

# VFPF International Cautious Fund

Month ended 31 January 2018

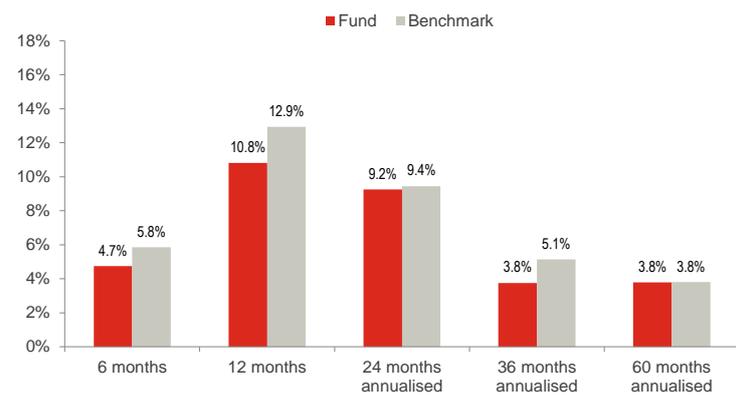
## Fund details†

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 1.2520</b> Price per share B: <b>USD 1.2005</b>

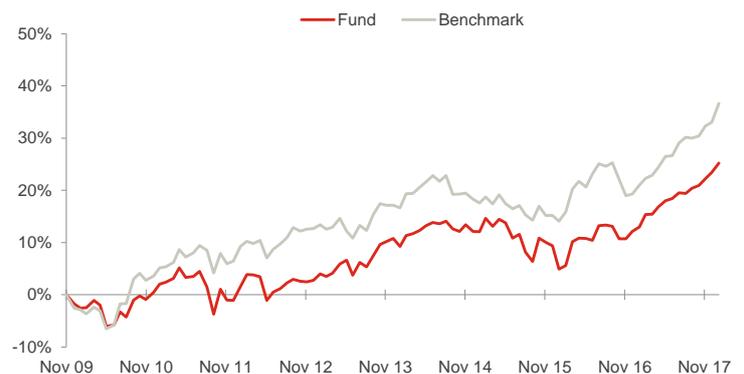
## Investment objective

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.

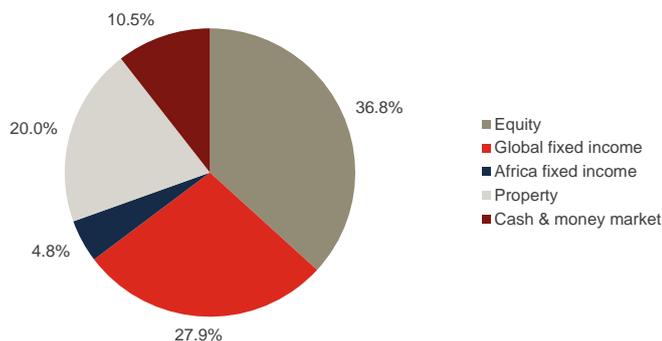
## Top holdings

Holdings	Asset type	Weight
Schroder Global Recovery	Equity	14.1%
PIMCO Global Bond	Fixed Income	13.2%
Prescient Global Income	Fixed Income	12.8%
Investec Global Franchise	Equity	10.3%
Nedgroup Global Flexible	Equity	10.2%
Nedgroup Global Equity	Equity	10.1%
Sesfikile Global Property	Property	7.6%
Bridge Global Property Income	Property	7.4%
Saffron African Yield Opportunity	Alternatives	4.7%
Cash	Cash	4.4%

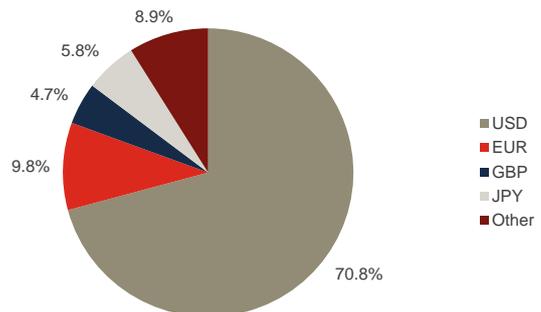
## Investment statistics (since inception)

Cumulative return:	25.2%
Annualised return:	2.8%
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.

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

## ■ Market commentary

Last year's pattern of performance – namely equities strong, bond yields rising and the dollar weak – continued into January. Global equities rose for a record 15<sup>th</sup> consecutive month, up 5.7% led by Asia and the US. Global emerging markets continued to outperform, buoyed by the strength in the global economy and a weak dollar, and returned 8.3% in January, with Asia and Latin America producing double digit gains. Global bonds had a difficult month with yields generally rising: the 1.1% return on the global bond index was almost entirely down to currency strength against the dollar, which converted negative local currency returns in the UK, Europe and Japan into positive returns in dollars.

As the month progressed, indications of continuing strong growth, especially in Europe and the US, where the success of Trump in getting his big tax reform package through Congress has boosted growth prospects for 2018, began to weigh more heavily on bonds. The 10 year US Treasury yield had already risen from 2% in early September 2017 to 2.4% by year end, but rose more quickly through January to end the month at 2.7%, the highest for almost four years. Signs of inflation beginning to pick up – especially in the US, with wage rises accelerating – increased concerns that bonds were vulnerable, bearing in mind the impending end of central bank asset purchase programmes.

The sell off in government bonds was reflected in credit markets, with most parts of the fixed income markets weaker in the month. However the higher coupon and short duration of high yield bonds enabled these to produce small gains. Other important moves in the month were in gold, supported by a weak dollar and up by 3.2%, and oil, which climbed to its highest level since late 2014 and reached \$70 per barrel, as strong growth boosted demand and OPEC supply cuts continued to bite into inventories.

Towards the end of the month the sell off in bonds began to have an impact on equity markets, which gave back some of their earlier gains. This has continued as at the time of writing, with the S&P 500 now slightly down year to date. After the exceptional gains of 2017 and the early weeks of 2018, some setback always appeared likely.

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.

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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.

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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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