

**August  
2021**

FundsAtWork Umbrella  
Pension and Provident Funds

## Trustee member newsletter



Many of you  
will agree  
that it's been  
a strange  
and trying  
year so far.

As family meetings become the norm, I don't blame you if, like me, you sometimes just feel like pulling the bed covers higher in the morning and escaping to your dreams. Fortunately, there are some real good news gems in this newsletter to brighten your day.

Make sure you read about how your monthly Covid-related savings can bring some of your future dreams to life.

Your employer has chosen an **award-winning retirement fund** for you, as the FundsAtWork Umbrella Funds just scooped yet another **PMR.africa Diamond Arrow Award**.

It's also great to note the good investment performance of the Momentum Default Lifestage portfolios.

But we also know how current pressures may have knocked your mental and emotional health. Read about how the FundsAtWork employee assistance programme can help you and your family to cope better in these trying times.

Happy women's month!

Regards

**Regard Budler**

**Chairperson**  
FundsAtWork Umbrella Funds

# Be a buddy and remind your colleagues about their benefits

Reading time: 1.5 minutes



We don't have contact details for some of your colleagues. This means they miss out on some of the great benefits for FundsAtWork members, such as the new Employee Assistance Programme (EAP), the virtual funeral benefit and information that will help them to take control of their finances and move them forward on their journey to success.

In the next article, we tell you more about how the EAP can help you and your colleagues.

Your colleagues may also not be aware of the retirement benefit counselling and financial coaching services available to support them when making key financial decisions on their life journey.

You and your colleagues can access additional services like educational webinars to help you make smarter, better informed financial decisions. Check out the notice board on page 12.

**Please share  
this newsletter**

**with your colleagues and  
encourage them to contact the  
FundsAtWork service centre on  
0860 65 75 85  
or [momentumcorporateclient@  
momentum.co.za](mailto:momentumcorporateclient@momentum.co.za)  
to update their contact  
information.**



## We all need a helping hand sometimes when it comes to our mental wellbeing

Reading time: 4 minutes

Mental and emotional health issues are nothing new. But Covid-19, lockdown restrictions and the changing world of work is shining the spotlight on them. The social isolation, disruption and added stress caused by Covid-19 and lockdown is having a big impact on our mental and emotional health.

**According to the South African Depression and Anxiety Group, 1 in 3 South Africans will or do suffer from a mental illness in their lifetime.**

Momentum Corporate research shows how working from home and hybrid work models, a mix of working from home and at the workplace, are likely to become the dominant work model in some industries, even after the pandemic. However, working from home brings new sources of stress. For example, you may feel overwhelmed at times with simply too much to do. And you may find the boundaries between work and family life become blurred. These new sources of stress can result in burnout and stress-related ill health.

### Long Covid

Some of those infected by Covid-19 may also find that they have some symptoms that take a really long time to go away. This is referred to as long Covid. Symptoms that may linger for months following the disease include fatigue, cough, congestion and shortness of breath, loss of taste or smell, headaches and body aches, diarrhea and nausea, chest or abdominal pain and confusion. This means Covid-19 continues to impact on your mental wellbeing well after the initial infection has cleared up.



# We all need a helping hand sometimes when it comes to our mental wellbeing

*continued*



## Your mental wellbeing is under pressure

We may not all have a diagnosed mental health issue, like clinical depression. But most of us will find that our mental wellbeing, which includes our emotions, thoughts and feelings, ability to solve problems and overcome difficulties, our social connections, and our understanding of the world around us, is taking a blow in these trying times.

## A helping hand to improve mental wellbeing

Fortunately, as a member of the FundsAtWork Umbrella Funds, you have access to an employee assistance programme (EAP) which offers a range of benefits to help you get on top of your mental and emotional health.

**Learn more about the benefits you and your family can access through the Momentum Wellness EAP, at no additional cost.**

Many members find the EAP telephonic counselling service, which helps you and family members deal with everyday stressors, a great helping hand in these uncertain times. The services are also designed to meet the needs of children. So if your child struggles with issues around self-image, peer pressure, performance anxiety, bullying, depression, adoption, and exposure to drugs, help is a phone call away.

You will also find the virtual Wellness Café a great source of expert information on topics like nutrition, sleep, mindfulness, and much more.

## Are you in a leadership or management position?

Don't think that because you are in a leadership position, you need to bite the bullet and just cope, come what may. Leaders and managers are possibly even more vulnerable to mental wellbeing issues than the average employee, and will find the EAP of great value.

