

# VFPF International Cautious Fund

Month ended 30 October 2015

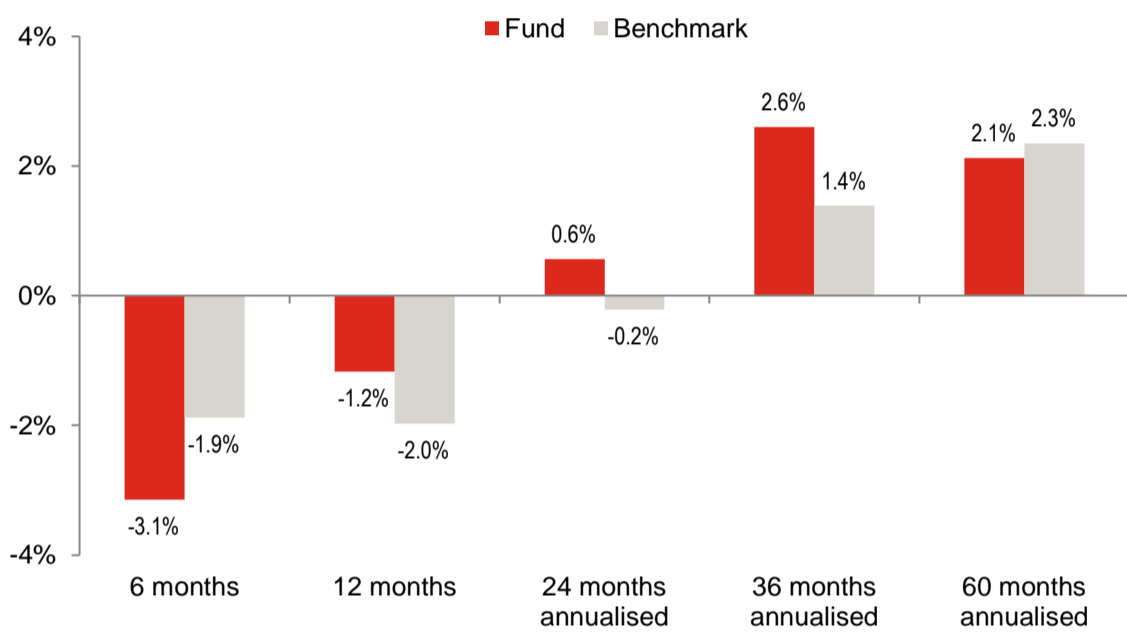
## Fund details†

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 1.1083</b> Price per share B: <b>USD 1.0688</b>

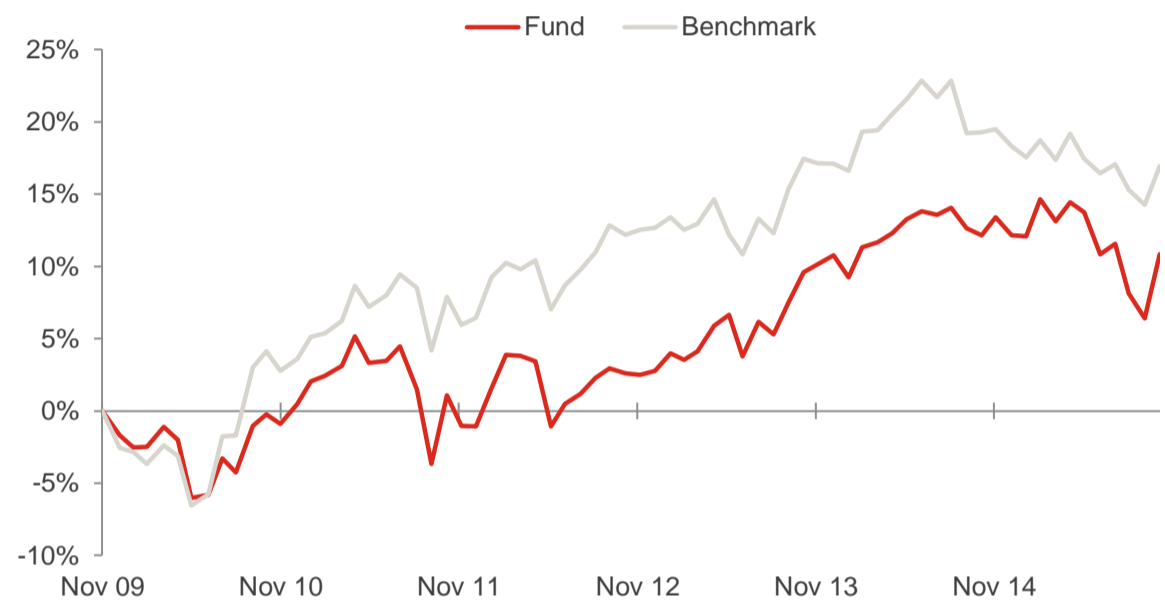
## Investment objective

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 Fund 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.

