

**Ampersand Momentum Flexible Property Income Fund**

Momentum Collective Investment Scheme (CIS) portfolio

Class A | Monthly Fund Fact Sheet as at 31 May 2016

Assets managed by: Ampersand Asset Management

**Portfolio Objective**

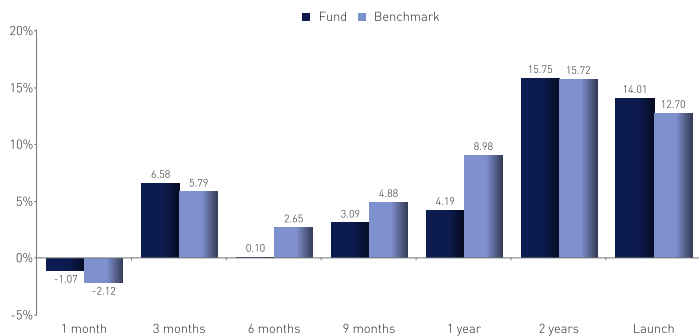
The Ampersand Momentum Flexible Property Income Fund is a specialist portfolio with the objective to provide investors with a combination of high income and long term capital appreciation by investing in income generating and property securities.

**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.

**Portfolio Performance**

**Annualised returns (%)**

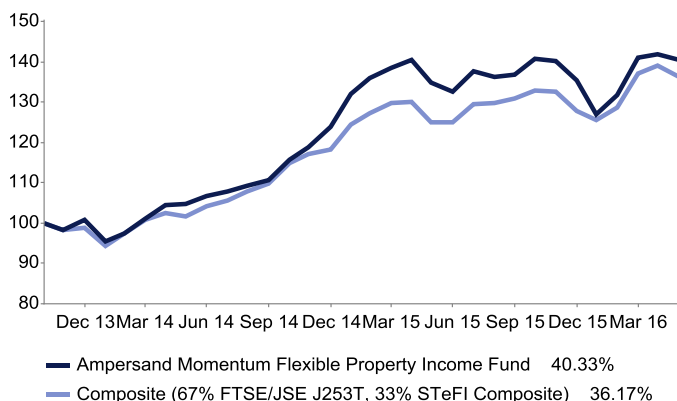


**Yearly returns (%)**

	May 15	May 16
Fund	28.59	4.19
BM	22.89	8.98

This table provides the individual 1 year returns, for both fund and benchmark that underlie the longer term annualised return periods provided in the bar chart above.

**Cumulative returns over 3 years (%)**



**Portfolio information**

Portfolio inception	1 November 2013
Portfolio size	R 535.39 million
Launch date	1 November 2013
Launch price	100.00 (cpu)
Latest price (31/05/2016)	126.00 (cpu)
Benchmark	Composite (67% FTSE/JSE J253T, 33% STeFI Composite)
ASISA sector	SA - Real Estate - General
Regulation 28 compliant	No

**Codes**

JSE	AFICA
ISIN	ZAE000179362

**Minimum investment**

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

Tom Barlow, BCom (Economics), 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)

**Cost ratios**

Total Expense Ratio (TER):	1.78% (incl. VAT)
Transaction Costs (TC):	0.00% (incl. VAT)
Total Investment Charges (TER+TC):	1.78% (incl. VAT)

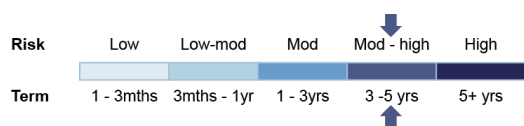
Please see Disclosures section for further information on cost ratios

**Income distribution (cpu)**

	Dividend	Interest	Total
Sep'15	0.580	0.150	0.730
Dec'15	1.530	0.170	1.700
Mar'16	1.470	0.030	1.500
Apr'16	0.320	0.290	0.610
Jun'15 - May'16	5.130	0.750	5.910

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

## Risk/reward profile and 2 year statistics



Standard deviation <sup>1)</sup>	11.05
Sharpe ratio <sup>2)</sup>	0.81
Largest negative monthly return	-6.22
Number of positive months	17 / 24

