

What is a unit trust?

A unit trust is a form of a collective investment scheme, which pools money from individual investors, which is then invested into various assets such as bonds, fixed income instruments and equities. The investment is professionally managed by one of our fund managers.

What are the benefits of investing with us?

Benefits from investing in unit trusts include:

- **Low minimum investment amount:** depending on the fund you can invest a minimum initial lumpsum amount of R2 000 with subsequent monthly payments of R300.
- **Professional management:** your money is managed by experienced and trained professionals who have access to the latest information about markets and companies and are in a position to make informed investment decisions.
- **Diversification:** you can spread your investment risks across various markets, sectors and asset classes. Pooling your resources with other investors gives you the opportunity to invest in a multitude of markets and sectors. This type of diversification is usually not possible for individual investors with limited resources and entry level investments.
- **Access to specialised markets and overseas opportunities:** investing in unit trusts gains you access to specialised and overseas markets.
- **Liquidity:** you can sell your investments at any time on any business day.

Which factors should I consider when electing to invest in unit trusts?

Your decision should be made based on your:

- Goals
- Financial circumstances
- Risk tolerance
- Investment time horizon
- Investment objective

Different unit trusts invest in different asset classes, markets and sectors, depending on the investment objective and strategy of that particular fund. As a result, they have different levels of risks and returns. Therefore, your personal investment needs depend on many factors, the most significant one being your investment objective. It is important to consult your financial

adviser to determine what these objectives are and for assistance with your investment strategy in an attempt to meet these objectives.

Are returns guaranteed?

Like all investments, there are risks involved. Unit trusts are no exception and returns cannot be guaranteed. Prices can rise or fall depending on market conditions prevailing at any particular time.

What is the minimum investment amount?

Minimum investment amounts vary depending on the fund. Momentum Collective Investments requires a minimum initial lumpsum investment of R2 000 with subsequent monthly payments of R300. For full details, please [click here](#).

When and where are the prices available?

Unit trusts operate on a forward pricing basis. This means that Momentum Collective Investments unit prices are only calculated at the end of any business day after all investments, and the cost of all transaction activities, have been taken into account. To allow for correct valuations, please ensure that all instructions are sent to us before 13h00 on any business day. Confirmed prices for trades on a particular business day are available on the Momentum Collective Investments website.

[Click here](#) to download our latest prices. These prices may also be requested from our Client Service Centre on 0860 111 899 or ci.clientservice@momentum.co.za.

Will income distributions be paid?

Yes. Depending on the type of investment, distributions can be paid quarterly or bi-annually. Income distributions can be reinvested into the same portfolio or paid into your bank account.

Note: income distributions of less than R20 will always be reinvested.

What is the frequency and content of fund updates/reports?

Most fund updates are available on a weekly, monthly and quarterly basis. Information will include market overviews, fund performance, the market outlook, commentaries on each of our funds and the fund's asset allocation. [Click here](#) to subscribe to our regular reports.

Who can invest with Momentum Collective Investments?

You need to be at least 18 and older to invest with us. If you below 18 we require a legal guardian/parent to sign on your behalf. Before investing in any unit trust, please ensure that you have read the information pertaining to that fund and the relevant terms and conditions. [Click here](#) to find out more about our funds. You can also request information from our Client Service Centre on 0860 111 899 or ci.clientservice@momentum.co.za.

How do I invest with Momentum Collective Investments?

Investing with Momentum Collective Investments is an easy 3-step process.

- You will first need a contract number beginning with "RU". To obtain this number, SMS "APP" along with your ID/passport/company registration number to 32746.
- Next you will need to obtain the necessary application form; this form is available online by [clicking here](#). You can also request this form from Client Service Centre by calling 0860 111 899 or sending an email to ci.clientservice@momentum.co.za.
- Email the completed and signed form with all the necessary documentation to ci.clientservice@momentum.co.za. Alternatively, you can fax it to us on +27 (0) 12 675 3889.

Why must I supply supporting documents?

The Financial Intelligence Centre Act of 2002 (FICA) requires all accountable institutions, i.e. financial institutions, to identify, verify and keep records of all clients with whom they establish a business relationship or conclude a single transaction. This is to combat money laundering activities and fraud in South Africa, and to protect the interests of legitimate investors.

Financial services and credit providers who fail to comply with the

requirements of FICA face strict penalties. According to this legislation Momentum Collective Investments may not process transactions that are subject to FICA if these are not accompanied by the required documentation.

[Click here](#) to find out what information is required. Please contact our Client Service Centre to update your details today.

What are the different funds that Momentum Collective Investments offers?