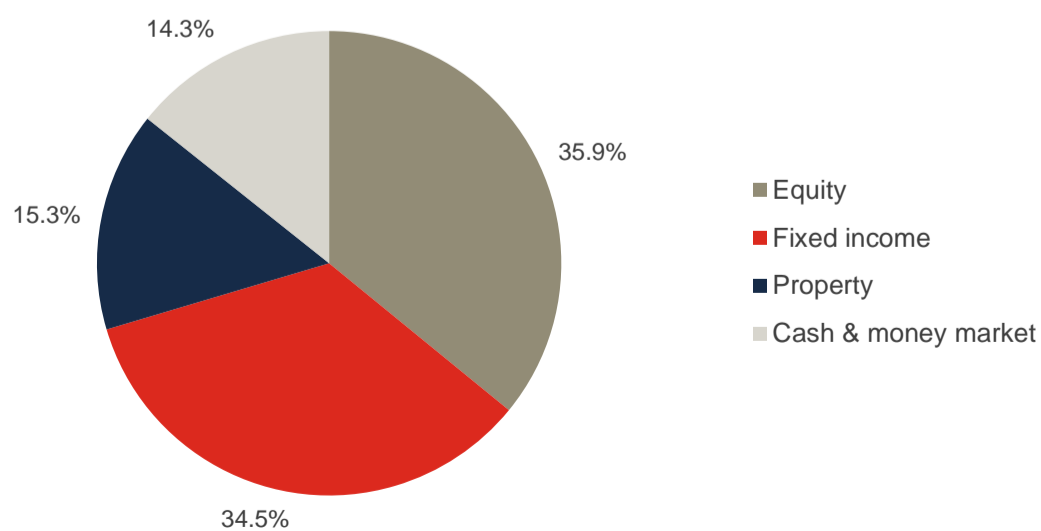
## Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	18.9%
Nedgroup Global Flexible	Equity	12.9%
Investec Global Franchise	Equity	10.9%
Epoch Global Choice	Equity	10.4%
Schroder Global Recovery	Equity	9.9%
Prescient Global Income	Fixed Income	8.3%
New Street Global Real Estate	Property	8.1%
Sanlam Grindrod International Property	Property	7.7%
Cash	Cash	6.8%
Coronation Global Strategic USD Income	Fixed Income	6.1%

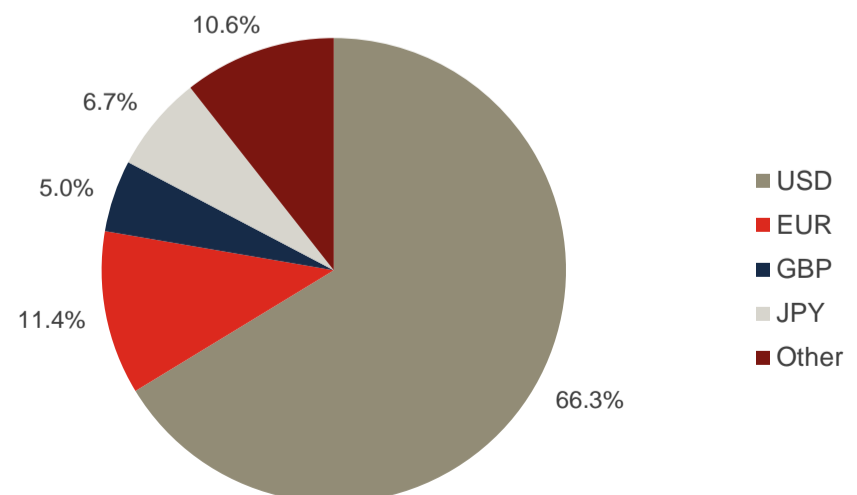
## Investment statistics (since inception)

Cumulative return:	10.8%
Annualised return:	1.8%
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.

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

## ■ Market commentary

Overall global equity markets saw positive gains this month but remain vulnerable. In US dollar terms, the MSCI AC World Index rose 7.85% with developed and emerging markets gaining 7.92% and 7.13% respectively. Global bonds lost a further -0.15% in US Dollar terms. Currently, the Brent Crude price is 41.93% lower than a year ago. The US dollar strengthened by 1.04% against the euro however weakened by 1.96% against the British pound.

In the latest World Economic Outlook, the International Monetary Fund reduced its global growth forecasts for 2015 from 3.30% to 3.10% due to faltering growth in emerging and developing markets. Conditions in China remain challenging with GDP gaining 6.9% year-on-year in Q3. This is the slowest growth rate since 2009.

Mario Draghi, President of the European Central Bank (ECB), indicated the possibility of further interest rate cuts. The ECB will possibly review the pace of its current quantitative easing (QE) programme in December. QE is said to last until 2017 in the EU.

US economic data has been disappointing this month. US unemployment remained unchanged at 5.10% whereas economic growth slowed noticeably from 3.90% to 1.50% quarter-on-quarter. US CPI declined to 0% year-on-year from the previous month's 0.20% year-on-year. The US Federal Reserve left interest rates unchanged at 0.25% but a rate hike is still expected in December, keeping in mind that it is data dependent.

Areas of concern around global economic conditions and asset class valuations remain. As a result, we continue to prefer a diversified approach in the portfolios and feel that asset allocation remains key. We are comfortable with the positioning of the portfolios at this time and continuously monitor the landscape for further opportunities to reduce risk or generate return.

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 will 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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