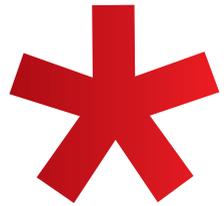


A word from the trustees
of the FundsAtWork umbrella funds



Dear FundsAtWork broker

Welcome to the first FundsAtWork trustee newsletter for our brokers. On the back of successful product workshops in October and November of last year, where we had the opportunity to interact with some of you at the Pretoria workshop, we would like to keep the communication energy going, and we hope to make this newsletter a bi-annual event.

We the FundsAtWork trustees would also like to introduce ourselves and inform you of some of the initiatives and improvements we have introduced.

Over the past year we have taken your feedback, concerns and suggestions into account and have made several enhancements and changes to the FundsAtWork umbrella funds. Our research has indicated the following trends and needs, which we have incorporated into our product:

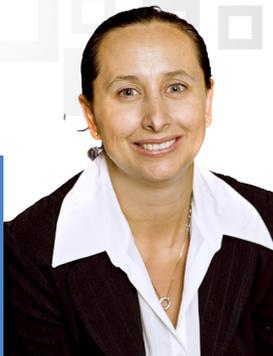
Trend / Need	How we've addressed it
Volatility management is top of mind for members – they want positive returns.	We have introduced a new guaranteed portfolio, StableGro, and have made significant changes to the trustee default portfolio, Momentum Secure Bonus.
Performance concerns on certain portfolios have been expressed by brokers.	
Insurance benefits have become as important as retirement benefits for members.	We have introduced the Narrator option, which brings insurance and retirement benefits together based on the lifestage / requirements of a typical member at different stages of their life.
There is a need for automatic solutions based on specific life circumstances, or lifestages.	
Members are not proactive in reviewing their own benefits or often misunderstand what benefits they actually have.	
There is a need for simpler, cost effective benefits given the government's move towards the National Social Security Fund.	We have simplified options, specifically Founder, to make it more cost effective and to mirror the typical benefits envisaged by the National Social Security Fund.
Employers are cashflow conscious, especially coming out of the recession.	We have removed asset based fees on Trader.

Above all, we recognise that not all people are the same and we strive to make our umbrella funds as flexible and innovative as possible. This is what led us to introduce FlexiCovers (flexible insurance benefits) to the market several years ago. In fact, our insurance colleagues abroad in Europe, the United States and Australia are only now starting to talk about introducing flexible insurance benefits!



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- UNISA - Advanced Certificate in Tax Law
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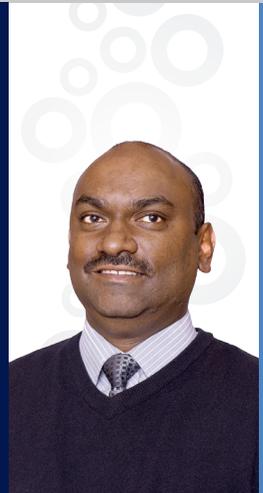


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- UNISA (2007) - Certificate Programme in Pension Funds Law (NQF Level 7)
- Insurance Institute of South Africa (2006) - Intermediate Certificate in Business Studies
- Insurance Institute of South Africa (2005) - COP (Retirement Funds)
- UNISA (2002) - BComm (Human Resource Management)





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- CFA Institute - Level 1 Candidate
- UNISA (2004) - Certificate in Pension Law
- University of Port Elizabeth (2000) - BComm
- Various other certificates



**Tania Bakker
Independent Principal Officer**

- COP
- IISA
- CFP 2001

South African Revenue Service (SARS) request for member information helps smooth the process

SARS is requesting that all employers / retirement fund administrators submit personal data of their employees / members to SARS by the end of the 2011 tax year.

Momentum has initiated a campaign to receive the necessary information from the employers. The campaign will be intensified at the beginning of 2011. You can assist by making sure that your employers have provided member data to us.

Receiving member's personal details will help us to offer our members a far better service experience – for example it will enable us to pay all valid claims much faster.

We do realise that you might feel a bit apprehensive about encouraging the employers to provide the data to us, however we would like to assure you that the information will only be used for the intended purposes and your invaluable role with the clients will not be interfered with.

Two guaranteed portfolios to address members' need for positive returns

Various surveys completed in 2010 show that a large proportion of the members of retirement funds do not care where their money is invested, as long as the returns are positive. In response to this need for positive, guaranteed returns, FundsAtWork now offers two guaranteed portfolios:

Momentum Secure Bonus

This portfolio remains the trustee choice portfolio. It is a multi manager portfolio with full liquidity and 100% capital guarantee. It aims to achieve inflation-beating returns over the long term.