Also learn more about how to help your team cope better in this changing world of work by watching this **insightful webinar** which draws on research conducted by Momentum Corporate, or read this **summary of research insights**.



# Put your Covid savings to work for your future

Reading time: 5 minutes

Covid-19 and lockdown has upended our lives on many fronts. But there are some positives, like reduced household costs because we can't eat out, go to movies or take a holiday, while remote work for many of us means reduced spend on petrol and car maintenance.

**Your monthly Covid-related savings may be a lot more than you think. Rather than splurge it on online purchases or take-aways, put it to work for your dreams and future.**

## Are you saving enough for retirement?

When you retire one day, you will no longer earn an income. This is why we save for retirement and need to use our savings to buy a retirement income, usually referred to as a pension or annuity.

Experts have guidelines about how much you need to save to buy a pension that will allow you to maintain your standard of living during retirement. Many say you should save enough so that you can afford a retirement income of around 75% of your last salary just before you retire. This percentage is called your income replacement ratio. So, if you're earning R10 000 a month just before you retire, you need to have saved enough to buy a pension that will pay you R7 500 per month.

The sad reality is that most of us are only saving enough to reach a much lower income replacement ratio. This means our retirement income will be a lot lower than our salary and we may need to make some big lifestyle adjustments, or risk running out of money during retirement.

## Why not put those Covid savings to work for your future?

Let's say you count up your Covid savings and they come to R500 a month, or R16 a day. A smart move would be to channel this money towards your retirement savings. A 35-year-old who is due to retire at 65 will find that this relatively small additional investment can increase to a much larger amount of R1,031,422 by retirement, thanks to compound interest (10% per annum).

# Put your Covid savings to work for your future

*continued*



## Did your employer take a contribution holiday recently?

Covid-19 has created cash flow pressure for many employers. This is why the FundsAtWork Umbrella Funds allowed employers who applied for contribution relief to put retirement contributions on hold for an agreed period. However, this pause in contributions could impact on members' already low-income replacement ratios, unless they catch-up on the missed contributions by making additional voluntary contributions.

For example, a 35-year-old FundsAtWork member due to retire at 65, who was on track before the contribution holiday to achieve an income replacement ratio of 50%, will find that a 12-month contribution holiday has reduced their income replacement ratio to 48.6%. But if they increase their monthly contribution by just 2%, and keep it at this level until they retire, their retirement income ratio increases to nearly 54%.

If your contributions were put on hold for any period due to the pandemic, it would be a good idea to seriously consider using some of your Covid savings to catch up by ramping up your retirement contribution. If you want to make additional voluntary contributions, you can arrange to do so through your employer's payroll.

## Less for the tax man, more for your retirement

The contributions you pay to your retirement fund are tax deductible, which means the contributions are deducted from your income before calculating the tax due. So, increasing your contributions not only helps you save more for retirement, but also means you pay less tax every month.

## Another way to save: EmployeeReturns

As a FundsAtWork member, you are fortunate to belong to a retirement fund that pays YOU EACH MONTH. If you're on Multiply Premier and register for EmployeeReturns, you will receive financial rewards based on your health status. You can use these rewards to:

- Boost retirement savings,
- Pay for health products and medical co-payments if you're on the Momentum Medical Scheme, or
- Pay the rewards into your Multiply wallet and spend them on a range of exciting products.

[Click here](#) for more information on EmployeeReturns.

## A shorter-term saving option

If you speak to your financial adviser or a FundsAtWork retirement benefit counsellor, and feel confident that your retirement savings are on track, you could consider a shorter-term savings goal, like taking the family on a holiday when the Covid-19 lockdown is over.

The perfect option to save for this is a Multiply Money savings account, which offers:

- Interest from the very first cent,
- Access to your money when you need it,
- No minimum balances or deposits.

For more on how to use Multiply Money to save for short-term goals, [click here](#).



# Taking control of your financial destiny – the modern woman's guide to owning her success

Reading time: 3.5 minutes

Women have been shattering glass ceilings, achieving incredible success across all disciplines for decades. Yet, there is still marked inequality between genders when it comes to financial education and employment opportunities, and a significant gap between what men and women are paid. According to the 2021 World Economic Global Gender Gap Report, the global gender gap stands at 68%. If you're a woman, on average, you're earning up to 32% less than your male counterparts.

In addition, according to the Human Sciences Research Council, more than 40% of South African mothers are single parents. This means they have to deal with the challenge of managing their finances while juggling a myriad of daunting responsibilities as single parents.

