

**Ampersand Momentum CPI Plus 4 FoF**

Monthly Feedback – 31 July 2014

**Portfolio Objective**

The portfolio aims to generate positive returns over the short term while beating inflation by four 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 40% and a maximum of 50% in equity exposure.

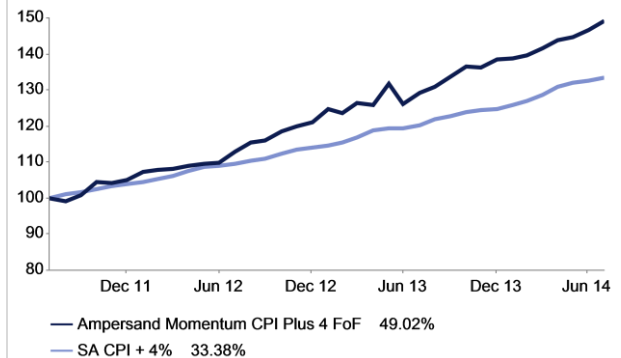
**Portfolio Manager**

Tom Barlow

**Portfolio Comments**

This month global markets retracted marginally with the MSCI World Index declining by 0.5%, while global bonds declined by 0.1%, in rand terms. The rand weakened by 0.7% against the US dollar, ending the month at R10.70/US\$. China saw a slight uptick in GDP to 7.5% from 7.4% in the previous quarter. This was the first sign of growth in 3 quarters as China's stimulus efforts seem to be making an impact. US unemployment saw a decrease of 20 bps to 6.1%. GDP surged to 4.0% in Q2 2014 from the disappointing -2.1% (a revision from -2.9%) in Q1 2014. The Fed continued to taper their QE program by US\$10 billion at this month's FOMC meeting. The interest rate remained unchanged. UK unemployment marginally decreased in line with expectations. CPI increased from 1.5% to 1.9%, surprising on the upside. The highest contributors to this uptick were the increase in alcohol and tobacco (5%), housing costs (3.2%) and clothing and footwear (2.4%). The JSE All Share index and All Bond index both saw marginal gains this month, rising 0.9% and 1.0% respectively. Most sectors contributed to this positive performance. Basic Materials (+5.8%) led gains, with Resources (+4.8%), Financials (+1.2%) and Industrials (1.4%) performing positively. We still believe that there are opportunities in the current global economic environment. On that note we have recently decreased our nominal fixed interest exposure in favour of local listed property. We view listed property as a better alternative income enhancer as well as a diversifier and inflation hedge within the portfolios.

**Investment Performance as at 31 July 2014**

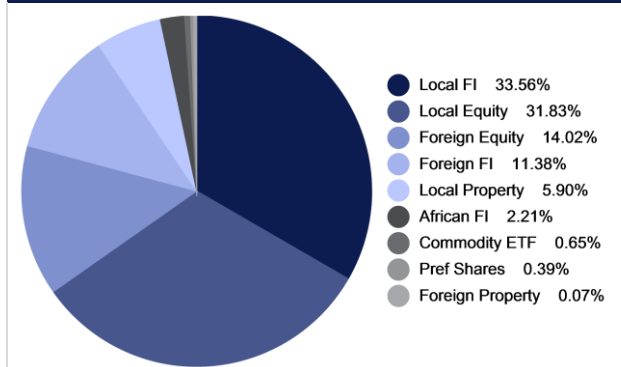


**Portfolio Data**

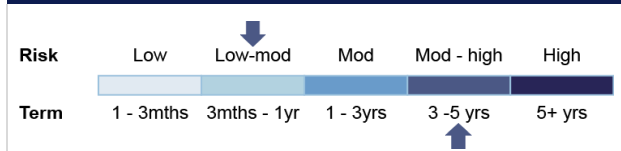
<b>ASISA Classification</b>	SA - Multi Asset - Medium Equity
<b>Portfolio Benchmark</b>	CPI + 4% (after fees)
<b>Type of Portfolio</b>	Retail
<b>Portfolio Size</b>	R 1.50 billion
<b>Launch Date</b>	12 May 2008
<b>Minimum Investment</b>	Lump Sum R 10 000 Monthly R 1 000
<b>Initial Management Fee (Class A)</b>	0.00% (incl. VAT)
<b>Annual Management Fee (Class A)</b>	0.798% p.a. (incl. VAT)
<b>Total Expense Ratio* (Class A)</b>	1.52%

\* 01 April 2013 to 31 March 2014

**Asset Allocation as at 31 July 2014**



**Risk Classification**



Distribution to Investors (CPU)				
	Dividend	Interest	Total	Yield %
Dec`12	0.153	0.671	0.823	0.728
Jun`13	0.387	1.088	1.475	1.190
Dec`13	0.153	1.133	1.286	1.008
Jun`14	0.254	1.192	1.445	1.042

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

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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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