

FundsAtWork Umbrella Funds

Choice of default investment portfolio (Advisory Body)

To help you make an informed decision, please read the relevant minimum disclosure document, also known as a fund fact sheet, for each of the investment portfolios. These documents explain the nature and risk profile of the investment portfolio and highlight possible risks associated with investing in that portfolio. As this information can change, please make sure that you have the most recent fund fact sheets. You can obtain the fund fact sheets from your financial adviser or the investment manager; they are also available on the website of the specific investment managers. Please complete the form in consultation with your financial adviser.

Please fill in this form in the fields provided. Use the tab key to move from one field to the next.

Section 1: Employer details

Employer's full name

Name of fund

Category description: Please include the description(s) of the category(ies) of members you want to select an "employer selected portfolio" for. You may have to complete more than one form if your "employer selected portfolio" does not apply to all the categories of members. Although your scheme may not have members in all the product options, an "employer selected portfolio" must preferably be set up for all the product options if members are expected to be defaulted into a different product option in future.

Section 2: Default investment portfolio choices and product options

Product option:

From

To

In terms of section 36 of the Pension Funds Act (the default regulations) employers should select a default investment portfolio that is appropriate taking into account the specific member profile of the employer. Members will automatically be defaulted into the selected default investment portfolio if approved by the trustees but members can opt out of the chosen default and make their own investment choice from the list of available portfolios.

Please indicate if your switch applies to:

Note: The lifestage model applies to both Accumulated retirement savings and Future contribution allocation.

Please indicate which investment portfolio you want to switch from into your new "employer selected portfolio":

From: Existing employer selected portfolio	% allocation	To: New employer selected portfolio	% allocation

Please continue (next page) to select your new "employer selected portfolio"

Select your new “employer selected portfolio”

The FundsAtWork Umbrella Pension and Provident Funds offer the following three options from which the employer must select a default portfolio.

Please select one of the options below by ticking the box next to the option of your choice.

	Momentum Default Investment Portfolio	Pre-approved portfolios	Employer selected default
Applicable product option	Provider.	The Enhanced, Classic and Target Lifestages are available on Provider and Entrepreneur. The Passive Lifestage is only available on the Entrepreneur platform. The guaranteed portfolios are available on different platforms.	Across all the product options, provided that the portfolios utilised are available on the different FundsAtWork product options.
Selection of portfolios	From March 2019, the Momentum Default Investment Portfolio invests in the Momentum Classic range.	<ul style="list-style-type: none"> • Momentum Enhanced Lifestages • Momentum Classic Lifestages • Momentum Target Lifestages • Momentum Passive Lifestages • Momentum Enhanced Factor 3 • Momentum guaranteed or smooth bonus portfolios 	Any of the available portfolios on the different FundsAtWork product options.
Trustee approval process	Already approved as a default for the Funds and no employer specific approval necessary.	Simplified process: trustees must review if satisfactory reasons are provided for the employer selecting one of the pre-approved default portfolios, taking into account the member profile of the employer.	More onerous process: The trustees will have to approve the employer selected default taking into account the specific employer's member profile, the requirements of the default regulation as well as the motivation why the selected portfolio is more appropriate than the Momentum Default Investment Portfolio.
Ongoing review process	Trustees will review the Momentum Default Investment Portfolio annually.	Trustees will review the list of pre-approved portfolios annually.	The employer must confirm annually (signed by the Advisory Body) that the portfolios remain appropriate for all members who will default into them.

Please complete the following mandatory sections applicable to the option of your choice.

Momentum Default Investment Portfolio	Pre-approved portfolios	Employer selected default
<ul style="list-style-type: none"> • Section 3: Momentum Default Investment Portfolio • Section 6: Members affected • Section 7: Advisory body details 	<ul style="list-style-type: none"> • Section 4: Pre-approved portfolio list • Section 6: Members affected • Section 7: Advisory body details 	<ul style="list-style-type: none"> • Section 5: Employer selected default • Section 6: Members affected • Section 7: Advisory body details

Section 3: Momentum Default Investment Portfolio

It is a lifestage model that automatically switches a member from more aggressive investment portfolios to more conservative investment portfolios as a member approaches normal retirement. The lifestage model invests in different risk profiled portfolio building blocks. The portfolio building blocks use a combination of asset classes, managed by multiple investment managers with different investment strategies to achieve its objectives. The lifestage philosophy uses 'term to retirement' as a proxy for the risk a member is able to adopt. This means, for example, the asset classes in which members of a retirement fund would invest in more than 7 years from retirement will have a different emphasis from those closer to retirement. With this approach a member with a long-term investment horizon, will have a higher allocation to growth asset classes, which include local equities and property as well as global equities. Although these asset classes are volatile, they provide returns above inflation over the long term. However, as a member moves to a medium-term investment horizon, the exposure to volatile asset classes will gradually be reduced to protect members in a retirement fund from being exposed to unnecessary volatility.

