

VFPF International Cautious Fund

Month ended 31 August 2017

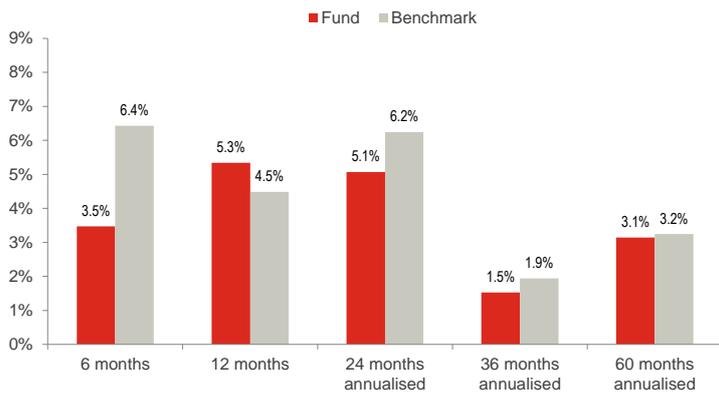
Fund details†

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 1.1938 Price per share B: USD 1.1459

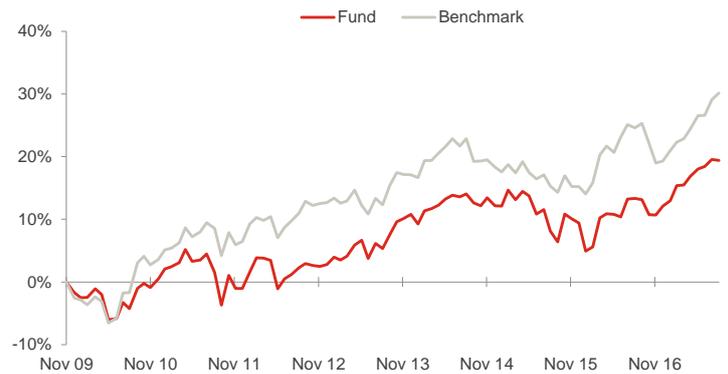
Investment objective

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.

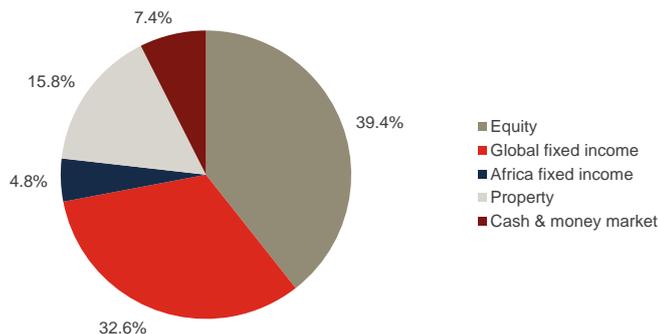
Top holdings

Holdings	Asset type	Weight
PIMCO Global Bond	Fixed Income	13.9%
Schroder Global Recovery	Equity	12.9%
Investec Global Franchise	Equity	12.7%
Prescient Global Income	Fixed Income	12.1%
Nedgroup Global Flexible	Equity	10.1%
Epoch Global Choice	Equity	9.8%
Sesfikile Global Property	Property	8.0%
Sanlam Grindrod International Property	Property	7.7%
Coronation Global Strategic USD Income	Fixed Income	5.0%
Saffron African Yield Opportunity	Alternatives	4.8%

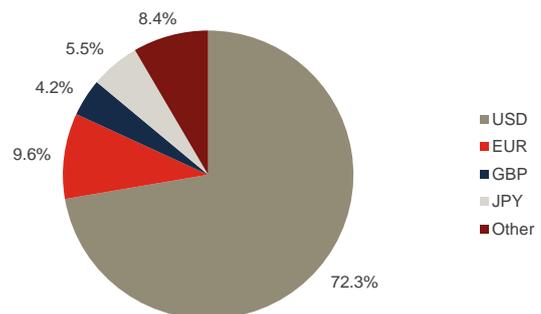
Investment statistics (since inception)

Cumulative return:	19.4%
Annualised return:	2.3%
Annualised volatility:	6.2%

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

While the underlying economic trends remained broadly favourable and constructive for risk assets, a number of factors served to disturb the calm in markets in August and produce a spike in volatility. Three events in particular caused investor concern: firstly, the serious escalation in the North Korean nuclear weapons crisis; second, one of the strongest hurricanes ever to reach the US mainland, the immediate effect of which was to take out 20% of US refining capacity; and finally the now familiar problem of the US reaching its debt limit set by Congress.

While initially unnerving investors, each of these events was ultimately kept in perspective. Although North Korea and the US are led by unpredictable and volatile characters, investors have made the reasonable assumption that outright nuclear conflict would be so catastrophic that neither party will take that option. The windstorms, while extremely costly and damaging in the short term, will pass and the costs of rebuilding will be readily absorbed. And while the debt ceiling problem will create lots of noise and fractious deal making between Congress and the President, a deal will be done.

Although these events caused short term wobbles in markets, they are unlikely to cause a sharp and sustained reversal in trend. What has remained key to investors is the global economy and here the news has remained almost universally positive: GDP in the key economies all showed good growth in Q2 (US +3.0%, Eurozone +2.6%, Japan +4.0% and China 7.0%); leading indicators, including consumer confidence, business surveys and capital expenditure plans, as well as strong employment growth, all point to a continuation of growth at a sustainable pace; and inflation remains remarkably subdued.

Despite mid month nervousness, equity markets managed to make upward progress in August, with the MSCI World Index adding 0.1% and emerging markets continuing their outperformance, up 2.2%, taking year to date returns to 13.5% and 28.3% respectively. The more risk averse sentiment and downward surprises on inflation pushed government bonds higher, with global government bonds returning 1.2%. Gold was a notable beneficiary of the flare up of global tensions, up 4.1% in the month, taking its year to date returns to 14.7%.

After their strong performance so far this year markets are entering a more difficult period. Although corporate profits have been strong, the rise in share prices over the past year has outstripped earnings and valuations have moved somewhat higher. The global economy appears well set for continuing growth but political tensions have risen and at the same time we are entering a period when the Fed and ECB are likely to announce some tightening of policy and reduced liquidity injections. This leaves markets vulnerable to a correction. However we believe it will be important to stay invested and periodic bouts of weakness in markets will present buying opportunities.

Source: Bloomberg, Momentum Global Investment Management 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.

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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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