Momentum Collective Investments has 30 funds, both local and international. [Click here](#) to view our full list of funds.

How do I make a payment to Momentum Collective Investments?

All payments can also be made into our bank account via:

1. Electronic Fund Transfer (EFT) - direct deposit via Internet transfer,
2. Direct deposit at the bank
3. Bank guaranteed cheque
4. Debit order

Note: if a debit order falls over a weekend or a public holiday, your account will be debited on the first working day thereafter.

Our banking details are:

- **Bank:** First National Bank
- **Account Number:** 62138297313
- **Branch code:** 255005
- **Reference:** Your contract number beginning with "RU"

How do I change my preferred bank account or personal details?

You can change your preferred bank account details by filling in the appropriate *change of personal details* form. This form is available online by [clicking here](#). You can also request this form from Client Service Centre by calling 0860 111 899 or sending an email to ci.clientservice@momentum.co.za.

Completed and signed forms may be emailed to ci.clientservice@momentum.co.za or faxed to +12 (0) 12 675 3889.

How will I know if my application to invest is successful?

Upon acceptance submission of your application, a confirmation letter will be posted to you informing you of the confirmed price and the number of units allotted to you. You will receive a confirmation letter for each instruction processed reflecting your unit allocation and relevant balance.

Can I cancel my application/instruction request?

Transactions sent to us before 13h00 may be reversed as long as the request for cancellation is sent on the same day as the instruction. You cannot cancel online facilities instructions once submitted. Please call our Client Service Centre on 0860 111 899 or email ci.clientservice@momentum.co.za for assistance.

How long does it take for my portfolio to update?

You will be able to see your unit trust holdings usually within a 48-hour turnaround time after requesting an instruction. This allows for prices and the number of units to be determined and processed by our system.

How do I find out the current value of my investment?

To find out the current value of your investment you can contact our Client Service Centre on 0860 111 899 or email ci.clientservice@momentum.co.za. Be sure to have your contract number beginning with "RU" on hand. You can also access your portfolio online via our Online Facilities login. [Click here](#) to go directly to this page or scroll down to find out more about our Online Facilities.

When can I repurchase my units?

You may repurchase/sell all or a portion of your units on any working day. The units will be valued as at the date they were sold. As the market fluctuates, so will the value of your units, therefore, your units may be worth more or less than what you originally paid.

To complete this instruction, fill in a *repurchase* form. This form is available online by [clicking here](#). You can also request for this form to be sent to you by contacting our Client Service Centre on 0860 111 899 or by sending an

email to ci.clientservice@momentum.co.za. Completed and signed forms may be emailed to ci.clientservice@momentum.co.za or faxed to +12 (0) 12 675 3889. Alternatively, if you have an online account, you can request for this instruction to be processed via our online facilities.

Provided you have met the requirements stipulated by [FICA](#), we adhere to a 48-hour turnaround time for all repurchases.

What different types of transactions are available?

You can:

- Repurchase
- Buy
- Switch
- Transfer

To do this:

- Contact your nearest financial adviser
- Complete the necessary [form](#)
- Register on www.momentum.co.za/assetmanagement in order to access your portfolio online and to transact in a safe and secure environment. [Click here](#) to log in or scroll down to find out more about our Online Facilities.
- Call our Client Service Centre on 0860 111 899 or email ci.clientservice@momentum.co.za.

Can I buy additional unit trusts other than by filling in forms?

Yes, via our online facilities. To register, fill in a *client application to transact online* form. This form is available online by [clicking here](#). You can also request for this form to be sent to you by contacting our Client Service Centre on 0860 111 899 or by sending an email to ci.clientservice@momentum.co.za. The completed and signed form can be emailed to ci.clientservice@momentum.co.za. Alternatively, you can fax the form to +27 (0) 12 675 3889. To buy online, just follow the steps below:

1. Register to use our online facilities – to do this, fill in the [client application to transact online form](#) and send the completed, signed form to ci.clientservice@momentum.co.za. Alternatively, you can fax the form to +27 (0) 12 675 3889;
2. Once registered you will receive a unique password;

3. Log on to [online facilities](#) using your contract number and unique password;
4. Click "Buy Online" and select the account you wish to transact with;
5. Fill in your "preferred banking" details;

Select the funds you would like to buy and click "Confirm".

What other options are available online?

In addition to the instructions mentioned above you can also request statements or tax certificates, link accounts, update personal details and change your password when using these facilities.

For technical assistance or queries, kindly contact our Client Service Centre on 0860 111 899 or email ci.clientservice@momentum.co.za.

When is the Client Service Centre available?