From 1 March 2019 the Momentum Default Investment Portfolio invests in the Momentum Classic range.

Portfolio	Lifestage progression	CPI target	Underlying portfolio
Default Lifestage Accumulator	More than 7 years to normal retirement	CPI + 7% over rolling 7 year periods	Momentum Classic Factor 7
Default Lifestage Builder	Between 5 & 7 years to normal retirement	CPI + 6% over rolling 6 year periods	Momentum Classic Factor 6
Default Lifestage Consolidator	Between 3 & 5 years to normal retirement	CPI + 5% over rolling 5 year periods	Momentum Classic Factor 5
Default Lifestage Defender	Less than 3 years to normal retirement	CPI + 4% over rolling 4 year periods	Momentum Classic Factor 4

If the trustees implement changes to the Momentum Default Investment Portfolio, employers and members who utilise the portfolio will automatically be impacted.

We want to make use of the Momentum Default Investment Portfolio as the employer default on the Provider platform.

Section 4: Pre-approved portfolio list

The trustees of the FundsAtWork Umbrella Funds have also compiled a pre-approved list of investment portfolios that could be selected as an employer default portfolio. The employer is required to confirm in writing, the reason for selecting one of the pre-approved portfolios as their default.

The employer selects the below pre-approved portfolio as their default investment and the reason is indicated below. Please make your selection by ticking your choice of portfolio from the list.

Momentum Enhanced Lifestage	
Reason:	
<ul style="list-style-type: none">Although the lifestage portfolios are very similar to the Momentum Default Investment Portfolio (i.e. the Momentum Classic range), the underlying portfolio building blocks are more diversified and they invest in a wider range of asset classes. They include exposure to alternative asset classes (like hedge funds and private equity) that will increase the probability of the portfolios achieving their specific objectives over the respective periods. The volatility of the underlying portfolios is also likely to be lower because they are more diversifiedOther (please specify):	

Momentum Classic Lifestage	
Reason:	
<ul style="list-style-type: none">The lifestage portfolios are similar to the Momentum Default Investment portfolio from 01 March 2019 but will remain the Momentum Classic Lifestage if changes are implemented to the Momentum Default Investment portfolio in future.Other (please specify):	

Momentum Target Lifestage	
Reason:	
<ul style="list-style-type: none">Although the lifestage arrangement (i.e. the inflation plus objectives of the different portfolio building blocks and the glide path) is very similar to the Momentum Default Investment Portfolio, the underlying portfolio building blocks are differently constructed. Most of the underlying asset classes of the Momentum Target portfolios are managed on either a passive or enhanced passive basis. This allows for lower investment management fees being charged, which is important to the employer and the members, given that the portfolios will most likely achieve their inflation plus objectives over the respective periods. The employer and the members are aware that the portfolios are less diversified than the actively managed portfolios and that they mainly invest in traditional asset classes. As a result, the volatility of the Momentum Target range could be higher than actively managed portfolios.Other (please specify):	

Momentum Passive Lifestage	
Reason:	
<ul style="list-style-type: none">Although the lifestage arrangement (i.e. the glide path) is very similar to the Momentum Default Investment Portfolio, the underlying portfolio building blocks are differently constructed. Most of the underlying asset classes of the Momentum Passive portfolios are managed on a pure passive basis. This allows for lower investment management fees being charged, which is important to the employer and the members given that the portfolios will most likely achieve their inflation plus objectives over the respective periods. The employer and the members are aware that the portfolios are less diversified than the actively managed portfolios and that they mainly invest in traditional asset classes. As a result, the volatility of the Momentum Passive range could be higher than actively managed portfoliosOther (please specify):	

Momentum Enhanced Factor 3	
Reason:	
<ul style="list-style-type: none"> The portfolio is a conservatively managed multi-manager portfolio that targets inflation +3% per annum over rolling 3 year periods. The portfolio is very well diversified and invests in both traditional (i.e. equities bonds and cash) as well as alternative (i.e. hedge funds and private equity) asset classes. Given the conservative nature of the portfolio, a relatively large portion of the assets are invested in money market type instruments and different types of bonds. The portfolio has been selected because the employer and the members cannot tolerate negative returns over the medium term. The portfolio does have some equity exposure and may give negative returns over the very short term. Other (please specify): 	

