

Ampersand Momentum CPI Plus 4 Fund of Funds

Momentum Collective Investment Scheme (CIS) portfolio

Class A | Minimum Disclosure Document (MDD) as at 31 December 2015

Assets managed by: Ampersand Asset Management

Portfolio Objective

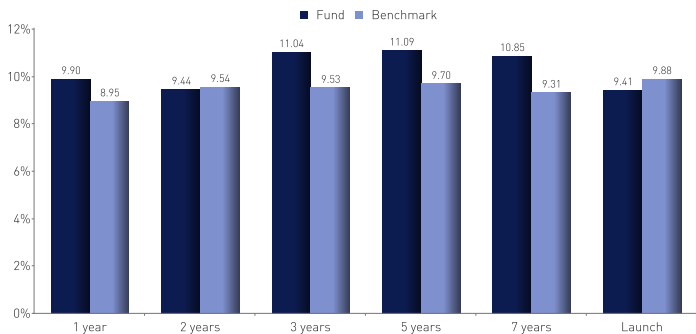
The portfolio aims to beat inflation by four percent over a three-year rolling period. The portfolio will be managed to achieve relatively stable growth and will comply with the Prudential Investment Guidelines at all times.

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.

Performance

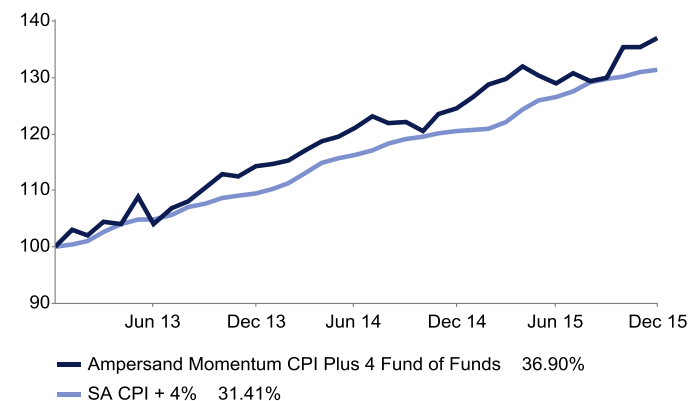
Annualised returns (%)



Yearly returns (%)

	Dec 09	Dec 10	Dec 11	Dec 12	Dec 13	Dec 14	Dec 15
Fund	9.87	10.65	7.22	15.24	14.31	8.98	9.90
BM	8.93	7.74	10.17	9.73	9.52	10.13	8.95

Cumulative (%)



Portfolio information

Portfolio inception	12 May 2008
Portfolio size	R 1.59 billion
Launch date	12 May 2008
Launch price	100.00 (cpu)
Latest price (31/12/2015)	160.92 (cpu)
Benchmark	CPI + 4% (after fees)
ASISA sector	SA - Multi Asset - Medium Equity

Codes

JSE	VPCFF
ISIN	ZAE000118956
Bloomberg	AMPMC4A

Minimum investment

Lump sum	R 10,000	Monthly	R 1,000
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Portfolio managers

Tom Barlow, CFA

Portfolio charges

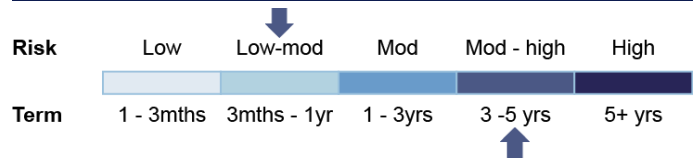
Initial management fee	0.00% (incl. VAT)
Initial advisory fee	0% - 3.42% (incl. VAT)
Annual management fee	0.798% p.a. (incl. VAT)
Annual advisory fee	0% - 1.14% (incl. VAT)
Total expense ratio (TER) (incl.VAT):	1.76%

Income distribution (cpu)

	Dividend	Interest	Total
Dec'14	0.429	0.687	1.117
Jun'15	0.472	0.622	1.095
Nov'15	0.527	0.654	1.187
Dec'15	0.000	0.000	0.000
Jan'15 - Dec'15	0.999	1.276	2.281

Distribution takes place Semi-annually : June, December

Risk/profile reward



3 year statistics

Standard deviation ¹⁾	5.84
Sharpe ratio ²⁾	0.85
Information ratio ³⁾	0.23
Largest negative monthly return	-4.33%
Number of positive months	27 / 36

¹⁾Standard deviation – measures the volatility of fund returns

²⁾Sharpe ratio – fund return minus cash return (STeFI composite), divided by the Standard deviation (of fund returns)

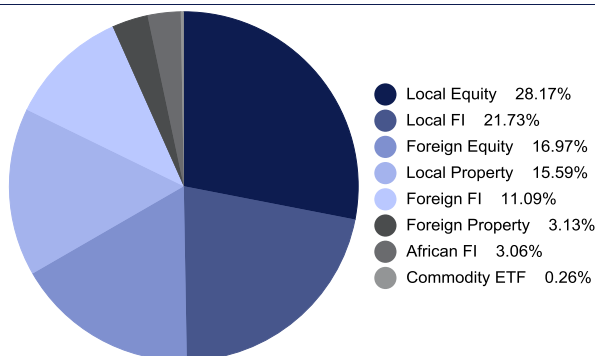
³⁾Information ratio – return per unit of risk against the benchmark

