

Ampersand Momentum CPI Plus 4 FoF

MONTHLY FEEDBACK - 31 December 2012

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 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 South Africa. 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 40% and a maximum of 50% in equity exposure.

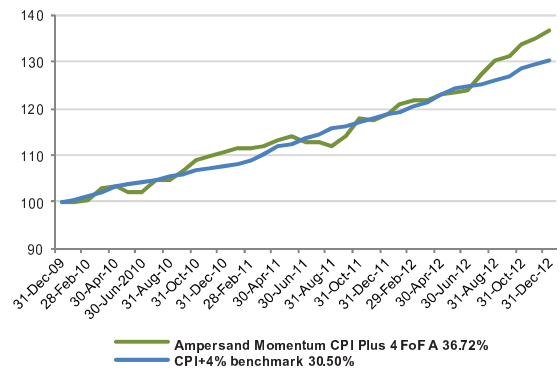
Portfolio Manager

Tom Barlow

Portfolio Comments

Global equity markets were down 3.11% in rand terms this month mostly contributed by a strengthening of the rand to the US dollar, of 5.28%. Global bonds were down 5.23%. Market reaction appeared somewhat muted despite the impending fiscal cliff headwind showing that Obama and the Congress would negotiate and have no vested interest in throwing the US back into recession. Although the impending U.S. fiscal deal sets the stage for further budget confrontations in the coming months, the fiscal drag for 2013 will be less than the 4% of GDP that was forecasted if no deal was to be reached. This suggests that the U.S. economy should avoid a recession in 2013 especially since the Fed announced QE4 as expected during the December Federal Open Market Committee (FOMC) meeting. It however surprised markets by announcing rates will stay low as long as the unemployment rate is above 6.5% and inflation is below 2.5%. On the Japanese front, newly elected Prime Minister Shinzo Abe has put intense pressure on the Bank of Japan to further ease monetary policy. The All Share Index continued its expansion to new record highs over the month, closing 3.51% up. Financials led gains, returning 5.72%, followed by resources which added 3.46%. Industrials gained 2.64%, while property trailed behind with 0.77%. Local Bonds returned 2.30%. SA's trade deficit narrowed to R7.94bn from record levels seen the previous month as imports of vehicles and aircraft dropped and labour unrest ebbed, allowing mining exports to tick up. 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 December 2012

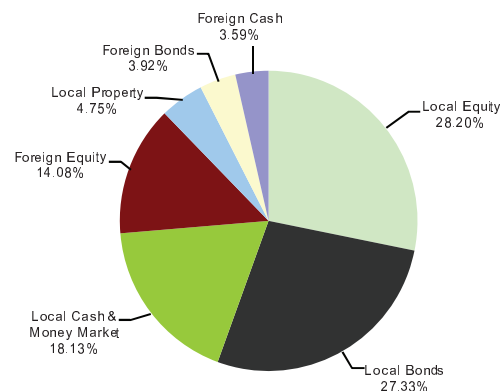


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Medium Equity
Portfolio Benchmark	CPI +4% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 1.2 billion
Launch Date	12/05/2008
Inception Date	18/04/2008
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% (incl. VAT)
Total Expense Ratio* - Class A	1.64%

*01 October 2011 to 30 September 2012

Asset Allocation as at 31 December 2012



Risk Classification

Risk	Low	Low-Mod	Mod	Mod-High	High
Term	1-3mths	3mths-1yr	1-3 yrs	3-5yrs	5+yrs

Distribution to Investors (CPU) **	
	31/12/2012
Dividend	0.153
Interest	0.670
Distribution	0.823

Distributions take place in June and December

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