Momentum guaranteed or smooth bonus portfolios	
Please specify the portfolio	
Momentum Universal Multi-Manager Smooth Growth Fund	
Momentum Smart Guaranteed + 3	
Momentum Universal Smooth-Edge Fund	
Momentum Universal Smooth Growth Fund	
When investing into portfolios that offer capital guarantee, a market value adjuster (MVA) might apply when assets are switched out of these portfolios. Members should be made aware that a market value adjustment will apply if the market value of the portfolio is below the book value and the employer terminates or the members switch out of the portfolio. The MVA will not apply to benefit payments (such as retirement, disability, resignations, and retrenchments).	
Reason:	
<ul style="list-style-type: none"> The portfolio is a guaranteed portfolio and the monthly bonuses (returns) before fees, will never be negative. The employer and the members cannot tolerate negative returns and it is important that they invest in a guaranteed portfolio. The employer and the members are aware that guaranteed portfolios often target lower returns, after fees, than aggressively managed market linked portfolios because of the guarantee that is provided. The employer and the members are aware of the capital charge and the MVA. Other (please specify): 	

Section 5: Employer selected default

The employer selected default must be presented to the trustees for approval and will only be implemented as the employer default upon receipt of the trustee approval.

The resolution from the employer and supporting documents provided to the trustees must comply with the below requirements. Please indicate by providing the required information and ticking each requirement that the employer's resolution complies with.

1. Confirm that the portfolio is relevant to the employer's member profile	
2. Provide reasons on why the portfolios selected are appropriate for ALL members who have already defaulted into the portfolio and are appropriate to all NEW members who will default into the portfolio going forward	
3. Provide all the fees that will be charged (including performance fees, net priced fees, global fees, etc.)	
4. Confirm that the portfolio is reasonably priced and competitive for the specific employer	
5. Confirm there are no complex fee structures	
6. Confirm that both active and passive strategies have been considered in the construction of the portfolio	
7. Confirm that there are no loyalty bonuses linked to any of the portfolios selected	
8. Confirm that the portfolio will be reviewed on an annual basis and that their appropriateness will be confirmed in writing annually	
9. Confirm that an employer and member communication will be provided annually to FAWInvestmentQueries@momentum.co.za and will include the following: <ul style="list-style-type: none"> Asset class composition of the portfolio Annualised returns for 1, 2, 3 and 5 year periods Top 10 holdings at instrument level All the fees, including asset management fees, performance fees, net priced asset class fees, guaranteed charges, transaction costs, etc. 	

Section 6: Members affected

The default investment portfolio option requested in this form is applicable to:

All members

A selection of members

If the option is applicable to a selection of members, please submit a list of those members to FAWInvestmentQueries@momentum.co.za. To adhere to the Protection of Personal Information Act (POPIA), only the member number (Perno) should be submitted (i.e. no other personal details should be reflected on the list).

Member number (Perno)

Section 7: Section 14 transfer

Please invest the money transferred to Momentum FundsAtWork from another pension or provident fund (Section 14 transfer) as follows:

Name of investment portfolio/s	% allocation (must add up to 100%)

Section 8: Advisory body details

The following relates to the advisory body authorised to sign documentation in respect of the employer's participation in the Fund.

Please note that you may not have more employer representatives than member representatives.

All the advisory body members must authorise this product option / investment portfolio selection.

Passed at an advisory body meeting held on: - - at

The members have been fully informed, in writing, of the impact the default investment option will have.

If the advisory body members below differ from the information previously submitted or if no details were previously submitted to FundsAtWork, please also complete and submit the following form together with this instruction: MEB084 – FundsAtWork Umbrella Funds Advisory body change details form.

