

# VFPF International Cautious Fund

Month ended 29 May 2015

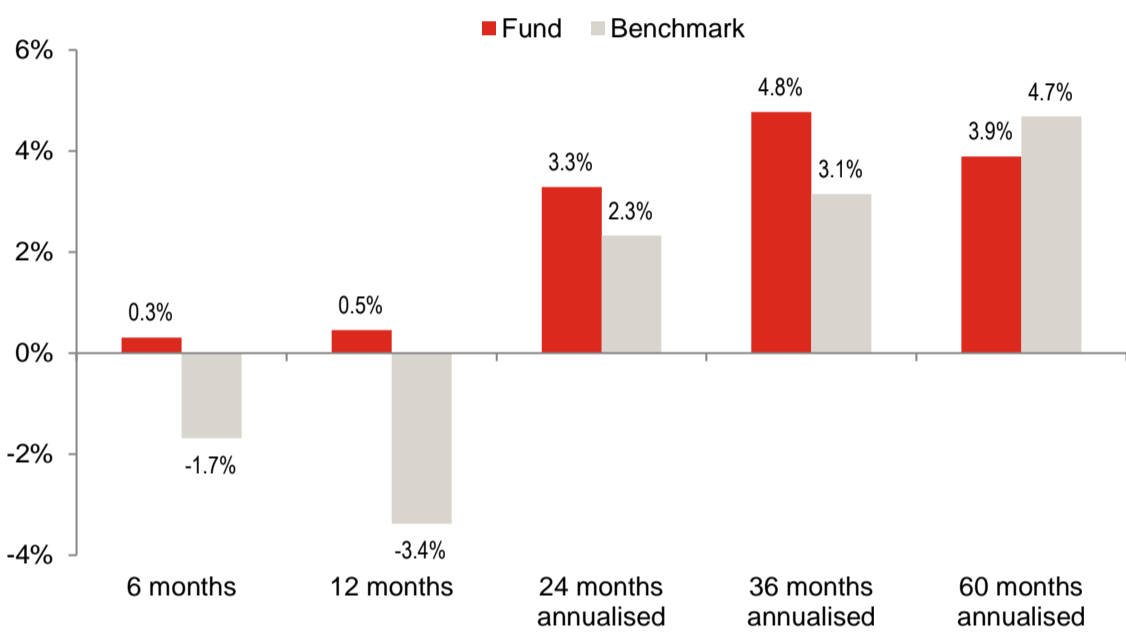
## Fund details†

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 1.1376</b> Price per share B: <b>USD 1.0981</b>

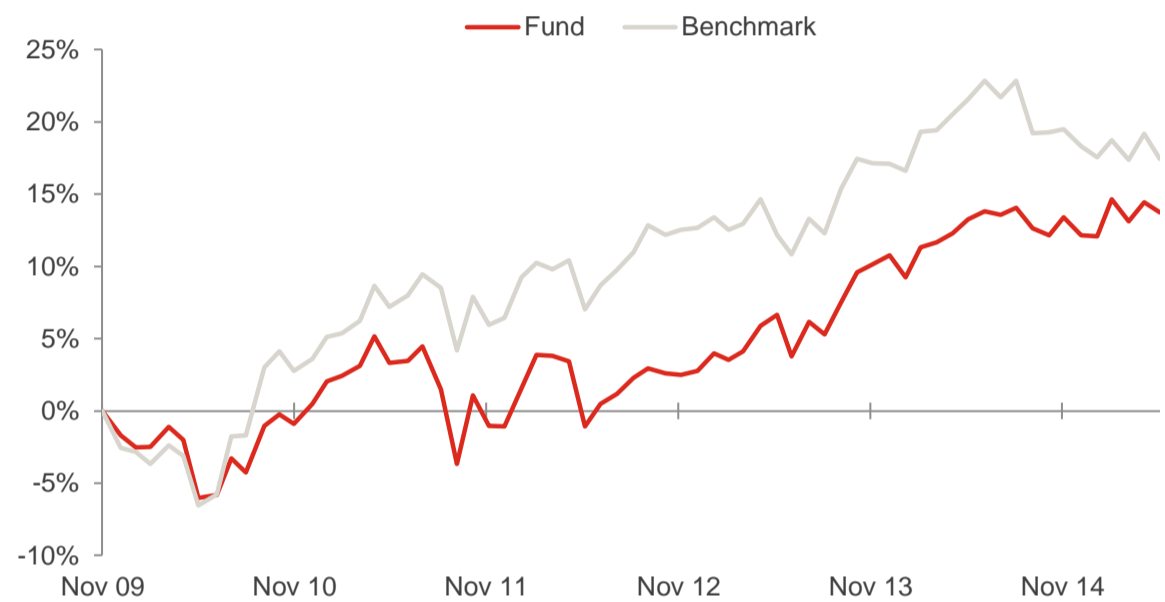
## Investment objective

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.

