

# VPFP International Growth Fund

Month ended 30 November 2017

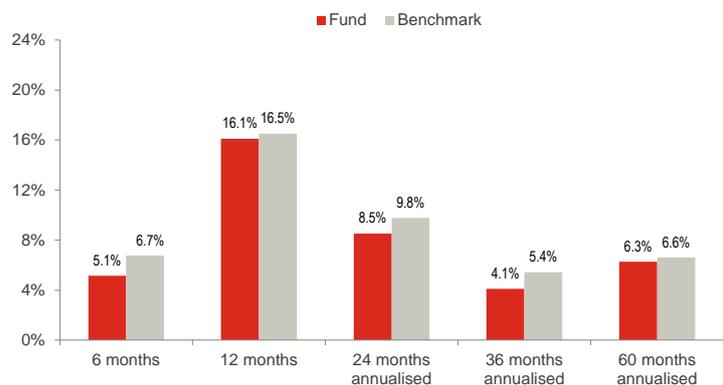
## Fund details†

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>5 years +</b>
Benchmark: <b>60% MSCI AC World, 30% 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 1.4443</b> Price per share B: <b>USD 1.4164</b>

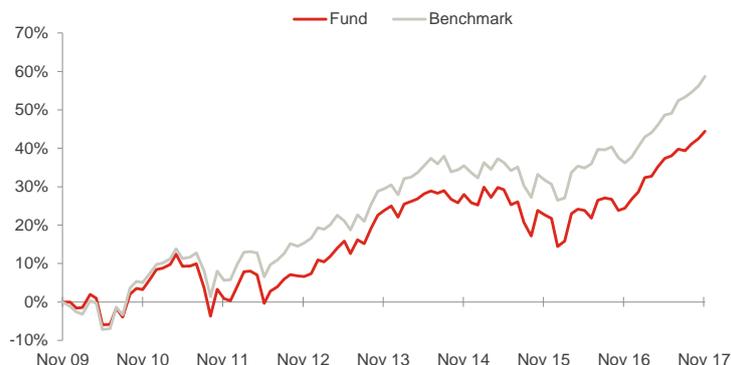
## Investment objective

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.

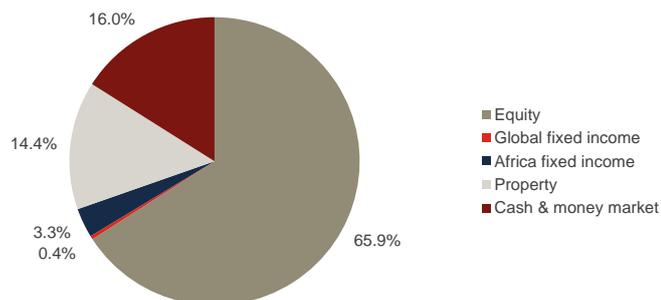
## Top holdings

Holdings	Asset type	Weight
Schroder Global Recovery	Equity	23.8%
Investec Global Franchise	Equity	20.8%
Nedgroup Global Flexible	Equity	17.4%
Nedgroup Global Equity	Equity	14.5%
Sesfikile Global Property	Property	6.8%
Sanlam Grindrod International Property	Property	6.6%
Nedgroup Global Property	Property	4.6%
Saffron African Yield Opportunity	Alternatives	3.4%
Cash	Cash	1.7%
PIMCO Global Bond	Fixed Income	0.4%

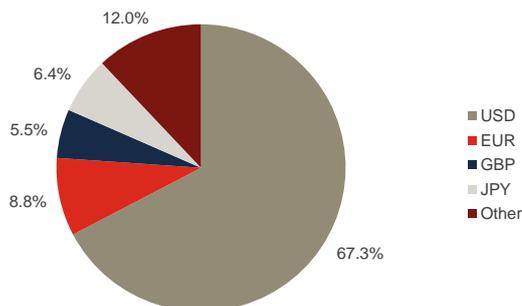
## Investment statistics (since inception)

Cumulative return:	44.4%
Annualised return:	4.7%
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.

\* Formerly known as Celtis Capital (Pty) Limited.

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

## ■ Market commentary

Global equities tracked sideways during the first half of the month, before rallying as confidence in the political backdrop in Germany rose and US retail activity received a seasonal boost. Developed markets ended the month up 2.2%, led by the US and Japan. Emerging markets were relatively muted, rising by 0.2% in aggregate. For the second month in a row, Asia delivered positive returns while Latin America sold off (-3.0%).

Global bonds also posted gains, rising by 1.1%, with government bonds outperforming credit and inflation linked bonds. Global property securities added 2.2% led by Australia and the US. Finally the gold price was fairly stable, rising 4 dollars to USD 1,275 (+0.3%).

The market has responded strongly to the acceleration in tax reform momentum in the US. The Bloomberg US GDP forecast for 2018 increased to 2.5% from 2.3% over the month. The biggest challenge will be when both chambers (the House and the Senate) have to agree on the details of the final bill, before obtaining final sign-off from President Trump. Progress on tax reforms in the US was enough to overshadow a rise in geopolitical tensions caused by North Korea's announcement that a powerful new intercontinental ballistic missile could place the US mainland within range.

The Eurostoxx 50 had shed 3.4% by mid-month after coalition talks failed in Germany. Germany's Social Democratic Party (SPD) initially rejected a coalition with German Chancellor Angela Merkel's conservative CDU/CSU party. Their subsequent decision to reverse their stance helped the equity market claw back some of its earlier losses towards the end of the month and European equities finished down 2.8%. The euro continued to appreciate against the dollar despite the re-pricing of short term interest rates in the US – interest rates are now expected to be 2.1% by 2020, 0.2% higher than at the start of the month – and European equities were therefore flat in dollar terms. Despite the political uncertainty, the European Commission's Economic Sentiment Indicator for Germany has continued to rise.

Japan is enjoying its longest growth streak in 16 years, after real GDP grew 0.6% quarter-on-quarter between June and September. With few inflation signs – attributed to low wage growth given the number of part-time workers in the labour market – any interest rate rises seems unlikely. The Topix index gained 1.5% over the month, responding to the improved outlook for global growth, while the yen rose 1.0% against the dollar.

Equity valuations have risen year to date but there are still areas of value, particularly outside of the US stock market, against a backdrop of coordinated global growth. Central banks have so far managed expectations around the withdrawal of stimulus well, but higher than expected inflation could lead to a more disorderly unwind of easy monetary policy and hence is a key variable to monitor in 2018.

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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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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