Representative Member Employer

First name

Surname

Email address

Signature

Signed at

Date

Representative Member Employer

First name

Surname

Email address

Signature

Signed at

Date

Representative	Member <input type="checkbox"/>	Employer <input type="checkbox"/>
First name	<input type="text"/>	
Surname	<input type="text"/>	
Email address	<input type="text"/>	
Signature	<input type="text"/>	Signed at <input type="text"/>
		Date <input type="text" value="DD - MM - 20YY"/>

Representative	Member <input type="checkbox"/>	Employer <input type="checkbox"/>
First name	<input type="text"/>	
Surname	<input type="text"/>	
Email address	<input type="text"/>	
Signature	<input type="text"/>	Signed at <input type="text"/>
		Date <input type="text" value="DD - MM - 20YY"/>

Section 9: Terms and Conditions

1. Momentum FundsAtWork will process a valid instruction to switch a product option or investment portfolio within 7 working days after it has received the correct and valid instruction. Momentum FundsAtWork will process a valid instruction to change both the product option and investment portfolio within 14 working days after it has received the correct and valid instruction. In the event of bulk transaction instructions, Momentum FundsAtWork may need to structure it over a longer period, as agreed by the investment manager. A bulk transaction is where the total investments involved equals or exceeds the percentage of the portfolio's total assets specified by the specific portfolio manager.
2. Please ensure that you track this instruction via the website, www.momentum.co.za. Inform our client contact centre on 0860 65 75 85 within 20 working days of submitting this form if the instruction was not executed or executed incorrectly by Momentum FundsAtWork. After the expiry of 20 working days, Momentum FundsAtWork will not accept any liability or responsibility whatsoever for any losses incurred resulting from the incorrect execution of your instruction.
3. Please Note that if a selected portfolio is capped, the switch instruction in this form will not be executed in its entirety.
4. Momentum FundsAtWork will not be liable for any losses the member incurs if the information the advisory body supplies is unclear, illegible or incorrect in any way.
5. An instruction will only be considered to be correct and valid if all of the following and such other requirements as Momentum FundsAtWork may determine from time to time are met:
 - The instruction must be in writing;
 - The instruction must be readable;
 - The instruction must be on the form and in the format decided on by the trustees of the Fund;
 - The form must be signed;
 - The portfolio that is chosen must be clear;
 - The portfolio that is chosen must be available;
 - The allocation between different portfolios must add up to 100% (where applicable);
 - The investment allocation following execution of the investment instruction must comply with Regulation 28 of the Pension Funds Act;
 - The instruction must be addressed to the person as specified by Momentum FundsAtWork, and
 - The instruction must be sent to the facsimile number or e-mail address as specified by Momentum FundsAtWork.
6. The investment instruction can be submitted to Momentum FundsAtWork in one of the following ways:
 - by fax;
 - via the on-line internet portal using the relevant user identification and security code;
 - by e-mail from the advisory body; or
 - where the administration system of the administrator allows for it, via voice-recorded transaction, subject to the terms and conditions determined by Momentum FundsAtWork.
7. The instruction will not apply to a member who opted out of the product option and investment portfolio that the advisory body selected.
8. If, for whatever reason, Momentum FundsAtWork does not receive correct and valid instructions, the instructions will not be executed and the retirement savings account balances, future contribution and transfer amount, if applicable, of the members will be kept in the current investment portfolio.
9. The employer selected default must be presented to the trustees for approval and will only be implemented as the employer default upon receipt of the trustee approval.
10. The advisory body choice will apply to all members unless an individual member chooses to opt out in their personal capacity.

Section 10: Trustee approval (or authorised representative)

Trustee approval for the employer selected portfolios to be loaded as the employer default.

First name	<input type="text"/>										
Surname	<input type="text"/>										
Designation	<input type="text"/>										
Signature	<input type="text"/>										
Signed at	<input type="text"/>										
Date	<table border="1"><tr><td>D</td><td>D</td><td>-</td><td>M</td><td>M</td><td>-</td><td>2</td><td>0</td><td>Y</td><td>Y</td></tr></table>	D	D	-	M	M	-	2	0	Y	Y
D	D	-	M	M	-	2	0	Y	Y		

When you sign this form by inserting a digital signature it confirms that the information provided is true and correct.

Options to sign the form:

1. Print out the form, sign and scan it and send it back via email to FAWInvestmentQueries@momentum.co.za or fax it to +27 (0)12 675 3970.
2. Place your scanned signature in the signature block.

How to use a scanned signature:

- Select the 'comments' tab from your menu in Adobe.
- Select the 'add stamp' icon.
- Select custom stamps.
- Create custom stamps.
- You can now browse and upload your signature to save it as a custom stamp under 'sign here' in Adobe.
- You can now go back to your 'stamps' icon and select 'sign here' and select your saved signature.
- Place it in the document and save the document.
- Store your scanned signature in a safe place on your computer.

When you want to print the form to complete by hand you can turn off the field highlights by selecting the "highlight existing fields" on the top right hand corner of your screen.