

Momentum Universal Smooth- Edge Fund (2021 Bonus Series) (FundsAtWork)

momentum
corporate

Fund fact sheet
August 2022

This fund fact sheet is for the 2021 bonus series of the Momentum Universal Smooth-Edge Fund, which was launched in March 2021.

The Momentum Universal Smooth-Edge Fund is a low-cost smooth bonus portfolio where the underlying assets are invested according to a balanced fund mandate, offering exposure to both local and global investments. The investment portfolio has been designed using Momentum Investments' outcome-based investing philosophy and includes passive and enhanced indexing investment strategies.

Underlying asset returns are smoothed to reduce the volatility otherwise associated with investing in markets. The underlying asset returns are distributed in the form of bonuses, which are declared monthly in advance.

This is an investment product provided through a policy of insurance. Members receive a guaranteed return of the value of their premiums invested (net of any payments made) plus accumulated bonuses (net of investment management fees) at the date of a benefit payment (e.g., death, disability, resignation and retirement). Notwithstanding the guarantees on benefit payments, all other disinvestments may be subject to a market value adjustment (for further details contact your financial adviser to obtain more information on the market value adjustment).

This means that if the underlying asset values are below the fund value, the amount payable will be lower than the amount requested. It is therefore important to ensure that you are comfortable with the level of the market value adjustment if applicable, prior to investing or requesting disinvestments other than guaranteed benefit payments.

The Universal Smooth-Edge Fund (2021 Bonus Series) complies with the FSCA Conduct Standard 5 of 2020 (RF) and may be used as a default investment portfolio as per Regulation 37 of the Pension Funds Act No. 24 of 1956.

Date of inception

March 2021.

Fund objective

CPI + 4% per annum, net of all fees and charges, over the long term.

How we aim to achieve the Fund objective

The investment portfolio has been designed using Momentum Investments' outcome-based investing philosophy, which aims to maximise the probability of members achieving their investment goals. The philosophy combines various asset classes, investment strategies and mandates to target the Universal Smooth-Edge Fund's objective.

The smooth bonus disclosure document outlines how Momentum allocates capital to portfolios under adverse market conditions. In adverse market conditions, portfolio hedges may also be implemented at the cost of the portfolio to prevent permanent loss of capital.

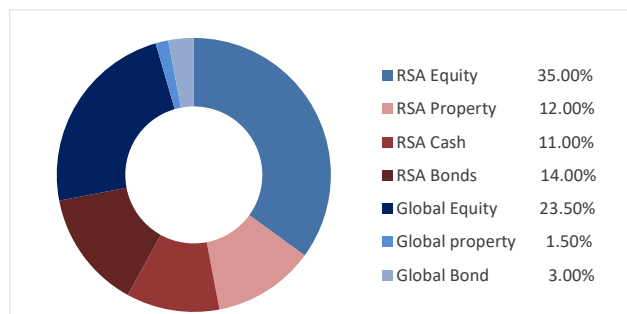
Risk profile

Moderate to low.

Appropriate for

- long-term investors who want to plan with confidence for retirement;
- members who want downside protection for their benefits, because they are less than ten years from retirement, or concerned about death or disability.

Long-term asset allocation



Fund Account and bonus smoothing methodology

Bonus rates are declared monthly in advance and added to the fund account, which includes a vested and a non-vested account.

The vested account consists of:

- capital invested
- plus vested bonus declared each month on the fund account;
- plus any portion of the non-vested account declared to be transferred;
- less proportion of disinvestments and any market value adjustments allocated to the vested account;
- less investment management fees.

The non-vested account consists of:

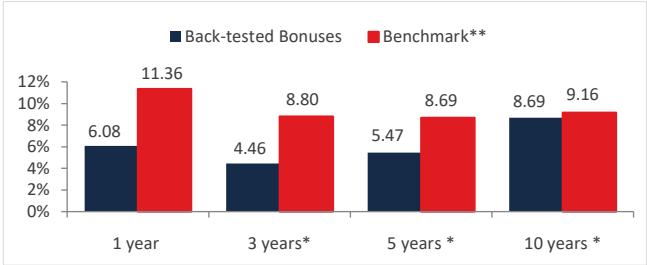
- accumulated non-vested bonuses declared on the fund account each month;
- less amounts transferred to the vested account;
- less proportion of disinvestments and any market value adjustments allocated to the non-vested account.

Note: Non-vested and vested refers to guaranteed and non-guaranteed respectively. These terms are used interchangeably in marketing literature and investment reports. If there are queries, please contact us

In the event of a structural market readjustment where investment markets fall for a sustained period and remain at these low levels, part or all of the non-vested account may be reduced. Non-vested reduction has not been necessary for any Momentum Corporate smooth bonus solution

Performance

The Universal Smooth-Edge Fund (2021 Bonus Series) is a new offering and therefore does not have an actual medium- or long-term performance track record. The graph below shows the back-tested performance of the Universal Smooth-Edge Fund (2021 Bonus Series). The performance figures are as at 31 August 2022.



*Annualised
**The benchmark is CPI + 4%. Refer to 'Fund Objective'. Latest CPI figures available June 2022.
Note: The back-tested bonuses are net of the underlying asset charges but gross of the investment management fee under 'fees and charges per annum'. The back-tested bonuses are used until the inception date of the portfolio. Actual bonuses are used thereafter.

Monthly bonuses

Month	Vested	Non-vested	Total
Sep - 2022	0.195%	0.195%	0.390%
Aug - 2022	0.098%	0.098%	0.196%
Jul - 2022	0.021%	0.000%	0.021%
Jun - 2022	0.080%	0.080%	0.160%
May - 2022	0.245%	0.245%	0.490%
Apr - 2022	0.300%	0.300%	0.600%
Mar - 2022	0.280%	0.280%	0.560%
Feb - 2022	0.280%	0.280%	0.560%
Jan - 2022	0.335%	0.335%	0.670%
Dec - 2021	0.425%	0.425%	0.850%
Nov - 2021	0.315%	0.315%	0.630%
Oct - 2021	0.220%	0.220%	0.440%

Fees and charges (per annum)

Investment management fee

Fund accounts less than R25m: 0.60% per annum on the value of the fund account.

Fund accounts greater than R25m: 0.25% per annum on the value of the fund account.

Underlying asset charges

0.60% capital charge

In addition to the capital charge, asset management fees for certain asset managers are paid directly from the underlying assets.

There are currently no performance fees payable on the Momentum Universal Smooth-Edge Fund.

Total Expense Ratio (TER) and Total Investment Cost (TIC)

The Universal Smooth-Edge Fund was launched in March 2021 and therefore a 1-year TER/TIC is not yet available.

The expected TER/TIC is shown below:

Capital Charge	0.60%
Investment Management Fee	0.25% ¹
Net Priced Asset Fees	0.17%
Performance Fees	0.00% ²
TER, including the Capital Charge	1.02%
Transaction Costs	0.00% ³
TIC, including the Capital Charge	1.02%

¹ Assumes a fund account of greater than R25m and therefore an investment management fee of 0.25% per annum

² There are currently no performance fees paid for Universal Smooth-Edge

³ Transaction costs are incurred with the buying and selling of financial instruments within the portfolio.

The Principles and Practices of Financial Management (PPFM) describe the approach we adopt in managing this product. The PPFM is available on our website.

Contact details

Website:

momentum.co.za/fundsatwork

Email:

FAWInvestmentQueries@momentum.co.za

momentum.co.za

 Momentum Corporate

 twitter.com/momentum_za

 facebook.com/momentumZA

Disclaimer

Copyright reserved © Momentum Metropolitan 2022 – 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.