

**Ampersand Momentum CPI Plus 6 FoF**

Monthly Feedback – 31 May 2014

**Portfolio Objective**

The portfolio aims to generate positive returns over the short term while beating inflation by six 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 60% and a maximum of 75% in equity exposure.

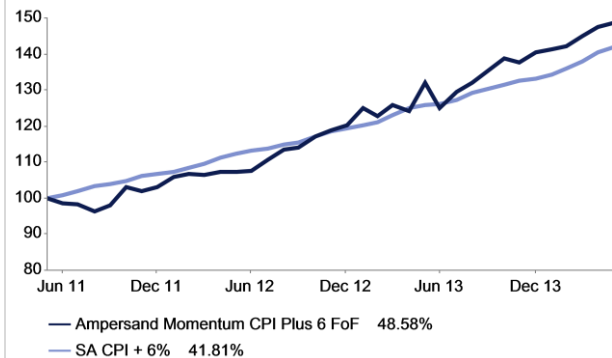
**Portfolio Manager**

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**

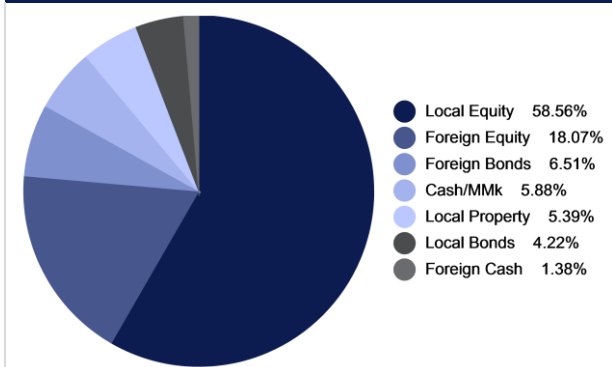


**Portfolio Data**

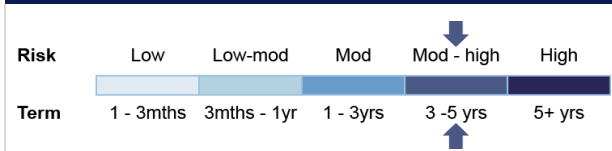
<b>ASISA Classification</b>	SA - Multi Asset - High Equity
<b>Portfolio Benchmark</b>	CPI + 6% (after fees)
<b>Type of Portfolio</b>	Retail
<b>Portfolio Size</b>	R 406.13 million
<b>Launch Date</b>	12 May 2008
<b>Minimum Investment</b>	Lump Sum R 10,000 Monthly R 1,000
<b>Initial Management Fee (Class 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>	1.53%

\* 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	0.447	0.283	0.731	0.663
Dec`12	0.241	0.219	0.461	0.417
Jun`13	0.579	0.601	1.180	0.957
Dec`13	0.206	0.654	0.860	0.678

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

## DISCLAIMER

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.

Momentum Collective Investments Limited is the Manager of the Momentum Collective Investments Scheme, and a full member of the Association for Savings and Investment SA. The Standard Bank of South Africa Limited (PO Box 54, Cape Town, 8000) is the Trustee of Momentum Collective Investments Scheme. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, Momentum Collective Investments Limited does not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of Momentum Collective Investments Limited's product.

FAIS Conflict of Interest Disclosure: Please note that in most cases where the Financial Services Provider (FSP) is a related party to Ampersand Asset Management and/or Momentum, Ampersand Asset Management and/or the distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client.