

**Ampersand Momentum CPI Plus 2 FoF**

**MONTHLY FEEDBACK - 31 January 2013**

**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 the Republic of 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 the Republic. The portfolio will predominantly 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.

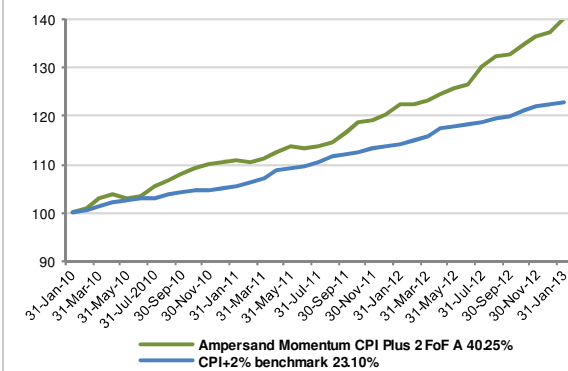
**Portfolio Manager**

Tom Barlow

**Portfolio Comments**

Global equities started the year strongly with many stock markets around the world reaching multi-year highs. The MSCI World Index rose 10.14% in rand terms, supported by the weakening of the rand against the US dollar, of 6.01%. Global bonds fell 3.96%. Markets were lifted by investor confidence in the ability of politicians to bypass disasters and the power of central banks. Republicans and Democrats reached a last minute agreement to avoid the fiscal cliff and the decision on spending cuts and the debt ceiling was postponed. The Fed concluded its meeting by keeping rates unchanged and continuing its bond-buying efforts. The Bank of Japan decided to raise its inflation target from 1% to 2% by adopting an "open-ended asset purchasing method". This had a significant effect on improving investment sentiment towards riskier assets. As expected, Fitch downgraded SA's government bond rating by one notch to BBB from BBB+. Clearly the socio-political environment has deteriorated significantly in recent months, highlighted by the recent labour disputes in the mining and transport sectors. The All Share Index continued its expansion to new record highs over the month, closing 3.23% up. Resources led gains, returning 3.32%, followed by industrials which added 3.22%. Financials gained 3.12%, while property trailed behind with 0.99%. Local Bonds returned 0.07%. Against this backdrop of pro-growth policies, offshore equities look set to continue to outperform bond markets. Markets, however, remain in uncertain territory and we thus maintain a cautious approach. We remain marginally overweight in offshore equities and underweight in Fixed Interest. We believe that assuming a more active investment approach, particularly in the area of stock selection, will assist in adding value in these uncertain times.

**Investment Performance as at 31 January 2013**

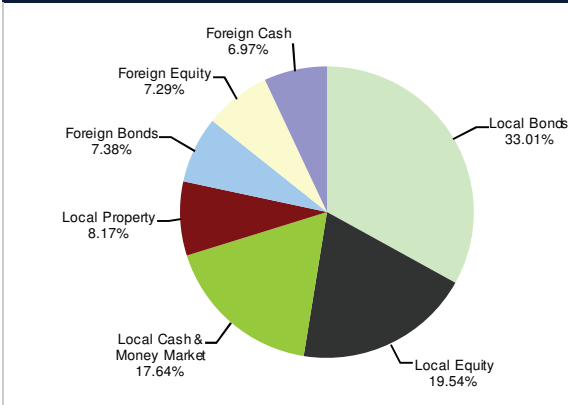


**Portfolio Data**

<b>ASISA Classification</b>	Asset Allocation - Prudential Low Equity
<b>Portfolio Benchmark</b>	CPI +2% (after fees)
<b>Type of Portfolio</b>	Retail
<b>Portfolio Size</b>	R 930.29 million
<b>Launch Date</b>	12/05/2008
<b>Inception Date</b>	18/04/2008
<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% (incl. VAT)
<b>Total Expense Ratio* - Class A</b>	1.65%

\*01 January 2012 to 31 December 2012

**Asset Allocation as at 31 January 2013**



**Risk Classification**

<b>Risk</b>	Low	Low-Mod	Mod	Mod-High	High
<b>Term</b>	1-3mths	3mths-1yr	1-3 yrs	3-5yrs	5+yrs

<b>Distribution to Investors (CPU) **</b>	
	<b>31/12/2012</b>
<b>Dividend</b>	0.145
<b>Interest</b>	1.117
<b>Distribution</b>	<b>1.262</b>

*Distributions take place in June and December*

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