

Momentum Universal Fifty Smooth Return Fund

momentum
corporate

Fund fact sheet
April 2022

The Momentum Universal Fifty Smooth Return Fund (UFSRF) is a smooth bonus portfolio where the focus is more on the smoothing of returns than the investment guarantees. This provides the investor with a cost-effective, smoother investment journey.

The underlying assets of the smooth bonus portfolio are invested in a multi-asset mandate, offering exposure to both local and global investments. The investment portfolio has been designed using Momentum Investments' outcome-based investing philosophy and includes active, passive and enhanced indexing investment strategies to reduce the asset management costs. The underlying asset returns are smoothed to reduce the volatility associated with investing in markets.

The UFSRF includes a 50% guarantee, giving investors a level of capital protection. This guarantee ensures that their fund value will never be less than 50% of the capital invested plus all the declared guaranteed bonuses. No matter what happens in the investment markets, the investment can never fall below the 50% guarantee level.

The UFSRF 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

The UFSRF started in April 2022.

Portfolio objective

The portfolio targets a smoothed return of CPI + 4,5% per annum, net of the policy fee and underlying asset charges, over the long term.

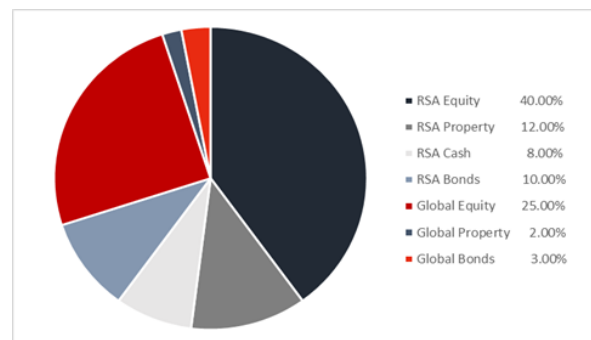
Risk profile

Moderate to aggressive.

Particularly appropriate for:

- Long-term investors who want to plan with confidence for retirement.
- Investors who want downside protection in volatile markets but understand the need to have higher exposure to growth assets over the long term.
- Investors who do not want to de-risk or adapt their investment strategies when they near retirement.
- Pre- and post-retirement portfolios.

Long-term asset allocation



Bonus declaration method

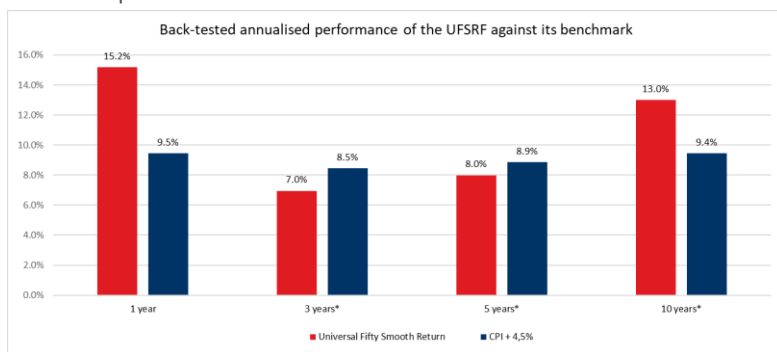
Monthly bonus rates are declared in advance. The monthly bonus rates may be positive, zero or negative.

Special and intra-month ad hoc bonus rates, which can be positive or negative, may also be declared and will be applied to the fund account immediately.

Positive bonus rates consist of a guaranteed bonus rate and a non-guaranteed bonus rate. Negative bonus rates are entirely non-guaranteed.

Performance

The UFSRF is a new portfolio and does not have a medium- or long-term performance track record. The graph shows the back-tested annualised performance of the UFSRF at 31 December 2021.



- Bonuses are annualised and net of underlying asset charges but gross of the policy fee indicated under 'Fees and charges per annum'.
- The benchmark is CPI + 4,5% indicated under 'Portfolio objective'.
- Back-tested bonuses are used until the inception date of the portfolio. The actual bonuses will be used from then.
- Past performance is not necessarily indicative of future performance.

Annual fees and charges

The UFSRF was launched in April 2022 and a 1-year Total Expense Ratio (TER)/Total Investment Cost (TIC) is not available yet. The expected TER/TIC is:

Capital charge	0,20%
Policy fee	0,30% ¹
Asset management fees	0,41% ²
TER, including the capital charge	0,91%
Transaction costs	0,04% ³
TIC, including the capital charge	0,95%

1 Assumes an investment amount of R200m. Policy fee scale: 0,35% on the first R100m of the fund account value. 0,25% on the excess fund account value above R100m.

2 Asset management fees for certain asset managers are paid directly from the underlying assets.

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

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