Portfolio Comments

At Ampersand we have been concerned about stormy weather and nasty surprises for the past 18 months and the past 6 months have been a rude reminder of how volatile risk assets can be over the shorter term. The replacement of the Minister of Finance took centre stage this month. The rand continued to weaken against the US dollar which led to positive gains from the MSCI AC World Index (5.52%) and global bonds (8.37%) in rand terms. The rand weakened by 7.16% against the US dollar, ending the month at R15.46/US\$. US investors have been waiting a long time for the first interest rate hike by the US Federal Reserve ("the Fed"). The Fed finally raised interest rates a quarter of a percentage in December, previously holding its benchmark federal-funds rate near zero for seven years. The US has added an average of 237 000 jobs a month over the past 12 months and US unemployment remained unchanged at 5.0%. Janet Yellen, chair of the Fed, said that the US economy has come a long way, though normalisation is likely to proceed gradually. In South Africa, Nhlhlanhla Nene was unexpectedly removed as Finance Minister by President Jacob Zuma. David van Rooyen, who was relatively unknown at the time, was appointed as the new Minister of Finance on 9 December. The announcement has sent shock waves across the country and the rand depreciated by more than 5.0% against the US dollar. Financial markets fell sharply causing chaos. Van Rooyen was replaced with Pravin Gordhan 4 days later. The equity and bond market did recover but the rand remained on the back foot. The South African economy remained under pressure at the end of 2015 and the outlook for 2016 remains poor. A severe drought is hampering the crop yields and interest rates are trending higher. Domestic growth is around 1.30% for 2015 and 0.20% forecasted in 2016. The South African Reserve Bank is expected to hike interest rates in 2016 although the pace of increases is expected to be gradual. The JSE All Share index ended the month down -1.72% with local bonds (-6.68%) and SA Listed Property (-6.13%) being the biggest losers. Resources skewed the losses from last month's loss of -20.66% but still ended the month down -3.87%. 2015 was a strong year for Industrials (+15.13%) and a decent year for Financials (+3.91%). It was an extremely tough year for Resources losing -36.99%. We remain cautiously optimistic about the portfolios, yet our concerns around market valuations and external risks remain. We need to urge investors to remain patient and committed to their chosen investment strategy as negative surprises are possible. We are comfortable with the positioning of the portfolios at this time and continuously monitor the landscape for further opportunities to reduce risk or generate return.

Holdings

Asset allocation



Portfolio holdings (%)

VFPF International Growth IC A	26.90
Ampersand Momentum Equity B	26.49
Saffron MET Inflation Linked Bond B	16.45
Ampersand Momentum Flex Property Inc	15.30
Saffron MET Top 20 B	3.43
Saffron African Yield Opportunity B	3.06
Saffron MET Opportunity Income C1	2.83
Saffron MET Inflation Linked Bond ABIL RF	0.41
Saffron MET Opportunity Income ABIL RF A	0.06
STANLIB Extra Income ABIL RF	0.04
Foreign Cash/Money Market	4.30
Local Cash/Money Market	0.74

Disclosures

Momentum Collective Investments (RF) (Pty) Ltd (the "Manager"), registration number 1987/004287/07, is authorised in terms of the Collective Investment Schemes Control Act (CISCA) to administer Collective Investment Schemes (CIS) in Securities. The Manager is the manager of the Momentum Collective Investments Scheme, and MMI Holdings Ltd is a full member of the Association for Savings and Investment SA. Standard Bank of South Africa Limited (+27 (0)21 441 4100 PO Box 54, Cape Town, 8000) is the trustee of the scheme. Ampersand Momentum CPI Plus 4 Fund of Funds is a portfolio of the Momentum Collective Investments Scheme and Ampersand Asset Management (Pty) Ltd, registration number: 2007/006571/07, an approved financial services provider (FSP) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002), FSP number: 33676, is responsible for managing the assets of this portfolio. CIS 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. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of units apply to portfolios, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. The Manager reserves the right to close and reopen certain portfolios from time to time in order to manage them more efficiently in accordance with their mandate. Portfolios are valued daily at approx. 15h00, latest prices can be viewed at www.momentuminv.co.za. Forward pricing is used. Instructions must reach the Manager before 14h00 to ensure same-day value. The Manager does not provide any guarantee, either with respect to the capital or the return of this portfolio. Additional information on the proposed investment can be obtained, free of charge, at www.momentuminv.co.za or may be requested from the Manager.

Ampersand Momentum CPI Plus 4 Fund of Funds is a Fund of Funds CIS portfolio. A Fund of Funds, apart from assets in liquid form, consists solely of participatory interests in portfolios of CIS, which may levy their own charges, which could result in a higher fee structure for Fund of Funds than some other forms of CIS portfolios.

Ampersand Momentum CPI Plus 4 Fund of Funds is a third party named CIS portfolio, the assets of which are administered by Ampersand Asset Management (Pty) Ltd, registration number: 2007/006571/07, a registered financial services provider, FSP number: 33676. The Manager retains full legal responsibility for all third party named CIS portfolios under the Momentum Collective Investments Scheme.

The Total Expense Ratio (TER) has been calculated using data from 01 October 2014 until 30 September 2015. The TER is disclosed as a percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER does not include transaction costs. The TER is calculated quarterly but may additionally be re-calculated with effect from any significant portfolio restructurings and/or fee changes occurring. A higher TER ratio 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 TER's.

Performance is calculated for a portfolio/portfolio class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. Annualised returns, also known as Compound Annualised Growth Rates (CAGR), are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Manager on request. Performance figures quoted are from Morningstar, as at 31/12/2015, for a lump sum investment, using NAV-NAV prices with income distributions reinvested on the ex-

Contact and other information

Scheme

Momentum Collective Investments Scheme

Custodian/Trustee

Standard Bank of South Africa Limited
Telephone: +27 (0)21 441 4100

Management company

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Registration no.: 1987/004287/07

Third party manager

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ASSET MANAGEMENT