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 into a wide range of asset classes including cash, bonds, equities, commodities and property. The Fund is ideally suited to investors with an investment horizon of 5 years and longer and an intermediate (between moderate and high) risk tolerance.

**Investment objective**

The Fund performance is calculated on a total return basis, net of all fees and in US dollar terms. NAV to NAV figures have been used for the performance calculations. The performance is calculated for the Fund. The individual investor performance may differ, as a result of various factors, including the actual investment date. Investment performance calculations are available for verification upon request. Annualised returns are period returns rescaled to a period of 1 year.

**Past performance is not indicative of future returns.**

The composite benchmark for performance comparison provided in this document comprised: 1) Between 01.10.2021 and 30.11.2021: 60% MSCI AC World, 20% ICE BofA Global Government, 5% ICE BofA Global Inflation-Linked Government, 5% ICE BofA Global Corporate, 5% S&P Global Property, 10% Cash

**Top holdings**

- iShares Core MSCI World Equity 27.3%
- Satrix World Equity Tracker Equity 26.3%
- PIMCO Global Bond Fixed Income 12.3%
- Cash Cash 10.1%
- iShares Core MSCI Emerging Markets IMI ETF Equity 5.7%
- PIMCO Global Real Return Fixed Income 5.0%
- iShares Global Corporate Bond Fixed Income 4.8%
- iShares Global REIT Property 4.7%
- iShares Global Government Bond Fixed Income 3.8%

**Current asset allocation**

- Equity 59.3%
- Global fixed income 16.2%
- Global inflation linked 10.0%
- Global credit 9.5%
- Property 4.8%
- Cash & money market 4.7%

**Currency allocation**

- USD 62.1%
- EUR 7.0%
- JPY 4.0%
- GBP 12.0%
- Others 4.0%
Market commentary

All the gains in markets between mid-June and mid-August were erased in September. The principal cause of the sharp falls in markets was the persistence of high inflation rates across much of the developed world, triggered by rising oil prices. Oil prices have risen sharply as a result of higher costs by central banks, with the Fed in the vanguard dispelling any doubts about their resolve to bring inflation firmly under control, even if that means higher unemployment, a weak housing market and an extended period of below trend growth. Other central banks also tightened policy more aggressively. Most notable was the ECB, which faces even more challenging inflationary conditions than the Fed, leading to a further 75bps hike in September.

Commodity prices fell sharply, including the critical natural gas markets in Europe, and there is increasing evidence that supply chain pressures, while still high, are easing. Despite the falls in September, energy price levels are still 8-10x for those prevailing five years earlier in the EU, and 5-6x in the UK. Price rises of this magnitude, combined with high inflation and the sharp tightening of monetary policy, are damaging confidence of households and businesses.

The household and corporate sectors are in a healthy financial state and banks have very strong balance sheets and large capital buffers to weather the upcoming storm. There are no signs of significant systemic risks ahead, however, just as central banks were late in tightening policy to contain inflation, so they risk overkill by tightening too far.

Developed markets, measured by the MSCI World index, returned -9.3% over the month, with the US returning -9.2% while the UK returned -4.8% in local currency terms. Emerging markets fell 11.7% in local terms. Bond markets returned -5.3% in September, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries returning -3.3% and US corporate investment grade bonds returning -5.3%.

The camouflage across financial markets so far this year might not yet represent the moment of maximum risk aversion, but it has brought that time much closer. With peak inflation approaching, policy tightening well underway and growth slowing, markets will start to discount the recovery which will surely come. Patience, a longer-term perspective, and sensible diversification are invaluable at times like this, to avoid missing out on the early fruits of that recovery.

Source: Bloomberg Finance LP, Momentum Global Investment Management Limited

Features applicable to Class B participating shares

<table>
<thead>
<tr>
<th>Management and administration fee:</th>
<th>Investment management fee:</th>
<th>Sub-investment management fee:</th>
<th>Other applicable fees:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV of Fund</td>
<td>Fee per annum</td>
<td>1.05% per annum (maximum)</td>
<td>1.00% per annum (maximum)</td>
</tr>
<tr>
<td>Up to USD 30m</td>
<td>0.30%</td>
<td>paid out of the investment management fee</td>
<td></td>
</tr>
<tr>
<td>From USD 30m to USD 60m</td>
<td>0.25%</td>
<td></td>
<td>From USD 30m to USD 60m: 0.04%</td>
</tr>
<tr>
<td>Over USD 60m</td>
<td>0.20%</td>
<td></td>
<td>From USD 60m to USD 100m: 0.03%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>subject to a minimum of USD 22,000 per annum</td>
<td>From Over USD 100m: 0.02%</td>
</tr>
</tbody>
</table>

Risk warnings and important notes

Collective investments are generally medium to long-term investments. The value of investments may go down as well as up and past performance is not necessarily a guide to the future. Collective investments are traded at price. Costs incurred for the management of the trust and for ancillary services may be paid and, if so, would be included in the overall costs. All performance is calculated on a total return basis, after deduction of all fees and commissions and in US dollar terms. Forward pricing is used.

