

# Terms for Momentum Collective Investments (RF) (Pty) Ltd

## A. Our agreement

1. Momentum Collective Investments (RF) (Pty) Ltd is an authorised manager of a collective investments scheme (unit trust) registered in terms of the Collective Investments Schemes Controls Act, 45 of 2002 (CISCA).
2. Standard Bank of South Africa Limited acts as the trustee of the Momentum Collective Investments (RF) (Pty) Ltd scheme.
3. You are a holder of participatory interests (units) in unit trusts in securities that Momentum Collective Investments (RF) (Pty) Ltd administers and manages.
4. This agreement is subject to the provisions in CISCA, the deed and applicable supplemental deeds and minimum disclosure documents (MDDs).
5. This agreement is subject to the laws of the Republic of South Africa and is subject to the Income Tax Act, 58 of 1962. We will deduct tax where applicable.
6. We are committed to comply with anti-money laundering, anti-bribery and anti-corruption legislation. This means we can ask you for additional information when needed.
7. We will review your application when we receive it with all the supporting documents. We will debit the investment amount from your bank account or ask you to transfer the investment amount to us in accordance with your request. After receiving all requirements we will continue processing your investment request.
8. We can decide not to accept your application.
9. Momentum Collective Investments may from time to time assess its offerings, and where it considers to be in the best interests of investors, we may in our sole discretion take appropriate actions required to fulfill our regulatory obligations. We will ensure that we comply with the provisions of CISCA and the deed of the scheme. We will communicate changes to investors before implementation of the actions in line with regulatory approvals and requirements.
10. We will recover any amount of money paid to you, which you are not entitled to for whatsoever reason, including interest on the amount where applicable.
11. We can change the terms of this agreement, but we will give you reasonable notice before we do this.

## B. Your investment

1. You are applying to invest in the portfolio/fund(s) that we administer and manage.
2. The price of a unit in the unit trust scheme is calculated daily, as stated below. This price applies to requests accepted on the same business day.
3. We calculate the net asset value (NAV) based on the total value of all assets in the fund. This would include any income accruals, less any acceptable deductions from the fund, divided by the number of units in issue. Examples of acceptable deductions are, including but not limited to, brokerage fees, securities fees, transfer fees, tax, auditor's fees, bank charges, trustee or custodian fees and service charges.
4. Our NAV calculation is based on the forward pricing principle. This means we do not determine the price of a fund during the trading day but at the fixed times:  
The pricing time (valuation point) is indicated in the funds' respective MDDs.

5. Effective annual cost (EAC) is a measure that the Association for Savings and Investment South Africa (Asisa) introduced to enable you and your financial adviser to compare charges and their effect on your investment returns in a meaningful way. It highlights the different role players involved in your investment and the effect of each role player's fees over the investment term. Visit [momentum.co.za/collectiveinvestments](https://www.momentum.co.za/collectiveinvestments) to review the EAC on the fund(s) that you want to invest in.
6. The value of unit prices may go down as well as up. Past performance is not necessarily a guide to future performance.
7. Foreign securities in funds may pose additional material risks, depending on the specific risks affecting that country. These include but are not limited to potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down and foreign currency exposure exposes you to foreign exchange risk.
8. Income distributions are made at regular intervals for all funds. We declare these distributions as the deed and applicable supplemental deeds specify. Refer to the latest MDDs available at [momentum.co.za/collectiveinvestments](https://www.momentum.co.za/collectiveinvestments) for more details. We will reinvest distributions below R250 into the funds.
9. If you do not choose a pay-out option for your distribution on your application form, we will reinvest it in your relevant fund(s).
10. Momentum Collective Investments (RF) (Pty) Ltd holds professional indemnity and fidelity insurance cover as required by law.
11. Cool-off rights are not applicable to investments in unit trust funds.
12. You cannot change the ownership of this investment agreement. When you want to change the beneficial owner on this investment, the new beneficial owner needs to open a new investment contract if the new owner does not have an existing investment contract. You can transfer units from this investment to another investment by completing a transfer of units form.
13. You cannot appoint a beneficiary. The proceeds of this investment will form part of your estate upon your death.
14. You can cede this investment to a registered financial services provider as security.

## C. Investment amounts

1. We only accept investments in South African rand (ZAR).
2. The minimum investment amounts per fund is:
  - 2.1. Initial lump sum of R2 000
  - 2.2. Additional lump sum of R1 000
  - 2.3. Regular investment of R250 per month, payable by debit order only.
3. Where you have invested a lump sum amount and then choose to sell or switch units from the fund(s), and the investment value falls below R2 000, without any active regular investment, we may end your investment and pay you the balance. Or you can buy additional units so that the minimum balance in the fund is more than R2 000.
4. You are required to use your RU investment number as reference for all direct deposits and electronic funds transfers (EFTs) so that we can match your deposit to the correct investment.

5. If you instruct us to collect money from your bank account, your bank account will be debited within two business days after acceptance of your request. We are limited to a maximum amount of R1 000 000 per collection.
6. EFTs paid to our bank account can take up to three business days to reflect in our bank account.
7. We place a waiting period on the units that we buy with the money we receive from you. You cannot withdraw money nor do a unit transfer during this waiting period. The waiting period will vary depending on the payment method you use.
  - 7.1. If you buy units with a direct debit, regular debit order or direct deposit, you can only sell or transfer the units after 45 days.
  - 7.2. If you buy units with an EFT, you can only sell or transfer the units after seven days.
8. If your bank rejects your investment payment, you will carry any risks regarding market movements and will be liable for any costs incurred.