We have addressed your concerns over this portfolio's recent performance by reviewing the asset manager allocations to give greater diversification.

Momentum StableGro

This is the new guaranteed portfolio we recently introduced, managed on a multi manager basis. The performance target is higher than Momentum Secure Bonus as there is a balanced spread of assets underlying it. Full liquidity will not always be guaranteed on certain movements out of the portfolio.

Introducing Narrator – the story of a typical member's life

Given the need for automatic retirement and insurance solutions based on a member's specific life circumstances, and the growing popularity of life stage products, we have introduced the Narrator option. Narrator follows Momentum's house view on retirement and insurance benefits which are packaged together according to what a typical member's needs are at certain ages. This option provides peace of mind for members who are not actively reviewing their benefits.

Increasing our communication to members about their benefits

In our efforts to keep members informed and at the same time assist you in supporting your clients, we are further developing our sms and email communication strategy.

Members are able to subscribe to our sms and email notifications for the following events:

- Change of personal details
- Change of beneficiary details
- Monthly retirement savings account balance
- Confirmation of switch
- Confirmation of web switch execution
- Member's instruction to switch investment portfolios does not equal 100% of their retirement savings account and / or future contributions
- Notification of a disability claim
- Withdrawal and retirement claim – information missing
- Withdrawal and retirement claim – all information received
- Payment of claim rejected – all claims
- Member has tax problems – all claims

Forthcoming attractions include:

- Notification of opening of a bank account
- Outstanding information needed for disability claims
- Non-payment of contributions by employer
- Disinvestment amount
- Tax directive received

Remember that you can subscribe to cellphone notifications via Inform on MDS Online to receive the following information:

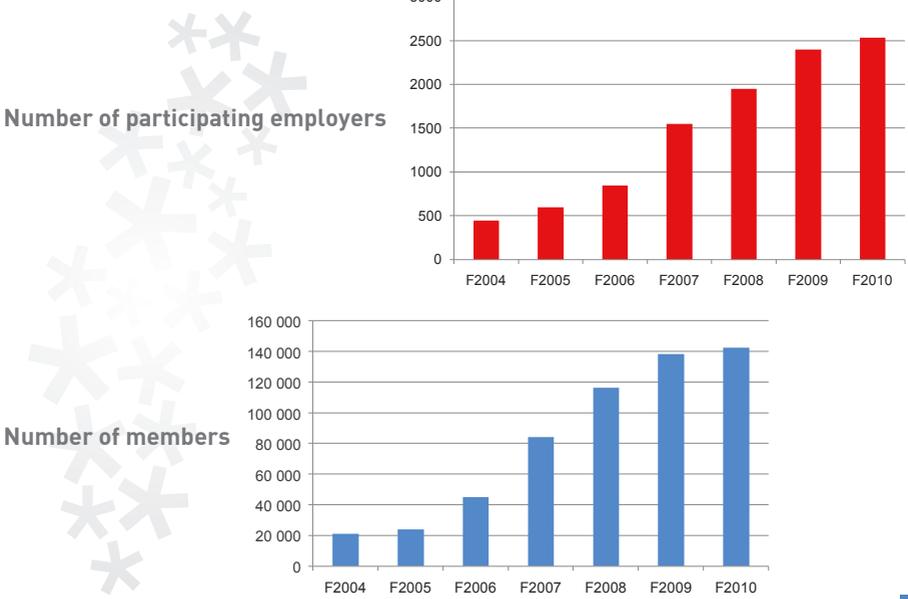
- Installation completed
- Tender generated
- Data outstanding for claim
- Debit order rejected
- Member claim paid
- Warning for late employer monthly reconciliation

Informing members if employers don't pay retirement fund contributions

Employers are obliged to pay the retirement fund contributions that they deduct from their employees to the administrator within specified time periods. The principal officer of the fund or any other authorised person monitors this process, ensures compliance and has to submit reports to certain persons, in the manner and format prescribed. Momentum is busy finalising a process where if an employer has not paid over the contributions, Momentum will inform the employees of this.

Growth of the umbrella funds

The FundsAtWork umbrella funds have grown substantially since their inception in 2000. To give you an indication of their size the graphs show the number of participating employers and members from 2004 to 2010.



Taking governance seriously

Trustees have various responsibilities and amongst them is to look after the interests of members who belong to the fund. We take this responsibility very seriously and have put various procedures and processes in place in order to ensure this. Some of these initiatives are:

- Establishing more sub-committees that focus on various issues such as the communication to members
- Appointing an external valuator
- Appointing PricewaterhouseCoopers as auditors as we believe they are the industry experts

Get in touch

If you have any comments or suggestions for the trustees, please feel free to email fawtrustees@momentum.co.za