This Women's Month and in the months ahead, we're on a journey to help women empower themselves to own their worth and their financial success. Here are some practical steps all women should take to make their money work harder for them on their journey to financial success.

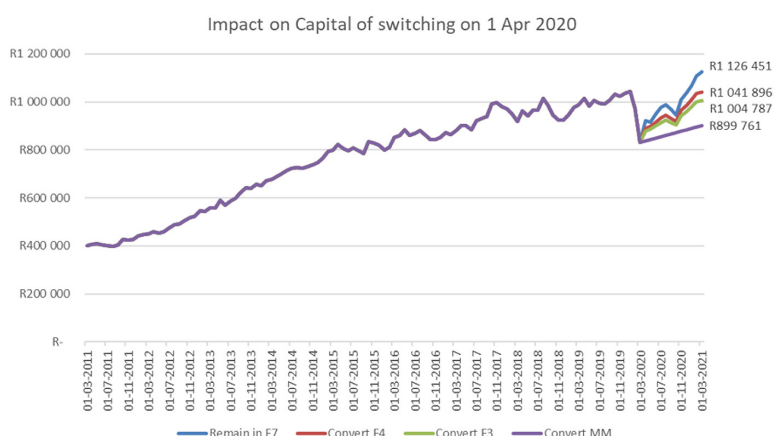
- **Draw up a financial plan.** A financial plan lays the foundation for your financial health. It is of the utmost importance, particularly in these times of uncertainty. Think about your financial needs at retirement, in an emergency, or in the event of death or disability. Then test if you're on the right path.
- **It's never too early or too late to save more.** Remember that retirement fund contributions are tax-deductible. Up to certain limits, the more you contribute, the more tax you save.
- **Consult the experts.** When you have to make big financial decisions, talk to your employer's group benefits financial adviser or your own financial adviser. They can help you understand what your projected retirement savings outcome will be and help you make adjustments where necessary to make sure you meet your goals.
- **Know your money personality – spender, saver or somewhere in between?** Your money personality impacts your financial choices. This self-awareness helps you understand what triggers emotional decisions and encourages you to think twice before making a spending choice.
- **Know your benefits.** Visit the member portal on [momentum.co.za](https://momentum.co.za) for access to calculators, newsletters, and other information explaining your benefits. You can also talk to our retirement benefit counsellors to help you understand your employee benefits and improve your financial outcomes during your working life and at retirement.
- **Adjust your group insurance benefits as your circumstances change.** Women make up approximately 42% of the members on the FundsAtWork Umbrella Funds. If you have group insurance benefits through FundsAtWork, you can increase or decrease your insurance benefits to match your financial needs. For example, why not increase your insurance benefits if you have young children? When they become financially independent, you can decrease the benefits again and channel the money you save towards your retirement savings.
- **Preserve your retirement savings when changing jobs.** Choosing preservation means your retirement savings continue to grow without interruption, and you remain on track to reach your retirement goals. You can keep your savings invested with FundsAtWork, or you can transfer them into the Momentum Corporate Preservation Funds or another retirement fund.



# Market performance update

Reading time: 5.5 minutes

The graph below shows the returns of an aggressively constructed balanced portfolio (like the accumulation phase portfolio used in the Momentum Default Lifestage portfolio) from 2011 to end March 2020 (after the market decline). It is evident from the graph that members who stayed invested in the aggressively constructed balanced portfolio recovered after the March 2020 market decline, whereas those who switched to a conservative portfolio after the decline lost out in the recovery and experienced a substantial underperformance for the period under review.



## Momentum Default Lifestage portfolios

Momentum Investments is pleased with the strong absolute and relative returns of the Momentum Default Lifestage portfolios as at the end of June 2021. It is probably more gratifying that the positions we maintained during the height of the Covid-19 crisis have come through strongly in the last couple of months, contributing meaningfully to returns. The returns in the last year were driven from various sources including asset allocation views, appropriate strategy diversification, as well as from investment manager selection.



# Market performance update

continued

The table below shows the returns of the main asset classes as at the end of June 2021. It shows how growth asset classes recovered and equities locally (FTSE/JSE Capped SWIX All Share Index) and globally (MSCI All Countries World Index) gave returns of 27.60% and 16.55% respectively for the 12 months to the end of June 2021.

