

**Ampersand Momentum Equity Fund**

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 Ampersand Momentum Equity Fund is an equity portfolio that seeks to sustain high long-term capital growth.

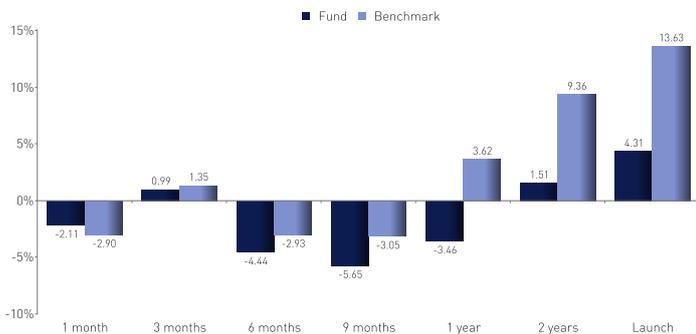
**Investable Universe of Portfolio**

The portfolio's investment universe consists of financially sound equity securities, preference shares, convertible bonds, property shares and property related securities listed on exchanges and assets in liquid form. The portfolio's equity exposure will always exceed 80% of its net asset value. The manager may also invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective schemes which are consistent with the portfolio's investment policy. Where schemes are operated in territories other than South Africa, participatory interests will be included in the portfolio only where the regulatory environment is of sufficient standard to provide investor protection at least equal to that in South Africa. The portfolio may invest in financial instruments and may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

**Performance**

**Cumulative and annualised returns (%)**

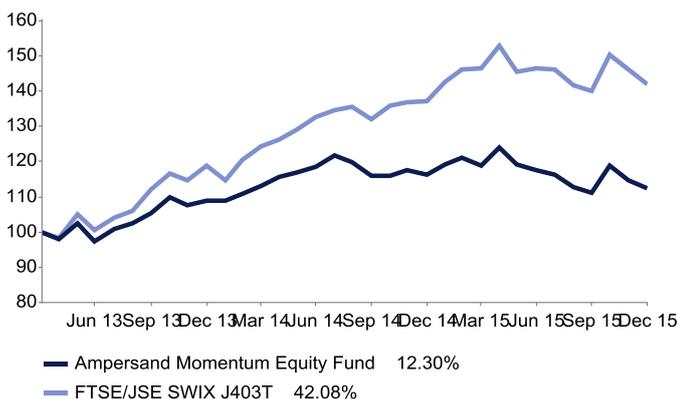
Cumulative for all periods less than 1 year, all other periods are annualised.



**Yearly returns (%)**

	Dec 14	Dec 15
Fund	6.74	-3.46
BM	15.42	3.62

**Cumulative (%)**



**Portfolio information**

Portfolio inception	2 April 2013
Portfolio size	R 847.61 million
Launch date	2 April 2013
Launch price	100.00 (cpu)
Latest price (31/12/2015)	111.36 (cpu)
Benchmark	FTSE/JSE SWIX J403T
ASISA sector	SA - Equity - General

**Codes**

JSE	AMECA
ISIN	ZAE000174827
Bloomberg	AMEFZAR

**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	1.71% p.a. (incl. VAT)
Annual advisory fee	0% - 1.14% (incl. VAT)
Performance fee	0% - 2.28% (incl. VAT)
Sharing ratio	15%

The performance fee applies to any excess performance of the fund relative to the benchmark measured over rolling two year periods. A fee of 15% of the fund's out-performance above the benchmark will be levied, capped at 2.28% (incl. VAT) per annum.

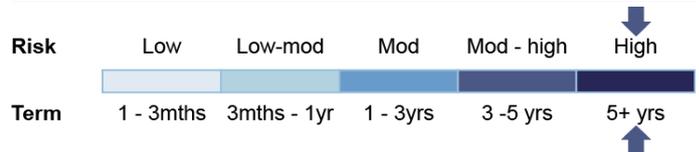
Total expense ratio (TER) (incl.VAT): 1.71%

**Income distribution (cpu)**

	Dividend	Interest	Total
Jun'14	0.148	0.016	0.165
Dec'14	0.130	0.050	0.180
Jun'15	0.310	0.110	0.420
Dec'15	0.510	0.220	0.730
Jan'15 - Dec'15	0.820	0.330	1.150

Distribution takes place Semi-annually : June, December

**Risk/profile reward**

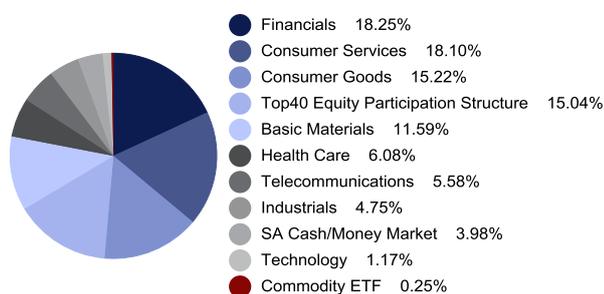


## Portfolio Comments

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, Nhlamhla 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 SA Listed Property (-6.13%) being the biggest loser. 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 allocation (%)

Element SA Equity Portfolio	24.44
Saffron MET Top 20 Fund B	19.62
MET General Equity Fund A	18.77
First Avenue SCI Equity Fund B1	18.28
Top40 Equity Participation Structure	15.04
Freedom Capital SA Equity Portfolio	3.19
SA Cash/Money Market	0.65

## 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 Equity Fund 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](http://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](http://www.momentuminv.co.za) or may be requested from the Manager.

Ampersand Momentum Equity Fund 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 July 2014 until 30 June 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-dividend date. CPI/Inflation figures, where present, are lagged by one month.

This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the Manager's products.

## 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

**Momentum Collective Investments (RF) (Pty) Ltd**

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Web: [www.momentuminv.co.za](http://www.momentuminv.co.za)

Registration no.: 1987/004287/07

### Third party manager

**Ampersand Asset Management (Pty) Ltd**

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Registration no.: 2007/006571/07

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