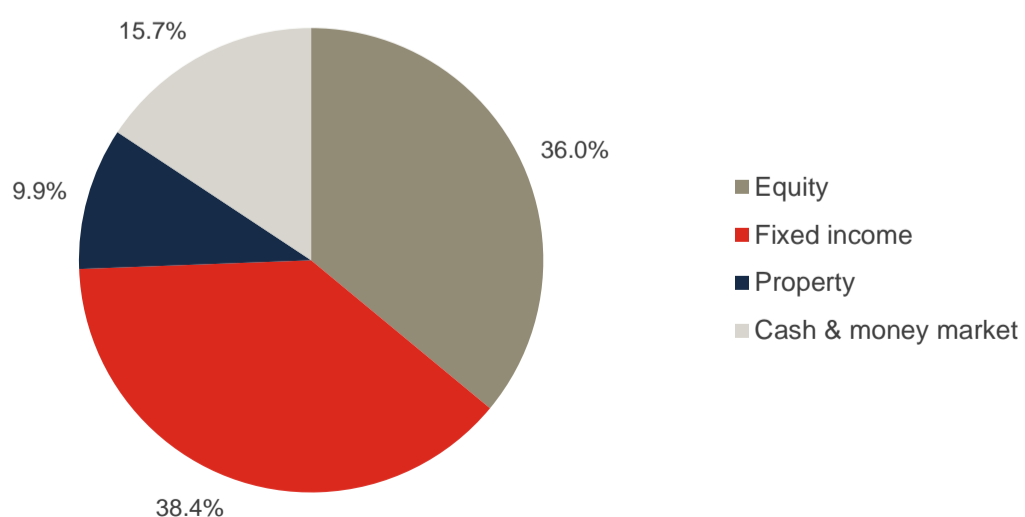
## Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	18.4%
Nedgroup Global Flexible	Equity	12.9%
Coronation Global Strategic USD Income	Fixed Income	11.8%
RE:CM Global	Equity	11.5%
Epoch Global Choice	Equity	10.7%
Investec Global Franchise	Equity	10.5%
Prescient Global Income	Fixed Income	8.0%
New Street Global Real Estate	Property	7.5%
Sanlam Grindrod International Property	Property	7.4%
Cash	Cash	1.3%

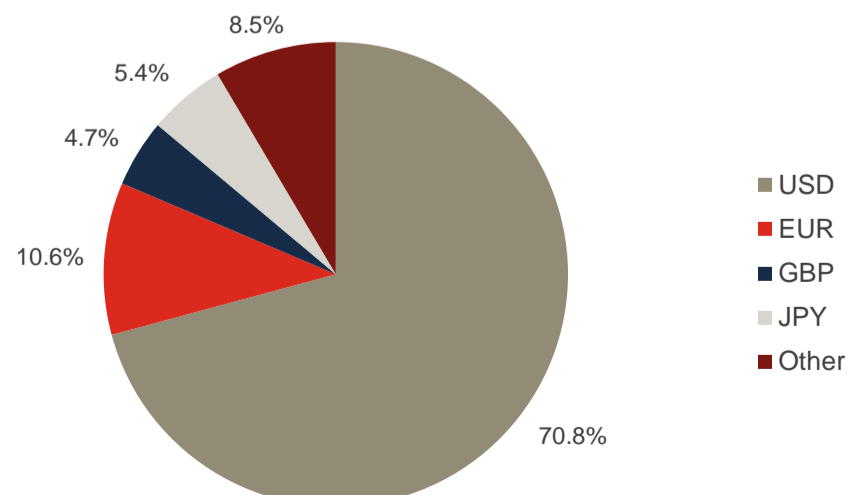
## Investment statistics (since inception)

Cumulative return:	13.8%
Annualised return:	2.4%
Annualised volatility:	6.1%

## 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.

\*\* Asset allocation figures look through to the holdings of underlying collective investment schemes.

## ■ Market commentary

It was a tough month for markets which were fraught with volatility. Global equity held up reasonably well under the circumstances with the MSCI All Country World Index losing a mere -0.1% while global bonds fell -2.1%.

US inflation declined further into deflationary territory, dropping 0.2% year-on-year, in line with expectations. US Q1 GDP was revised down to -0.7% from the initial estimate of +0.2%, down from +2.2% in Q4. The final outcome was slightly better than the expected decline of -0.9%. The contraction comes on the back of a more dismal trade performance and continued caution by businesses and consumers alike. This marks the third pullback in economic activity since the recovery began in 2009.

Improvement in US employment remains solid. The US unemployment rate fell marginally to 5.4%, the lowest level since May 2008. In addition the labour market participation rate rose fractionally to 62.8%. Non-farm payrolls rose by a solid 223,000 jobs and the private sector, currently at a record high, added an additional 213,000 jobs. Overall the US has created almost 12 million jobs since the financial crisis ended.

Japan Q1 GDP grew by 2.4% quarter-on-quarter annualised, better than market expectations of 1.6% growth, and compared to Q4 growth of 1.1%. The improvement was mostly driven by private household consumption as well as a surge in inventory accumulation. Japanese unemployment has fallen to its lowest level since the late 1990s, at 3.4%.

China's central bank cut interest rates for the third time in six months. The People's Bank of China (PBOC) will likely continue with various forms of monetary policy easing in order to encourage growth and inflation in the world's second largest economy.

Market volatility remains at heightened levels given uncertainty surrounding global monetary policy. We continue to favour growth-orientated assets, especially equity and listed property but we remain cautious and well diversified.

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.

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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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