June 2021	One year	Three years	Four years	Five years	Six years	Seven years	Ten years
<b>Local equity indices</b>							
FTSE/JSE Capped SWIX All Share Index	27.60%	4.80%	5.63%	4.32%	4.21%	5.01%	9.78%
FTSE/JSE SA Listed Property Index (SAPY)	25.17%	-8.86%	-9.13%	-6.85%	-4.09%	-0.16%	5.08%
<b>Local interest-bearing indices</b>							
JSE ASSA All Bond Index (ALBI)	13.67%	9.24%	9.48%	9.16%	8.50%	8.46%	8.53%
JSE ASSA SA Government ILB Index (IGOV)	14.79%	4.93%	4.09%	3.20%	4.09%	4.24%	6.42%
Short-term Fixed Interest Composite Index (SteFI)	4.01%	6.06%	6.37%	6.63%	6.67%	6.61%	6.26%
<b>Global indices</b>							
MSCI All Countries World Index (ACWI)	16.55%	15.62%	15.53%	14.16%	13.98%	14.15%	18.20%
FTSE World Government Bond Index (WGBI)	-17.25%	5.13%	5.35%	1.23%	6.04%	5.74%	9.17%
FTSE EPRA/NAREIT Developed Index	10.84%	8.09%	9.06%	5.27%	9.65%	10.40%	
<b>Currency movements</b>							
Rand/dollar movements	-17.79%	1.34%	2.16%	-0.50%	2.74%	4.30%	7.73%
<b>Local inflation index</b>							
Consumer Price Index (CPI) 1 month lagged	5.16%	3.89%	4.01%	4.31%	4.61%	4.60%	5.00%

The table below shows the returns of the Momentum Default Lifestages as at the end of June 2021 against their strategic benchmarks and long-term inflation plus objectives for each portfolio. The Accumulation Phase portfolio (Momentum Lifestages Accumulator) participated in the equity market recovery and gave a return of 21.9% for the 12 months to the end of June 2021.

Portfolio	Year to date	One year	Three year	Five year	Seven year	Ten years
<b>Momentum Default Lifestage Accumulator</b>	<b>11.43%</b>	<b>21.80%</b>	<b>6.07%</b>	<b>6.01%</b>	<b>7.04%</b>	<b>11.06%</b>
Default Lifestage Accumulator Benchmark	10.7%	17.62%	4.81%	5.11%	6.64%	10.71%
Target CPI +5%	5.06%	10.17%	8.89%	9.31%	9.61%	10.0%
<b>Momentum Default Lifestage Builder</b>	<b>11.26%</b>	<b>21.34%</b>	<b>6.46%</b>	<b>6.26%</b>	<b>7.23%</b>	<b>10.72%</b>
Default Lifestage Builder Benchmark	9.44%	15.33%	4.71%	5.12%	6.63%	10.32%
Target CPI +4%	4.58%	9.17%	7.89%	8.31%	8.61%	9.0%
<b>Momentum Default Lifestage Consolidator</b>	<b>10.18%</b>	<b>19.52%</b>	<b>6.42%</b>	<b>6.07%</b>	<b>7.16%</b>	<b>9.58%</b>
Default Lifestage Consolidator Benchmark	8.15%	13.0%	4.14%	4.68%	6.2%	9.09%
Target CPI +3%	4.1%	8.16%	6.89%	7.31%	7.6%	8.0%
<b>Momentum Default Lifestage Defender</b>	<b>9.32%</b>	<b>17.88%</b>	<b>6.99%</b>	<b>6.13%</b>	<b>6.90%</b>	<b>8.36%</b>
Default Lifestage Defender Benchmark	6.53%	11.0%	5.02%	5.10%	6.16%	8.06%
Target CPI +2%	3.62%	17.16%	5.89%	6.31%	6.6%	7.0%



# Market performance update

*continued*

## Review of the Momentum portfolios

Momentum Investments undertook a review of their portfolios, in the context of the current low return environment, and the assessment resulted in the implementation of several changes to the portfolios. The changes are not a deviation from Momentum Investments' outcome-based investment philosophy, but rather an enhancement. Over many years, Momentum Investments built and evolved ranges of portfolios where the objectives of the portfolios are anchored on three pillars, namely the investment time horizons, the risk budgets, and return targets.

The time horizon is the fixed component of the client experience for each of the portfolios and, therefore, the reference for the portfolios. In the optimised portfolios, the risk budget has been re-articulated to be value at risk (VaR) or capital at risk to make it more intuitive for members. The return targets for each portfolio are now shown as best estimates over inflation (in a range) that members can expect over the portfolios' time horizon based on the portfolios' positioning and expected long-term capital market returns. The expected investment returns of the portfolios (the CPI + targets) are therefore not guaranteed and are a function of the three pillars mentioned above. The portfolios will continue to have strategic asset allocation benchmarks, which have also been reviewed and adjusted.

