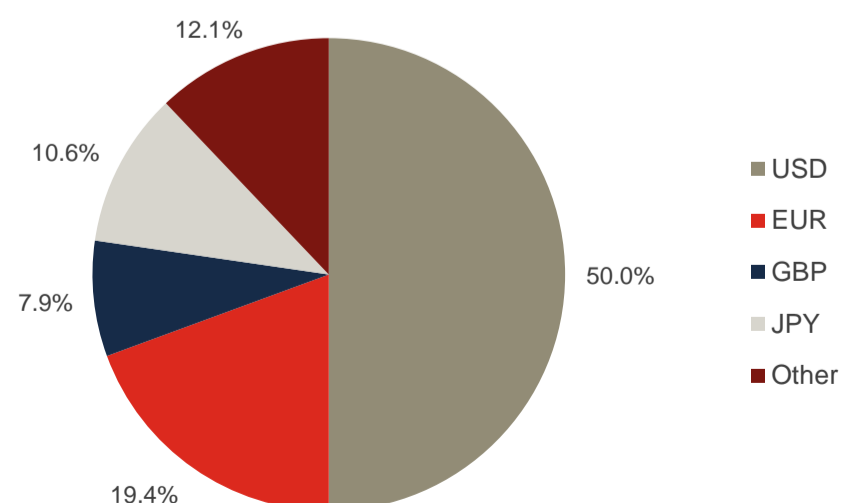
## Investment statistics (since inception)

Cumulative return:	13.8%
Annualised return:	2.9%
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

The MSCI World Index gained 1.9%, while global bonds gained 0.7% in US dollar terms. The US dollar weakened against the euro and British pound, 0.3% and 1.9% respectively.

US Q1 2014 GDP declined by -2.9%, from +2.6% in the previous quarter. The main contributing factors to this significant drop were a decline in exports and lower consumer spending as a result of the unusually severe winter weather. Most investors brushed off this data on the assumption of a recovery from the contraction already on its way.

Japan showed vast improvement in Q1 2014 growth, from 0.3% in the previous quarter to 6.7%. This was attributed to a faster than expected rise in capital expenditure and consumer spending before the consumption tax hike from 5.0% to 8.0% in April.

EU economic data was generally poor this month. Although the unemployment rate marginally decreased to 11.7% from 11.8%, inflation dropped from 0.7% to 0.5% mostly due to the downward impact of electricity, vegetables and telecommunications. Growth in the region has been forecast at 1.5% per annum over the next 10 years, with current policies in place.

The ECB then announced interest rate cuts including the introduction of negative deposit rates in the region. The benchmark interest rate was cut from 0.25% to 0.15%, the marginal lending facility rate was cut from 0.75% to 0.40% and deposit facility rates were cut from 0.0% to -0.10%. The ECB is the first major central bank to cut rates to negative. These rate cuts were done to promote lending to the real economy and fight off the risk of deflation.

We expect volatility to continue and thus believe diversification remains key. We continue to favour equity assets but have increased the ability of underlying managers to provide protection to the client.

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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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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