Our *online facilities* service is available 24 hours a day and our Client Service Centre (call centre) is available on weekdays between 08h00 until 16h30 on 0860 111 899. Instructions sent before 13h00 are processed on the same day. However, instructions sent after 13h00 will be processed on the next working day at the prices applicable on that day.

How do fund amalgamations affect my investments?

Due to the merger between Metropolitan and Momentum, Momentum Collective Investments was born. As a result, the various unit trust funds of the business were reviewed and amended after a successful ballot process. As a part of this process various fund amalgamations took place. Please [click here](#) to find out how these fund amalgamations will affect your investments.

What are the minimum fees for the relevant portfolios and classes?

Momentum Collective Investments (RF) (Pty) Ltd (the manager) has various portfolios under its licence, which in turn have a number of fee classes. Fee structures vary per fee class. Management fees are made up of a fixed annual management fee and, if applicable, a performance fee. The

performance fee levied is dependent on the portfolio return relative to the benchmark return or fee hurdle.

What are the maximum fees for the relevant portfolios and classes?

The maximum possible fee is the sum of the fixed annual management fee including value-added tax (VAT) and the maximum possible performance fee including VAT if applicable.

At which return levels (also called the fee hurdles) will the manager charge more than the minimum fees?

Please refer to the manager's fee schedule.

Are the fee hurdles the same as the relevant portfolio benchmarks? If not, explain any differences and the reason for this.

This depends on the portfolio fee class. In most cases, the fee hurdle is the same as the relevant portfolio's benchmark return. In other cases, the fee hurdle is above or below the relevant portfolio benchmark return. Please refer to the manager's fee schedule.

Will more than the minimum fee be charged regardless of whether the portfolio is experiencing positive or negative returns?

Yes

What portion of the portfolios' returns will the manager be entitled to share, should the portfolios perform above their fee hurdles (also called the sharing rate)?

Please refer to the manager's fee schedule.

When portfolio returns are considered, are fees included or excluded (gross of fees or net of fees)?

The portfolio returns used for performance fee calculations are net of all fees, ie fees are excluded.

What fee rate will be charged under the following conditions?

- The portfolios perform 10% p.a. less than the benchmark
- The portfolios perform 5% p.a. less than the benchmark
- The portfolios perform in line with the benchmark
- The portfolios perform 5% p.a. more than the benchmark
- The portfolios perform 10% p.a. more than the benchmark

Please refer to the manager's fee schedule.

Are fixed fees charged on any other classes of the portfolios instead of performance fees?

Yes, there are portfolio fee classes with no performance fees. Retail investors may, however, only be able to access portfolio fee classes with performance fees when they invest via a LISP or directly with the manager.

Are the performance fees accrued daily (also called the 'fee accrual frequency')?

Performance fees are accrued daily.

Do performance fee accruals pertain to return periods more than a month before the accrual?

For some portfolio classes, performance fee accruals pertain to return periods where return calculations are based on portfolio and benchmark returns, which are lagged by 90 days. This is for portfolios with CPI benchmarks, where the release of the CPI values by Stats SA has historically taken place sometime after month end. Where fee accruals are lagged, certain unit holders may carry a lower proportion of the performance fee relative to the return enjoyed, while other investors may carry a higher proportion of the performance fee relative to the return enjoyed.

Is a rolling measurement period used?

Yes. Rolling measurement periods of predominately two years and one year for a few portfolio fee classes are applied for performance fee calculations. Where rolling measurement periods are used, certain unit holders may carry a lower proportion of the performance fee relative to the return enjoyed, while other investors may carry a higher proportion of the performance fee relative to the return enjoyed. Please refer to the manager's fee schedule.

How often is the performance fee paid to the manager (also called the 'fee payment frequency')?

The annual fixed management fee and the performance fee are accrued daily and paid to the manager monthly.

Should the portfolio experience underperformance to the fee hurdle, how long is that underperformance held against the manager? In particular, at what point would that underperformance be written off from a fee-calculation point of view? This "write off" may be the consequence of a reset provision in the High Water Mark, the length of the rolling period, or another implication of the mechanics of the performance fee basis and method.

Fee accruals are based on rolling periods. Any underperformance for a rolling period is not carried forward to offset against positive performance in future rolling periods.

Do any underlying portfolios charge implicit performance fees?

In some cases, portfolios may be invested in other portfolios, which charge implicit performance fees. Where underlying portfolios charge implicit performance fees (ie implicit in their unit prices), unit holders may carry these performance fees regardless of whether the top-tier portfolio or mandate has outperformed its own benchmark.