

## Momentum Smooth-Edge Fund FundsAtWork (Open)

The Momentum Smooth-Edge Fund is a cost-effective growth oriented smoothed bonus portfolio. The objective is to provide a smoother investment journey using Momentum's proven smoothing capabilities to achieve the targeted real return. Furthermore, members have the security of knowing that their investment account is paid on insured policy benefit events (for example, death, disability, resignation and retirement), mitigating against short-term market volatility on such events. This extends to retrenchments, subject to an overall limit on retrenchment payments.

The portfolio allows for the underlying asset returns to be smoothed, reducing the volatility associated with investing in markets. The underlying asset returns are distributed as bonus rates which are declared monthly in advance. Aiding their investment journey is the fact that bonus rates can't be negative.

### Investment Strategy

The portfolio's strategic asset allocation is set to deliver on its CPI +4 % per annum objective. The portfolio has been designed using Momentum Investments' outcome-based investing philosophy which seeks to maximise the probability of members achieving their investment goals.

The portfolio includes active, passive and smart beta strategies. This balance of strategies aids in keeping asset management fees low whilst providing strategy diversification to target inflation-beating investment performance over the long term.

The Smooth-Edge Fund 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.

### The underlying guarantee

The investment account is split between a vested and non-vested account. Invested capital is 100% allocated to the vested account, whilst declared bonus rates are split between the vested and non-vested bonus rates. The member has the security that their vested account is guaranteed and can never decrease.

### Market Value Adjustment

As noted under 'The underlying guarantee' the full investment account (vested plus non-vested) is payable on insured policy benefit events.

All other disinvestments may be subject to a market value adjustment. This means that if the underlying asset values are below the value in the investment account, the amount payable will be lower than the amount requested. This ensures that payments to members exercising voluntary options do not have a negative impact on the remaining policyholders. For further details on the market value adjustment, please contact your financial adviser or [refer to the guide](#).

### Risk profile

Moderate to low (as measurement by the volatility of bonus rates)

### Appropriate for

- members investing over the long term, wanting to plan with confidence for retirement; and
- members looking for downside protection because they are less than ten years from retirement or concerned about market volatility in the event of death or disability.

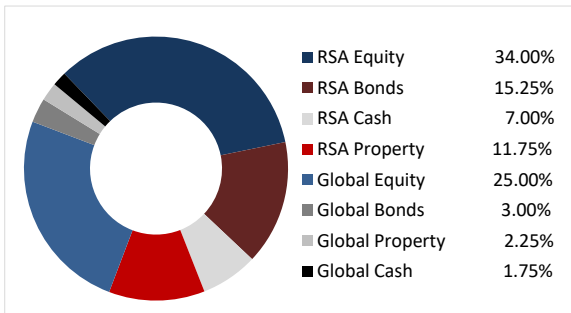
### Inception date

February 2019

### Portfolio objective

Aims to provide a smoothed return, targeting CPI + 4% per annum, net of all fees over the long term.

## Long term asset allocation



## Bonus declaration method

Vested and non-vested bonus rates are declared monthly in advance.

For details of the bonus declaration approach and related formula, please see our [Disclosure Document](#).

## Monthly bonus rates

| Month      | Vested | Non-vested | Total  |
|------------|--------|------------|--------|
| Jul - 2024 | 0.465% | 0.465%     | 0.930% |
| Jun - 2024 | 0.465% | 0.465%     | 0.930% |
| May - 2024 | 0.355% | 0.355%     | 0.710% |
| Apr - 2024 | 0.425% | 0.425%     | 0.850% |
| Mar - 2024 | 0.390% | 0.390%     | 0.780% |
| Feb - 2024 | 0.405% | 0.405%     | 0.810% |
| Jan - 2024 | 0.395% | 0.395%     | 0.790% |
| Dec - 2023 | 0.380% | 0.380%     | 0.760% |
| Nov - 2023 | 0.180% | 0.180%     | 0.360% |
| Oct - 2023 | 0.295% | 0.295%     | 0.590% |
| Sep - 2023 | 0.300% | 0.300%     | 0.600% |
| Aug - 2023 | 0.375% | 0.375%     | 0.750% |

## Fees and charges (per annum)

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

The latest available three-year TER and TIC is shown below, as at 31 December 2023.

|  | 1.20% Fee Class | 0.85% Fee Class <sup>1</sup> |
|--|-----------------|------------------------------|
| Capital Charge                           | 0.60%           | 0.60%                        |
| Investment Management Fee                | 0.60%           | 0.25%                        |
| Net Priced Asset Fees                    | 0.15%           | 0.16%                        |
| Performance Fees <sup>2</sup>            | 0.00%           | 0.00%                        |
| <b>TER, including the Capital Charge</b> | <b>1.35%</b>    | <b>1.01%</b>                 |
| Transaction Costs <sup>3</sup>           | 0.01%           | 0.01%                        |
| <b>TIC, including the Capital Charge</b> | <b>1.36%</b>    | <b>1.01%</b>                 |

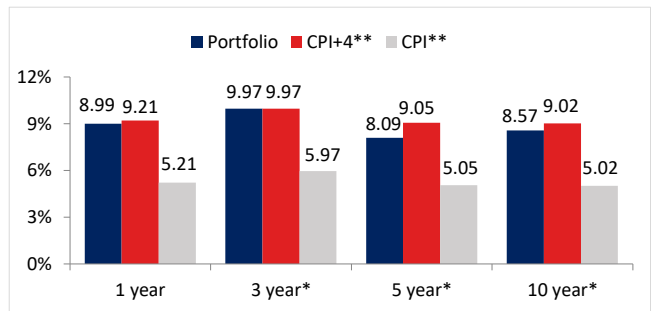
<sup>1</sup> Approval required prior to qualifying for the 0.85% Fee Class.

<sup>2</sup> There are currently no performance fees paid for Smooth-Edge.

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

## Performance

The Momentum Smooth-Edge Fund has a three-year performance track record. The graph shows the performance of the portfolio including back-tested returns prior to inception. The returns below are as at 30 June 2024.



\*Bonus rates are annualised and net of underlying asset charges but gross of the investment management fee as shown under 'Fees and charges (per annum)'.  
\*\*CPI figures available are lagged by two months.

Please note that back-tested bonus rates are used until the inception date of the portfolio. Actual bonus rates are used thereafter.

For more detail on this product, please [click here](#) for the brochure.

### Investment management fee

- Investment of less than R25m: 0.60% per annum on the value of the investment account.
- Investment of greater than R25m: 0.25% per annum on the value of the investment account.

The 0.85% fee class is a special fee arrangement that is subject to approval from the FundsAtWork pricing team. To qualify for this fee class, there is criteria that must be met, one of which is that there must be a minimum investment account of R25 million. For more details on the qualifying criteria, please contact us.

### Underlying asset charges

- 0.60% capital charge.
- Asset management fees for certain asset managers (predominantly global) are paid directly from the underlying assets.
- Currently no performance fees paid for Smooth-Edge.



# momentum

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