The best way to provide for your child and to protect your child’s future after you’re gone

Administrator: Fairheads Benefit Services (Pty) Ltd, an authorised financial services provider.
The advantages of a beneficiary fund

- The main aim of a beneficiary fund is to pay towards educational costs until the minor child completes his/her education.
- Regular payments made to the guardian or caregiver assist towards the general living costs of the minor child.
- The benefits are protected in the case of change of guardianship or caregiver.
- No tax is paid in the fund and any payment out of the fund, whether capital or income, is tax free.
- The guardian/caregiver is relieved of the burden of managing and investing funds for the child.

How the beneficiary fund works

**INFLows**

A death benefit payment is transferred into the Momentum Umbrella Beneficiary Fund and a member account is set up when a completed application form and required supporting documents are submitted.

The member account is carefully monitored and managed to last as long as possible. For this reason, a payment request by the guardian/caregiver may sometimes not be approved.

The money in the member account is invested and any investment returns are added to the account.

**OUTFLOWS**

Various payments can be made from the member account.

Regular payments every month, to pay towards general living costs. The amount is determined by the individual needs of the member, as well as the value of the member account.

Fees are charged to administer the money in the member account.

Ad hoc payments can be requested by guardians/caregivers to pay towards specific costs, such as school fees, school uniforms, books, stationery, transport, etc.

Member accounts are generally terminated when the member reaches the age of majority (18). The member may choose to leave the money in the fund. We encourage them to seek independent financial advice before taking their money. Requests for capital are managed according to service level agreements, which include documented escalation procedures if the guardian/caregiver or member are not satisfied that the request is being managed properly.
When can benefits be placed in a beneficiary fund?

When a member of a retirement fund dies, the trustees of the retirement fund must decide how to allocate the late member’s death benefits in the best financial interest of his/her beneficiaries.

The retirement fund trustees can decide to place the benefits of beneficiaries into a beneficiary fund to be managed in the best interest of the beneficiaries.

**Momentum Umbrella Beneficiary Fund can receive:**
- a death benefit from a registered retirement fund [approved benefits] for the benefit of a beneficiary. This can be for a beneficiary younger than 18 years, or older than 18 (with consent) if considered appropriate by the retirement fund trustees,
- benefit payments from an employer-owned death benefit policy [unapproved benefits].

Management of Momentum Umbrella Beneficiary Fund

- The beneficiary fund is managed by a board of trustees which consist of five trustees, one of which is an independent trustee.
- The day-to-day administration of the beneficiary fund is handled by Fairheads Benefit Services (Pty) Ltd.
- The beneficiary fund also has a principal officer, an auditor and investment managers who are appointed by the trustees.

About investments

- **The performance of the investment managers**, appointed by the beneficiary fund trustees are monitored, and they report to the trustees at every board meeting.
- The fund’s **investment policy statement** is reviewed regularly by the trustees and an asset consultant.
- The fund has a **unique asset allocation** model, which takes account of the member’s age, the value of the money available and the income requirements. Each age group has its **own lifestage model**, similar to a retirement fund.
- Members are invested in a combination of **three investment portfolios**, depending on their asset allocation.

We strongly support access, communication and having the best investment approach possible.

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Momentum Umbrella Beneficiary Fund (administered by Fairheads Benefit Services) manages monies on behalf of beneficiaries of deceased retirement fund members.

Everything we do is aimed at making life better for children.
Fairheads Benefit Services
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**Facebook business page**
Fairheads Benefit Services

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**Protect a child’s future** with the help of a beneficiary fund

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