

VFPF International Growth Fund

Month ended 29 December 2017

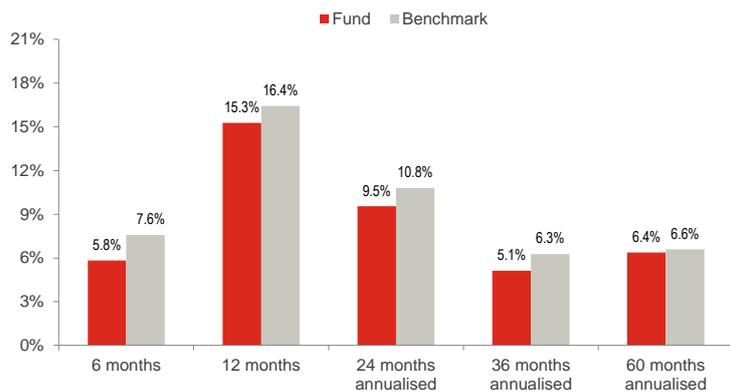
Fund details†

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: 5 years +
Benchmark: 60% MSCI AC World, 30% Citigroup WGBI, 10% Cash	Fund type: roll up, non distributor status Currency: USD
Inception: 25 November 2009	Price per share A: USD 1.4610 Price per share B: USD 1.4325

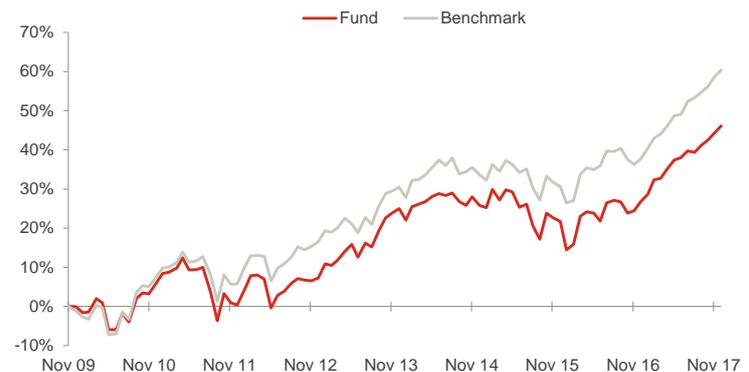
Investment objective

The Fund focuses primarily on long-term capital growth over the full investment cycle through a relatively high exposure to international growth assets. The portfolio will retain a good level of diversification, however, and will invest in a wide range of asset classes including cash, bonds, equities and property. The Fund is ideally suited to investors with an investment horizon of 5 years or longer and an intermediate (between moderate and high) risk tolerance.

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.

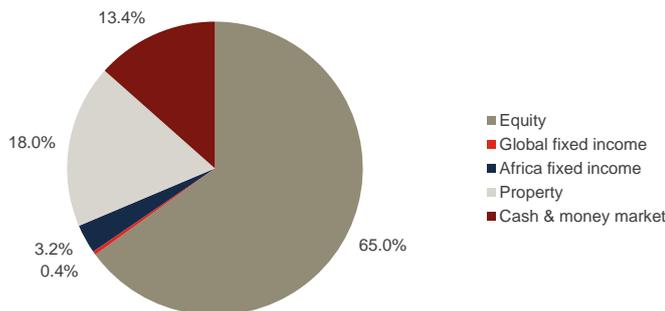
Top holdings

Holdings	Asset type	Weight
Schroder Global Recovery	Equity	24.0%
Investec Global Franchise	Equity	20.7%
Nedgroup Global Flexible	Equity	17.4%
Nedgroup Global Equity	Equity	14.4%
Sesfikile Global Property	Property	6.8%
Bridge Global Property Income	Property	6.7%
Nedgroup Global Property	Property	4.7%
Saffron African Yield Opportunity	Alternatives	3.4%
Cash	Cash	1.5%
PIMCO Global Bond	Fixed Income	0.4%

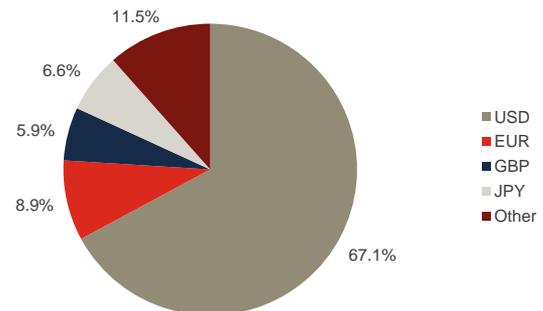
Investment statistics (since inception)

Cumulative return:	46.1%
Annualised return:	4.8%
Annualised volatility:	9.2%

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.

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

■ Market commentary

Global equities, measured by the MSCI All Countries World Index, rose by 1.6% in December, with emerging market equities (+3.6%) outperforming developed markets (+1.4%). UK stocks led the way in developed markets, gaining 5.1% in dollar terms over the month as oil majors rallied. The US gained 1.1% spurred by changes to US tax legislation along with robust corporate profits and improved growth prospects. Meanwhile European equities were the laggard (+0.6% in dollar terms), partly explained by the narrow victory declared by pro-independence parties in the Catalan election which reignited tensions in Spain.

Elsewhere global bonds returned 0.3%, with investment grade credit outperforming government debt. Commodities rose 3.1% with Brent crude oil up by 5.2% as investors grew more optimistic over China's growth outlook.

The Federal Reserve raised interest rates for the fifth time since the global financial crisis during December. Global financial markets were little moved by the quarter point rise, which increased the target for US short-term rates to between 1.25% and 1.5%. The timing and extent of future interest rate moves will be important for markets in 2018. Raising interest rates too quickly could stifle economic growth, triggering asset price falls. Alternatively, maintaining ultra-loose monetary policy for too long could allow risks to build-up in the financial sector, potentially prompting another crisis.

In its latest quarterly economic predictions, the Fed's median forecast for economic growth inched higher to 2.5% (previously 2.4%) for 2017 and to 2.5% for 2018 (previously 2.1%), taking into account the effect of tax cuts. The Fed also sees unemployment lower, dropping to 2.9% in 2018 from 4.1% previously. With slack disappearing from the labour market, this should lead to a further acceleration in wage growth and a feed-through to inflation.

The world enters 2018 in good health, the best since the financial crisis. However, 2018 will be a more challenging year than 2017's goldilocks environment. This year's key turning point in the monetary cycle, with a withdrawal of central bank liquidity and a gradual tightening of financial conditions globally, presents an increasing headwind. At the same time, valuations, already high as we entered 2017, have been pushed higher by the strong performance of markets. However this cycle is particularly long and we do not see evidence of overheating and a premature downturn. Opportunities for returns outweigh the risks and it will be important to stay invested, while the inevitable return of periodic bouts of weakness in equity 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.

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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 (Bailliwick 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 Growth Fund IC Limited is a registered incorporated cell of Momentum Mutual Fund ICC Limited, with registered number 50898.

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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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