

# VFPF International Cautious Fund

Month ended 30 June 2016

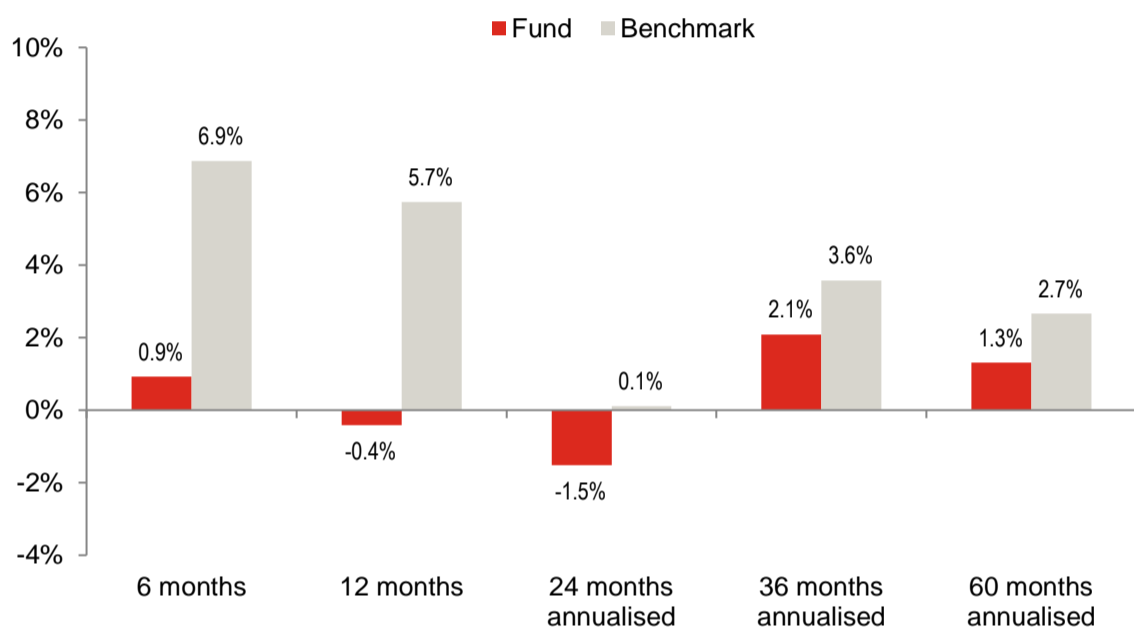
## Fund details<sup>†</sup>

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 1.1039</b>	Price per share B: <b>USD 1.0627</b>

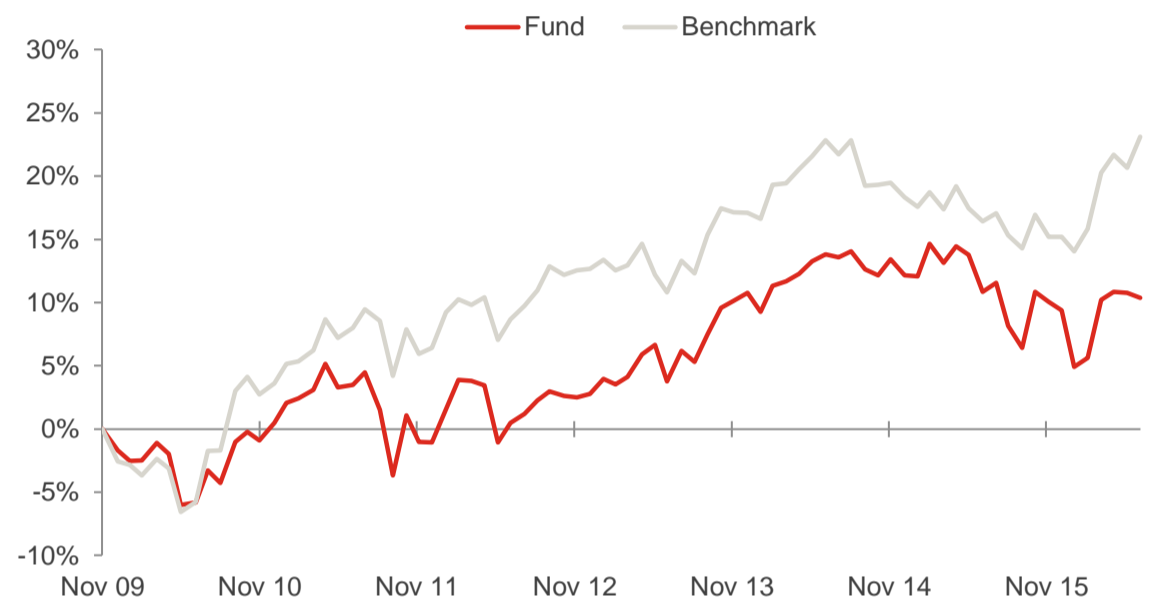
## Investment objective

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.