In summary, the following changes were implemented:

- Return targets: Reduced and expressed as a range
- Risk budget: Articulated as Capital at Risk
- Strategic asset allocations: Adjusted, resulting in a lower allocation to growth asset classes
- Number of portfolios: The number of risk profiled portfolios within the different product ranges (except for the Momentum Passive range) has been reduced. The Factor 3 portfolios have been re-aligned (in the second quarter of 2021) and amalgamated with the Factor 4 portfolios.

The Momentum Default Lifestage portfolios remain well constructed and diversified, and the portfolios aim to keep members invested over the long term. The portfolios are often distinctly different compared to most competitors from an asset allocation perspective – with higher allocations to growth asset classes.

**Saving adequately for retirement remains challenging and we would like to encourage members to take a long-term view when they assess their investment portfolios. It is important to maintain real purchasing power (that is, outperform inflation) before and after retirement, and members should therefore consult with well-qualified financial advisers to help them navigate in the current economic environment, which is likely to remain challenging.**



Reading time: 2 minutes

We review the investment portfolios available to you regularly to make sure we continue to help you achieve your retirement goals. Changes are made where necessary and these may affect you. Please check your benefit statement to see if you are invested in any of these portfolios. Affected members have been informed via email, but if we didn't have your correct contact details, you may have missed this important information. You can update your preferred contact details on the member portal on [momentum.co.za](http://momentum.co.za).

## To get a copy of your benefit statement:

Log on to [www.momentum.co.za](http://www.momentum.co.za)

**Email:** [momentumcorporateclient@momentum.co.za](mailto:momentumcorporateclient@momentum.co.za)

**Call:** 0860 65 75 85

## Here are some of the most important portfolio changes:

Portfolio	Change	Effective date
Universal smooth bonus portfolios	<ul style="list-style-type: none"> <li>Universal Multi-Manager Smooth Growth Fund reopened to new investment.</li> <li>Universal Smooth Growth Fund reopened to new investment.</li> <li>Universal Smooth-Edge Fund remains soft closed to new investment.</li> <li>Universal Smooth-Edge Fund Bonus Series 2021 opened a new bonus series to cater for new investment.</li> </ul>	During March 2021
Metropolitan portfolios	<ul style="list-style-type: none"> <li>The Metropolitan Aggressive, Moderate, Conservative and Money Market portfolios were closed.</li> <li>Members invested in these portfolios were moved to the mapped Momentum Classic portfolios.</li> </ul>	During June 2021
Optimum portfolios	<ul style="list-style-type: none"> <li>Fee reduction of 0,35%.</li> <li>C-class portfolios (1% fee excluding VAT) moving to the A-class portfolios (0,65% excluding VAT).</li> </ul>	During June 2021
Default Investment portfolio regulations	<ul style="list-style-type: none"> <li>The annual investigation into the compliance to Regulation 37 of the employer selected default investment portfolios was finalised and some employer selected default portfolios did not comply with the requirements, hence affected members will be switched to one of the corresponding trustee default portfolios namely: Default Momentum Smooth Edge Bonus Series 2021, Momentum Conservative Default Lifestage or Momentum Default Lifestage.</li> </ul>	During August and September 2021

# Notice board

Reading time: 6 minutes

## PMR.africa Diamond Arrow Award

Another year, another award! For the second consecutive year, our FundsAtWork Umbrella Funds have won the 2021 PMR.africa Diamond Arrow Award in the category Pension Fund Administrators and Product Providers Administering more than 150 000 Members.

The PMR.africa awards celebrate excellence, setting benchmarks for improving industry standards. Top-scoring with an average score of 4,19 out of 5, FundsAtWork receives the highest award in this category.

## Virtual funeral benefit available until 31 December 2021

We recently introduced a virtual funeral benefit to make it possible for you and your family to mourn together when you are physically apart if you have to say goodbye to a loved one. If you have access to the funeral assistance service through Momentum Group Insurance or FundsAtWork, you can use this benefit at no additional cost between 1 May and 31 December 2021. **Click here** for more details.

## Retirement benefit counselling for FundsAtWork members as required by legislation

At no additional cost, you have access to a retirement benefit counselling service to support you in making key financial decisions throughout your life journey. As from 1 July 2021, you also have access to educational webinars. **You can see the webinar schedule and topics here.** For more on the retirement benefit counselling service, please **click here**.

