

Ampersand Momentum CPI Plus 2 FoF

Monthly Feedback – 31 May 2014

Portfolio Objective

The portfolio aims to generate positive returns over the short term while beating inflation by two percent over a three-year rolling period. The portfolio will be managed to achieve stable growth and will comply with the Prudential Investment Guidelines at all times.

Investable Universe of Portfolio

In order to achieve this objective, the assets normally included in the portfolio will consist of assets in liquid form and participatory interests of portfolios of collective investment schemes or other similar schemes in equity, bond, money or property markets, registered in South Africa, or portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa. The portfolio may invest in multi-asset class portfolios and is not limited to certain asset classes. The manager will be permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation. The portfolio will aim to achieve a minimum of 20% and a maximum of 30% in equity exposure.

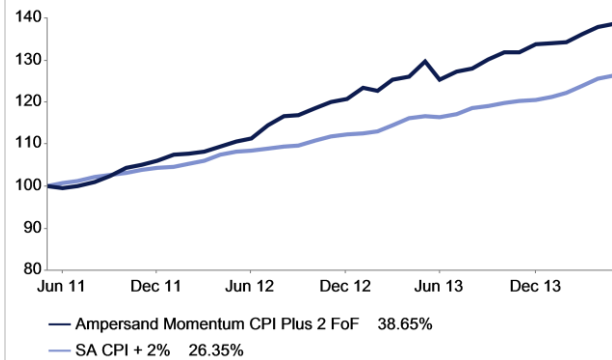
Portfolio Manager

Tom Barlow

Portfolio Comments

This month global markets saw positive returns with the MSCI World Index gaining 2.6%, while global bonds gained 1.0%, in rand terms. The rand weakened by 0.5% against the US dollar, ending the month at R10.57/US\$. US economic data was mixed this month. Unemployment decreased from 6.7% to 6.3%, below expectations. Inflation rose from 1.5% to 2.0%, the largest gain seen since July 2013. The gain in inflation was mostly due to higher food, rent and energy prices. It is likely that the Fed will continue tapering its asset purchase programme, with interest rate hikes expected to begin only after QE comes to an end. Japan's inflation saw a jump to 3.45% from 1.6% in April, as national sales tax boosted prices across the board. This was the fastest gain since 1991. Unemployment remained unchanged at 3.6% in the region. The UK unemployment rate declined to a five year low of 6.8% from 6.9%. Inflation saw a modest increase from 1.6% to 1.8%, slightly above expectations yet still below the BOE's target 2% level. The BOE kept the asset purchasing programme and interest rates unchanged. SA GDP fell from 3.8% to -0.6% in Q1 2014, indicating a contraction in the economy for the first time since 2009. The platinum strike was the main contributor to the fall, with negotiations remaining unresolved after 4 months. The SA trade deficit widened to R13 billion, greater than expected, as exports declined and local demand remains subdued. The JSE All Share index gained 1.6% while the All Bond index gained 1.14%. Most sectors contributed to this positive performance. Consumer Services (+9.6%) led gains, with Industrials (+1.6%) and Financials (+1.2%) performing positively while Resources (-4.3%) disappointed. The global economic environment is somewhat scattered right now and we proceed with caution. We strive to provide protection through diversification and manager selection.

Investment Performance as at 31 May 2014

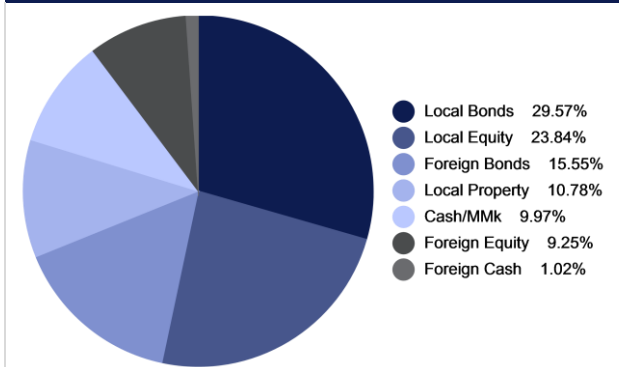


Portfolio Data

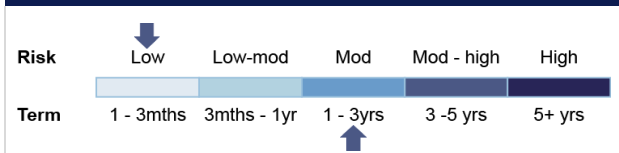
ASISA Classification	SA - Multi Asset - Low Equity
Portfolio Benchmark	CPI + 2% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 1.15 billion
Launch Date	12 May 2008
Minimum Investment	Lump Sum R 10,000 Monthly R 1,000
Initial Management Fee (Class A)	0.00% (incl. VAT)
Annual Management Fee (Class A)	0.798% p.a. (incl. VAT)
Total Expense Ratio* (Class A)	1.44%

* 01 April 2013 to 31 March 2014

Asset Allocation as at 31 May 2014



Risk Classification



Distribution to Investors (CPU)				
	Dividend	Interest	Total	Yield %
Jun`12	0.173	0.819	0.992	0.868
Dec`12	0.145	1.117	1.262	1.082
Jun`13	0.219	1.582	1.801	1.438
Dec`13	0.097	1.528	1.625	1.268

*Distribution takes place **Semi-annually** : June, December*

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Collective Investment Schemes (CIS) in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. All CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the Momentum Collective Investments Limited. Commission may be paid and if so, would be included in the overall costs. A Fund of Funds portfolio is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Momentum Collective Investments Limited reserves the right to close and reopen certain portfolios from time to time in order to manage them more efficiently. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of participatory interests apply to certain portfolios, which are subject to different fees and charges. Momentum Collective Investments Limited's portfolios are valued daily at 08h30. Instructions must reach Momentum Collective Investments Limited before 14h00 to ensure same day value.

Performance figures quoted are from Morningstar, as at the date of this factsheet, for a lump sum investment, using NAV-NAV prices with income distributions reinvested. CPI/Inflation figures are lagged by one month.

For the period from 01 April 2013 to 31 March 2014 the Total Expense Ratio (TER) is the percentage of the average Net Asset Value (NAV) of the portfolio incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.

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