The Fund invests in other collective investments, which levy their own charges. This could result in a higher fee structure for the Fund. Fluctuations in the value of the underlying funds, the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed. Deductions of charges and expenses mean that you may not get back the amount you invested.

The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.

Higher risk investments may be subject to sudden and large falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies, even in developed markets, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.

Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.

The Fund will contain shares or units in underlying funds that invest internationally. The value of an investor’s investment and the income arising from it will therefore be subject to exchange rate fluctuations. Foreign securities may be subject to greater price volatility, due to the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of marketable securities.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments other than on the fund’s dealing days.

No borrowing will be undertaken by the Fund except for the purpose of meeting short term liquidity requirements. Borrowings will not exceed 10% of the net asset value of the Fund. For such purpose, the securities of the Fund will be pledged. No scrip borrowing will be allowed. The Collateral is not permitted to enter into any form of borrowing or loan arrangement with other cells of the Company or any other collective investment schemes of the Manager.

While derivative instruments may be used for hedging purposes, the risk remains that the relevant instrument may not necessarily fully correlate to the investments in the Fund and accordingly not fully reflect changes in the value of the investment, giving rise to potential net losses.

Forward contracts are neither traded on exchanges nor standardised. Principals dealing in these markets are also not required to make markets in the currencies they trade, with the result that these markets may experience periods of illiquidity. Banks and dealers will not normally act as principals and usually each transaction is negotiated on an individual basis.

The Manager has the right to close the Fund to new investors, in order to manage it more efficiently, in accordance with its mandate.

Investment in the Fund may not be suitable for all investors. Investors should obtain advice from their financial advisor before proceeding with an investment.

Investors are reminded that any forecasts and/or commentary included in this MD are not guaranteed to occur, and merely reflect the interpretation of the public information and proprietary research available to the Investment Manager at a particular point in time.

This report should be read in conjunction with the prospectus of Momentum Mutual Fund IIC Limited and the supplement, in which all the current fees and fund facts are disclosed. Copies of these scheme particular, including the Prospectus, Fund Supplement, and the annual accounts of the Scheme, which provide additional information, are available, free of charge, upon request from Momentum Wealth International Limited, La Plaiderie House, St Peter Port, Guernsey, GY1 1WF, Telephone 0044 1481 735450, or from our website www.momentum.co.gu.

A schedule of similarities and differences is also available to South African investors and can be found on our website www.momentum.co.za.

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. This report for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund.

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

Momentum Mutual Fund IIC Limited is an incorporated company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated company on 19 January 2003, the Fund was regulated as an exempt collective investment scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 2002. In giving this authorisation, the Guernsey Financial Services Commission do not vouch for the financial soundness of Momentum Mutual Fund IIC Limited or for the integrity of the investment management service it provides, nor are they accountable for 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 IIC Limited, with registered number 50898.

VPFP International Growth Fund IC Limited is approved under the South African Collective Investment Schemes Control Act (No. 45 of 2002).

Momentum Wealth International Limited is a fully member of the Association for Savings and Investments SA (ASISA).

Momentum Collective Investments (RF) (Pty) Ltd South African company registration No. 1987/004287/07, with its registered office at 268 West Avenue, Centurion, 0157, South Africa, has been appointed by the Manager as the Representative Office for the fund. Share call number 0800 111 899 Telephone +27 (0) 12 675 3002 Facsimile +27 (0) 12 675 8889.

Momentum Wealth International Limited is the Manager of the Fund.

Momentum Wealth International Limited is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa. Momentum Wealth International Limited is a member of the Association for Savings and Investments SA (ASISA).

Momentum Collective Investments (RF) (Pty) Ltd is an authorised manager of collective investment schemes in terms of the Collective Investment Schemes Control Act, No 45 of 2002.

Northern Trust International Fund Administration Services (Guernsey) Limited is the Fund Administrator, 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 in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa. Momentum Wealth International Limited is a member of the Association for Savings and Investments SA (ASISA).

Momentum Asset Management (Pty) Ltd, a South African registered company, is the appointed Sub-Investment Manager of the fund, with its registered office at 2nd Floor, 1 Melrose Boulevard, Melrose Arch, South Africa.

Vickers & Peters Financial Planning (Pty) Ltd, a South African registered company, is the appointed Distribution Partner of the fund, with its registered office at 2nd Floor, 1 Melrose Boulevard, Melrose Arch, South Africa.

Northern Trust (Guernsey) Limited is the Custodian, licensed by the Guernsey Financial Services Commission, with its registered office at PO Box 71, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DQ.

Momentum Wealth International Limited does not provide any guarantee, either with respect to the capital or the return of the Fund.

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