

Ampersand Momentum Flexible Property Income 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 Flexible Property Income Fund is a specialist portfolio with the objective to provide investors with a combination of high income and long term capital appreciation by investing in income generating and property securities.

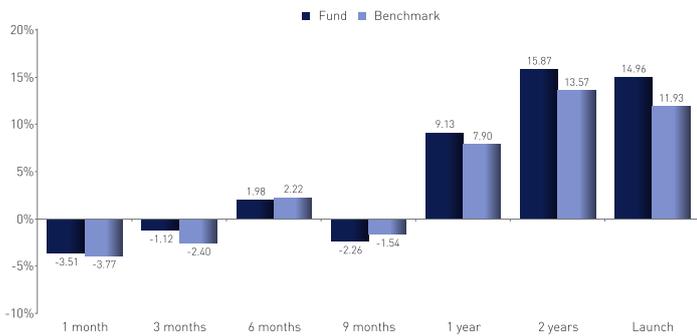
Investable Universe of Portfolio

The portfolio's investment universe will be property securities, property collective investment schemes, property loan stock, Real Estate equity, fixed interest securities (including, but not limited to, bonds, corporate bonds, inflation linked bonds, convertible bonds, cash deposits and money market instruments), debentures, preference shares, non-equity securities, derivatives and assets in liquid form. The minimum portfolio's exposure to JSE listed property shares, property loan stock and property portfolios will be 33% of the portfolio's market value. The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio's investment objective.

Performance

Cumulative and annualised returns (%)

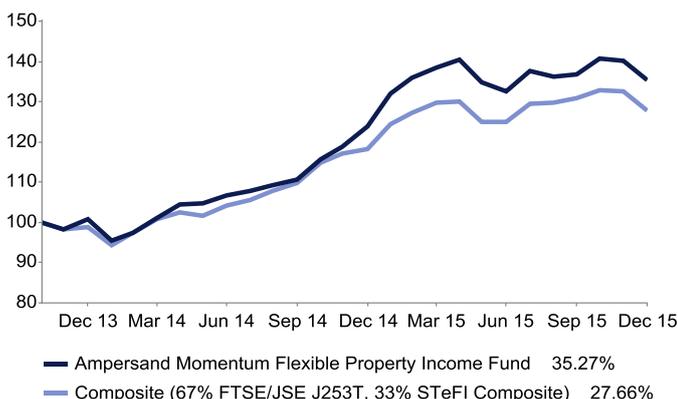
Cumulative for all periods less than 1 year, all other periods are annualised.



Yearly returns (%)

	Dec 14	Dec 15
Fund	23.03	9.13
BM	19.54	7.90

Cumulative (%)



Portfolio information

Portfolio inception	1 November 2013
Portfolio size	R 489.83 million
Launch date	1 November 2013
Launch price	100.00 (cpu)
Latest price (31/12/2015)	125.20 (cpu)
Benchmark	Composite (67% FTSE/JSE J253T, 33% STeFI Composite)
ASISA sector	SA - Real Estate - General
Codes	
JSE	AFICA
ISIN	ZAE000179362
Bloomberg	AMMFPIA

Minimum investment

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

Tom Barlow, CFA

Portfolio charges

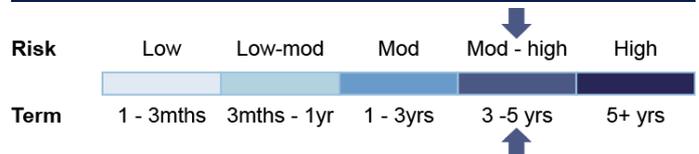
Initial management fee	0.00% (incl. VAT)
Initial advisory fee	0% - 3.42% (incl. VAT)
Annual management fee	1.71% p.a. (incl. VAT)
Annual advisory fee	0% - 1.14% (incl. VAT)
Total expense ratio (TER) (incl.VAT):	1.64%

Income distribution (cpu)

	Dividend	Interest	Total
Mar'15	0.990	0.060	1.050
Jun'15	1.230	0.110	1.370
Sep'15	0.580	0.150	0.730
Dec'15	1.530	0.170	1.700
Jan'15 - Dec'15	4.330	0.490	4.850

Distribution takes place Quarterly : March, June, September, December

Risk/profile reward

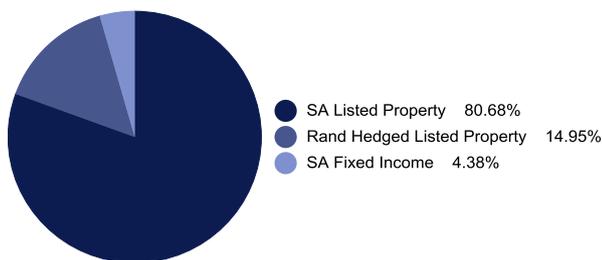


Portfolio Comments

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



Top holdings (%)

New Europe Prop Inv Plc	9.22
Growthpoint Prop Ltd	8.68
Redefine Properties Ltd	8.56
Hyprop Investments Ltd	5.31
Fortress Income Fund Ltd B	5.19
Accelerate Prop Fund Ltd	4.41
SA Cash	4.38
Delta Property Fund Ltd	4.17
Tower Property Fund Ltd	4.11
Resilient Property Income Fund Ltd	3.82

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 Flexible Property Income 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. 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 Flexible Property Income 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

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Call centre: 0860 111 899

Email: ci.clientservice@momentum.co.za

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Registration no.: 1987/004287/07

Third party manager

Ampersand Asset Management (Pty) Ltd

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