

Ampersand Momentum CPI Plus 4 FoF

Monthly Feedback – 28 February 2015

Portfolio Objective

The portfolio aims to beat inflation by four percent over a three-year rolling period. The portfolio will be managed to achieve relatively 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.

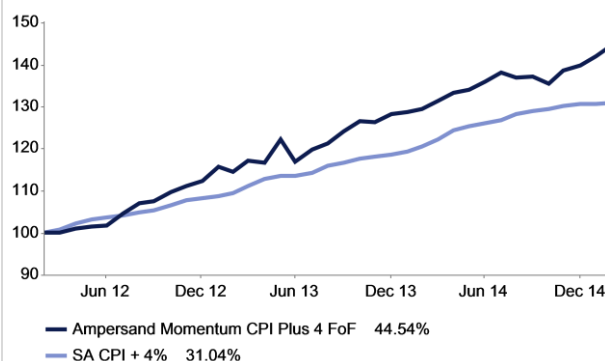
Portfolio Manager

Tom Barlow

Portfolio Comments

Global equity markets rebounded in February, led by Developed Markets. The MSCI AC World Index gained 5.8% in rand terms, boosted by a marginally weaker rand/US dollar exchange rate (-0.2%). Global bonds withdrew -1.1% in rand terms. US inflation turned negative in January (-0.1% y/y), the lowest rate since late 2009, as households continued to cut back on purchases and gasoline prices declined. EU inflation fell further into deflationary territory in January (-0.6% y/y), driven mainly by the fall in energy prices. The People's Bank of China (PBOC) surprised markets with an unexpected 25bps cut in interest rates, in an attempt to address the slowing economy. We had a few welcome surprises in local data this month. SA inflation fell to 4.4% y/y, on the back of the lower petrol price. SA GDP surprised on the upside, largely driven by the manufacturing sector, rising by 4.1% q/q annualised (+2.2% q/q in Q3 2014, +0.7% q/q in Q2 2014 and -1.7% q/q in Q1 2014). The South African economy will, however, continue to be constrained by regular electricity shortages, labour-related issues and a drop-off in consumer and business confidence. The All Share Index continued its upward trend, adding 4.1% and reaching new record highs in February. Resources were the standout winner (+8.4%) with General Mining adding 14.2%. Financials, Industrials and SA Listed Property were all positive (+3.4%, +2.9% and +3.2% respectively) while the All Bond Index gave back some of the recent gains, dipping by -2.8%. We remain cautiously optimistic but well diversified as downside risks to performance remain a growing concern. We have added to our local property position as well as introduced global property to the portfolios as an additional diversifier and a yield-enhancing alternative to fixed income instruments.

Investment Performance

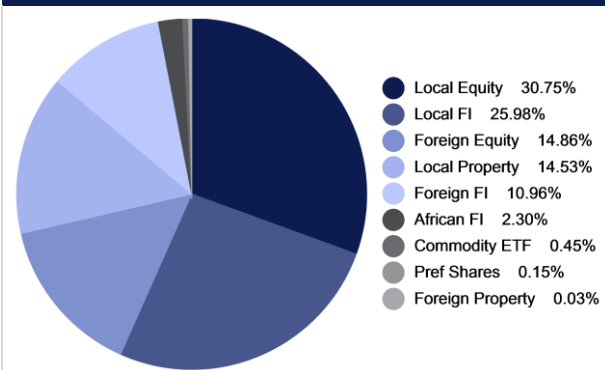


Portfolio Data

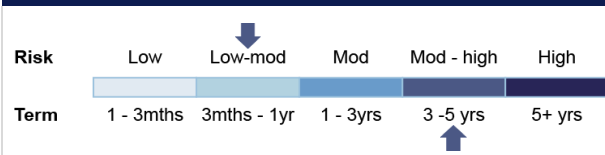
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|---|--------------------------------------|
| ASISA Classification | SA - Multi Asset - Medium Equity |
| Portfolio Benchmark | CPI + 4% (after fees) |
| Type of Portfolio | Retail |
| Portfolio Size | R 1.53 billion |
| Launch Date | 12 May 2008 |
| 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) | 1.64% |

* 01 January 2014 to 31 December 2014

Asset Allocation



Risk Classification



| Distribution to Investors (CPU) | | | | |
|---------------------------------|----------|----------|-------|---------|
| | Dividend | Interest | Total | Yield % |
| 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 |
| Dec`14 | 0.429 | 0.687 | 1.117 | 0.768 |

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

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