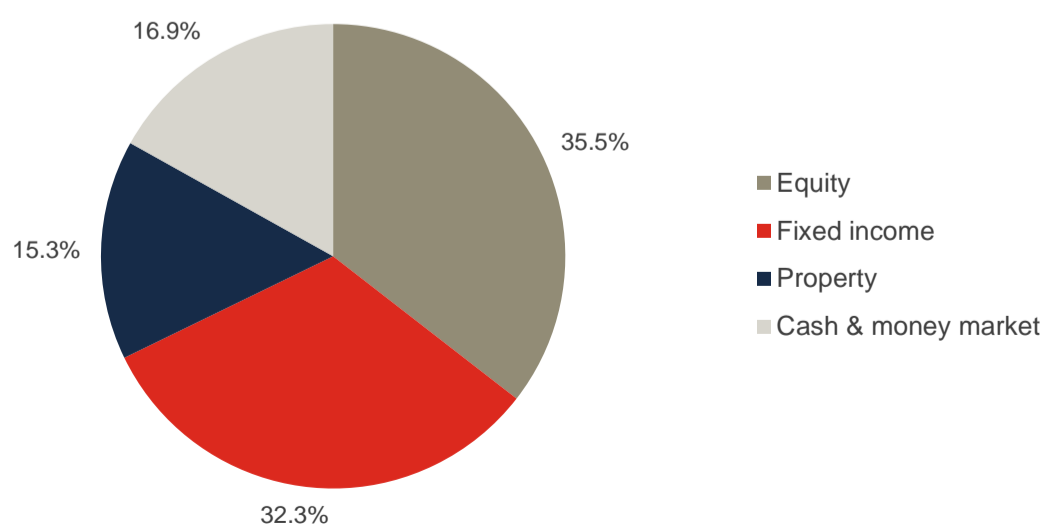
## Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	18.9%
Nedgroup Global Flexible	Equity	12.0%
Investec Global Franchise	Equity	10.9%
Cash	Cash	10.5%
Epoch Global Choice	Equity	9.3%
Schroder Global Recovery	Equity	8.9%
Prescient Global Income	Fixed Income	8.0%
Sesfikile Global Property	Property	8.0%
Sanlam Grindrod International Property	Property	7.7%
Coronation Global Strategic USD Income	Fixed Income	5.8%

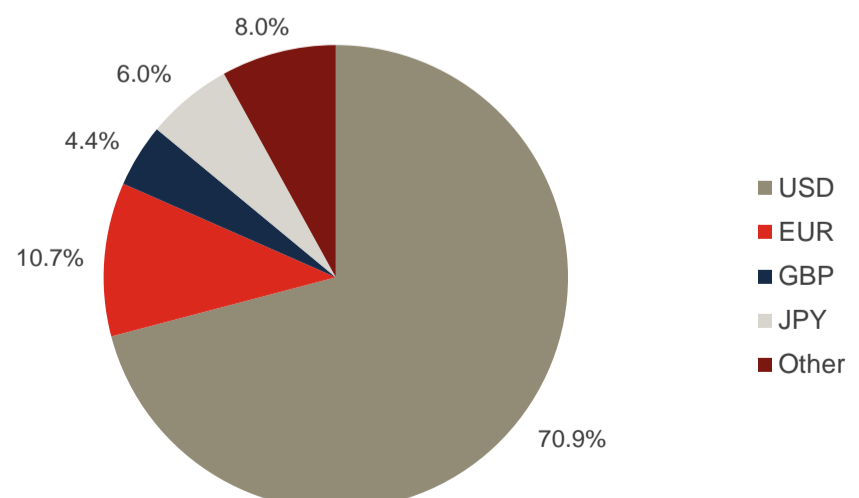
## Investment statistics (since inception)

Cumulative return:	10.4%
Annualised return:	1.5%
Annualised volatility:	6.5%

## 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.

<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.

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

## ■ Market commentary

The major driving force behind market movement and volatility this month has been the Brexit debate followed by the referendum vote that took place on 23 June. The MSCI AC World Index lost -0.6% and global bonds gained 3.6% respectively in US dollar terms.

Right up until the last votes, it was largely believed that the vote would be for Britain to remain in the European Union (EU). However, on the 23<sup>rd</sup> of June 2016, in a surprise outcome that shocked markets, Britain voted to exit the EU causing currency volatility, financial market turbulence and a myriad of uncertainty. In addition the vote raises political and economic challenges in the UK, the EU and around the world. David Cameron has announced he will resign as UK prime minister by October. The initial reaction saw declines in global shares and other risk assets.

The decision may have a possible knock-on effect into other areas of the EU and UK. Some countries in the EU may also push for referendums on whether to leave the EU or not and Scotland may call for a referendum on whether to leave the UK.

Central banks across the globe are likely to pause the hiking of interest rates, including the US Federal Reserve. The Bank of England may cut interest rates to zero and resume Quantitative Easing (QE) to prevent excessive turbulence.

With risk assets under pressure, we do expect to see some volatility and impact into our portfolios. However, the portfolios remain well diversified, with limited exposure to direct UK assets. Our portfolios will also benefit from a bias towards USD assets. We urge investors to remain calm and although this is a significant event the portfolios are robust and designed to withstand shocks and reduce volatility.

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.

Momentum Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised as a Class B Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.

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

Momentum Wealth International Limited is the Fund Manager, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF. Momentum Wealth International Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

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.

Whilst all care has been taken by the Investment Manager in the preparation of the information contained in this document, neither the Investment Manager nor Fund Manager make any representations or give any warranties as to the correctness, accuracy or completeness of the information, nor assume liability or responsibility for any losses arising from errors or omissions in the information.

This Report should not be construed as an investment advertisement, or investment advice or guidance or proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund and clients of the Distribution Partner. This document may not be circulated or copied where it may constitute an infringement of any local laws or regulations. This Report is for the sole use of the intended recipient and may not be reproduced or circulated without the prior written approval of the Fund Manager.