

Ampersand Momentum CPI Plus 2 FoF

Monthly Feedback – 31 August 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.

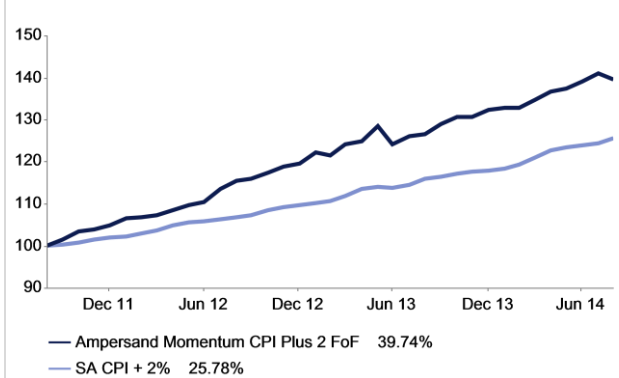
Portfolio Manager

Tom Barlow

Portfolio Comments

This month the MSCI World Index gained 1.4%, while global bonds declined by 0.2%, in rand terms. The rand strengthened by 0.8% against the US dollar, ending the month at R10.66/US\$. Global growth was mixed this quarter. US GDP saw a significant upward revision to 4.2% in the second quarter, from the 2.1% contraction in the previous quarter. This uptick was attributed to a rise in business investment and inventories. Preliminary data showed that UK GDP expanded by 3.2% in Q2, beating expectations of 3.1%. EU GDP declined by 0.2% to 0.7%. Japan saw a 10 bps rise to 3.8% in the unemployment rate, which was slightly worse than expectations. Inflation declined by 20 bps to 3.4%, in line with expectations, due to food inflation stabilising. Recent economic data from Japan has displayed signs of weakness but occasional positive data seems to be delaying any further stimulus from the BOJ. The South African trade deficit for July increased to -R6.88 billion from -R469.80 million, worse than expectations of -R2.5 billion. This widening was attributed to a weakening in exports due to supply disruptions from the labour strikes and high wage settlements. The JSE All Share index saw its first negative month since January this year declining by 0.5% while the All Bond index gained 2.8%. Resources (-5.4%) led the decline while Mobile Telecoms (+9.6%), Financials (+1.4%) and Industrials (1.1%) performed positively. Domestically the underlying conditions remain weak and it is likely this will continue into the third quarter. Global economic data is mixed and in some regions the recovery is still unclear. We anticipate a more volatile environment going forward and believe being more cautiously positioned is the most appropriate strategy. Diversification remains key.

Investment Performance as at 29 August 2014

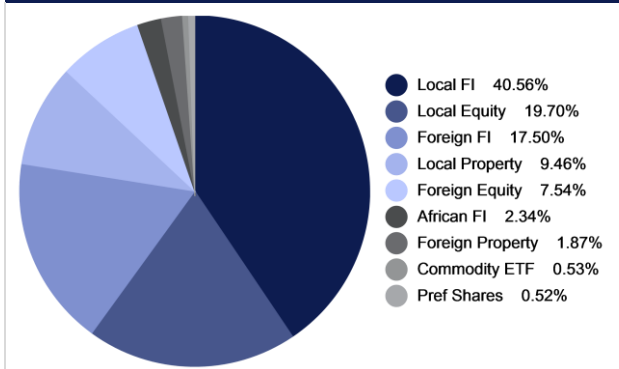


Portfolio Data

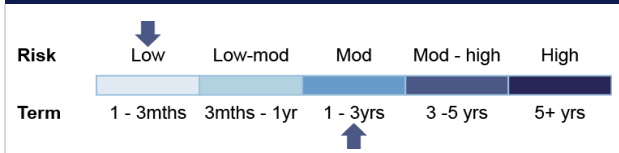
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|---|--------------------------------------|
| ASISA Classification | SA - Multi Asset - Low Equity |
| Portfolio Benchmark | CPI + 2% (after fees) |
| Type of Portfolio | Retail |
| Portfolio Size | R 1.19 billion |
| Launch Date | 12 May 2008 |
| 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) | 1.49% |

* 01 July 2013 to 30 June 2014

Asset Allocation as at 29 August 2014



Risk Classification



| Distribution to Investors (CPU) | | | | |
|---------------------------------|----------|----------|-------|---------|
| | Dividend | Interest | Total | Yield % |
| 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 |
| Jun`14 | 0.153 | 1.504 | 1.657 | 1.227 |

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 (RF) (Pty) Ltd. 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 (RF) (Pty) Ltd 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 (RF) (Pty) Ltd's portfolios are valued daily at 08h30. Instructions must reach Momentum Collective Investments (RF) (Pty) Ltd 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 July 2013 to 30 June 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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