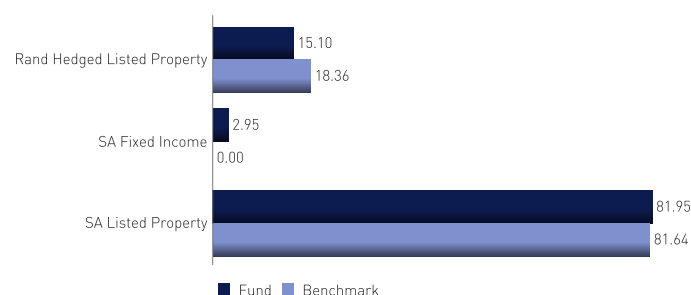
<sup>1)</sup>Standard deviation – measures the volatility of fund returns <sup>2)</sup>Sharpe ratio – fund return minus cash return (STeFI composite), divided by the Standard deviation (of fund returns)

### Specific risks

The fund is a pure equity fund with a growth objective, suitable for long term investors with a high risk tolerance seeking correlation with local listed property. It is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

## Holdings (look through)

### Asset Class Allocation (%)



### Top 5 Overweights and Underweights (%)

Delta Property Fund Ltd	4.99
Tower Property Fund Ltd	4.15
Dipula Income Fund Ltd B	3.91
Accelerate Property Fund Ltd	3.61
Fairvest Property Hldgs Ltd	2.99
Growthpoint Properties Ltd	-9.69
Resilient Property Income Fund Ltd	-5.92
Redefine Properties Ltd	-5.83
Rockcastle Global Real Estate	-4.38
ATTACQ Ltd	-2.95

### Top 10 (%)

New Europe Property Inv Plc	9.69
Growthpoint Properties Ltd	8.52
Redefine Properties Ltd	8.51
Hyprop Investments Ltd	5.49
Arrowhead Properties Ltd A	4.88
Delta Property Fund Ltd	4.66
Rebosis Property Fund Ltd	4.59
Accelerate Property Fund Ltd	4.52
Tower Property Fund Ltd	4.25
Fairvest Property Hldgs Ltd	3.60

### Manager Allocation (%)

Grindrod Asset Management	41.73
Sesfikile Capital	40.20
Stanlib Asset Management	17.70
Liquidity	0.38

## Monthly Comment

The MSCI AC World Index and global bonds gained 11.05% and 9.56% respectively in Rand terms.

The US economy has continued to grow at a relatively fast pace. Although the pace of job creation slowed, the unemployment rate remained unchanged at 5.0%. The Fed indicated that the likelihood for two hikes this year remained a possibility. Janet Yellen said that higher rates in "coming months" looked appropriate if economic growth picked up as expected and the labour market continues to improve. While significant progress has been made in the labour market, inflation remains benign.

In South Africa, inflation eased marginally to 6.20% y/y after moderating to 6.30% y/y previously. The improved inflation number was mainly due to lower oil prices and a relatively small increase in the fuel levy. However, inflation is forecasted to increase over the next couple of months. The upward pressure will mainly come from further increases in the food and fuel price as well as a weaker Rand. In addition, South Africa's trade balance recorded a modest surplus of R420 million. Overall, the trade balance has improved over the past year. The Monetary Policy Committee left interest rates unchanged.

Moody's Investors Service confirmed South Africa's rating at Baa2, with a negative outlook. Moody's could change the rating outlook from negative to stable if the government were to deliver on commitment that support growth and a reduction in government debt.

SA Listed Property lost -3.47% during the month of May.

We remain cautiously optimistic about the portfolios. There may be significant "noise" and uncertainty affecting markets but we believe in our philosophy and by remaining committed to it assist in ensuring our client's long term investment objectives are met. We urge investors to remain patient and committed to their chosen investment strategy.

## 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 to new investors 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 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) is the percentage of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TER's. The disclosed TER is shown as an annual percentage based on data for the period from 01 November 2013 to 31 December 2015. The Transaction Costs (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product. TC are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. The disclosed TC is shown as an annual percentage based on data for the period from 01 November 2013 to 31 December 2015. The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC). The TER and TC have been calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

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 31/05/2016, 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. Cash figures, where present, are STeFI Composite Index returns.

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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Call centre: 0860 111 899  
Email: [ci.clientservice@momentum.co.za](mailto:ci.clientservice@momentum.co.za)  
Web: [www.momentuminv.co.za](http://www.momentuminv.co.za)  
Registration no.: 1987/004287/07

### Third party manager

Ampersand Asset Management (Pty) Ltd  
An authorised financial services provider, FSP No: 33676  
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Sandton  
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Registration no.: 2007/006571/07