## Tax season is here

From 1 July, you can start submitting your tax return for the 2021 tax year. TaxTim is available to all Momentum Multiply members at no cost to file their tax returns.

This system is designed to ask you all the questions needed to maximise the refund due to you. Being a FundsAtWork member gives you automatic access to Multiply Starter. Multiply Premier members qualify for 40 points when completing and submitting a tax return via TaxTim.

## Another unqualified audit for the FundsAtWork Umbrella Funds!

The FundsAtWork Umbrella Funds received an unqualified audit report on 30 June 2020. What does this mean? An audit is an objective, independent evaluation of an organisation's financial statements. An unqualified audit means that the financial statements are fair, appropriately presented and meet accepted accounting standards. Receiving an unqualified audit means that FundsAtWork members can have peace of mind that their retirement fund is well managed.

## Fund expenses remain unchanged

Because of Covid-19 and to benefit our members, we agreed that the fund expenses of the FundsAtWork Umbrella Funds should not increase. The following rates effective 1 September 2020 will remain unchanged:

FundsAtWork Umbrella Pension Fund	FundsAtWork Umbrella Provident Fund
R4,49 per member per month	R4,75 per member per month

## Fund rule changes you should know about

The FundsAtWork Umbrella Funds have a set of General Rules that apply to all members and provide the framework for managing the Funds. The rules can change from time to time, subject to approval by the Financial Sector Conduct Authority. **Click here** for some of the changes registered in the last year that apply to you.



# Notice board

continued

## Default investment portfolios

Under the Default Regulations, the board of trustees is required to disclose certain information about the Funds.

This includes:

- Adequate information about the composition of the assets and the performance of the default investment portfolio
- All investment fees and charges
- Making sure you know that you are not locked into the default investment portfolio, but allowed to instruct the fund at least once every 12 months to transfer your retirement savings account to other investment portfolios

You can find information about Momentum investment portfolios [here](#) under the “Fund fact sheets” tab. To access information on external manager portfolios, you need to visit the relevant external manager website, or you can send an email to [FAWInvestmentQueries@momentum.co.za](mailto:FAWInvestmentQueries@momentum.co.za) to request the information.

## Annuityisation of provident funds

As a provident fund member, you can now only take one-third of your total retirement savings as a lump-sum at retirement. [Click here](#) for more information.

## Covid-19 vaccination rollout

Registrations for Covid-19 vaccination are currently open for everyone over the age of 18. Government requires everyone who would like to be vaccinated to register on the **Electronic Vaccination Data System (EVDS)** for allocation to a vaccination facility, such as one of Momentum Metropolitan Holdings’ vaccination centres.

Our vaccination centres in Sandton (Johannesburg), Doringkloof (Centurion), Parc du Cap (Cape Town), Cornubia (Durban), and Gqeberha (Port Elizabeth) will accommodate you (with or without medical aid) if you have been allocated to one of our centres through the EVDS. You can [click here](#) for details on the registration process and our vaccination centres.

## How we comply with the Protection of Personal Information Act (POPIA)

We are committed to keeping your personal information safe and confidential and to complying with the Protection of Personal Information Act 4 of 2013 (POPIA) when processing your information. Please read [this document](#) to see how and why the Funds will use and disclose your personal information, what your rights and responsibilities are when providing your personal information to us, and what our responsibilities are to comply with POPIA to keep your personal information safe.

[momentum.co.za](http://momentum.co.za)

 Momentum Corporate

### Disclaimer

Copyright reserved © Momentum Metropolitan 2021 – Momentum Corporate is a part of Momentum Metropolitan Life Limited (registration number 1904/002186/06), a wholly owned subsidiary of Momentum Metropolitan Holdings Limited. The document is for illustrative purposes only and does not constitute tax, legal, accounting or financial advice. You rely on the contents at your sole discretion. We recommend that you consult with a financial adviser before making any changes to your group employee benefits. Momentum Metropolitan Holdings Limited, its subsidiaries, including Momentum Metropolitan Life Limited, will not be liable for any loss, damage (whether direct or consequential) or expenses of any nature which may be incurred as a result of or which may be caused, directly or indirectly, to the use or reliance on this publication. Terms & conditions apply.

Momentum Metropolitan Life Limited is an authorised financial services (FSP6406) and registered credit provider (NCRCP173), and rated B-BBEE level 1.