#### D. Processing your requests

1. All documentation and communication that you send us must be clear and legible. A confirmation or delivery receipt is not proof that it is clear and legible. We will notify you once we have received your request and once your request has been processed.
2. You instruct us to act on your investment requests completed on the relevant form that we receive by fax, email, website or any other electronic medium with regard to your investment in fund(s) administered and managed by us. You agree that any electronic record of investment requests and applications that we have received and processed will be valid proof of the contents of such requests and applications.
3. We will not incur any liability of any nature in respect of any transfer, payment or other act done in accordance with such request(s) and/or application(s) notwithstanding that it shall be shown that same was not signed or sent by you or did not emanate from you. It is also agreed that this authorisation shall remain in force until notice in writing of its termination is received by us and any such notice shall be without prejudice to the completion of transactions already initiated pursuant to this authorisation.
4. The following cut-off times apply to investment requests:
  - 4.1. For money market funds the daily cut-off time is 10:00.
  - 4.2. For all other funds the daily cut-off time is 14:00.
5. If we cannot process the transaction on the same day, it will take place on the next business day or at the earliest possible opportunity according to legislation, our administration processes and any other unit trust limitations. We will determine the fund's price at the confirmed day's NAV unit price.  
We will not be responsible for delay in processing requests due to extraordinary events that can cause large-scale market changes and an increase in dealing activity.
6. We will only make payments into your own bank account. No third-party payments are allowed. We will pay you within 14 days of receiving the required documentation.
7. Where the units you want to sell have been ceded, you must give us written consent of the cessionary, or proof that the cession has been cancelled, before we can process the requests.
8. If we receive conflicting requests, we reserve the right not to act on such requests.  
We will contact you to confirm your correct request and thereafter will require you to send us the correct documentation and communication.
9. We will not be held liable for any claims, losses and/or damages whether indirect, special or consequential and/or any expense of any nature that you may incur or suffer as a result of you not adhering to any of the above.

#### E. Switch and withdrawals

1. A switch is the selling of units in one fund and investing the proceeds in another fund.
2. A withdrawal is when you sell units in a fund(s) and we pay the rand value to you.
3. Any capital gain realised on the disposal of a participatory interest in a unit trust scheme is subject to capital gains tax (CGT). We report using the weighted average cost method for CGT purposes.
4. The minimum withdrawal amount is R250.
5. If your bank rejects your withdrawal or income amount for any reason, we will reinvest the money into the relevant fund(s). You will carry any risks regarding market movements and will be liable for any costs of the reinvestment.
6. Fund(s) may have liquidity constraints due to market fluctuation and other market conditions which may result in delays or the inability to process your request.
7. Unit trusts are generally medium-to long-term investments. We have a fiduciary duty to ensure that each unit trust is administered honestly and fairly and in the interest of all investors. Excessive switching between funds impairs the ability of the investment manager to deliver the desired outcomes for a fund(s) and it is not in the best interest of all investors. As such, if we are of the opinion that your switching activity may be prejudicial to other investors in the relevant fund(s), we may restrict this activity.
8. We may take the relevant action as required, to make sure that we comply with the provisions of CISCA and the main deed of the scheme.

#### F. Ring-fence

1. A large-scale selling of units above a certain threshold may cause ring-fencing in a fund.
2. Ring-fencing is the separation of large-scale trades and the delayed sale of units in a unit trust. This is to make sure that the sale of a large number of units will not force us to sell the underlying investments at a price that could have a negative effect on investors.
3. We may delay the payment or reinvestment of the proceeds of the sale of units in accordance with notice 573 2003 of CISCA.
4. We cannot be held liable for any market movements as the value used will be based on the date of completing the sell request.

#### G. Fund fees and costs

1. There is an annual service fee for each fund.
2. A fund may have a yearly performance-based fee that shall be a variable amount that may either increase or decrease.
3. The total expense ratio (TER) of a fund is a measure of how much it costs to manage the fund, and how this cost reduces the value of the fund. It is expressed as a percentage of the daily average value of the fund(s) and calculated over a specific period, for example a financial year. Typical expenses that are deducted from a fund include, but are not limited to, annual service fees, performance fees, taxes, trustee fees and audit fees. We show the latest TERs on the MDDs.
4. From time to time, there may be changes to our fees or costs subject to regulatory approvals and processes.
5. Refer to the latest MDDs for details or visit the [momentum.co.za/collectiveinvestments](https://www.momentum.co.za/collectiveinvestments) glossary for further information.

#### H. Your financial adviser

1. You could benefit from appointing a financial adviser who can give you ongoing investment advice for this investment.
2. Your financial adviser must be registered in terms of the Financial Advisory and Intermediary Services (FAIS) Act and must be registered with us.

3. We verify each financial adviser's license category and underlying financial product categories according to section 7(3) of the FAIS Act.
4. We use third parties to verify FAIS licenses, but we cannot guarantee it and are not responsible if the information is wrong and causes a delay in carrying out a request.
5. We are not responsible for any loss or damages caused by your financial adviser not being appropriately licensed for the advice and intermediary service provided.
6. The license requirements apply to new investments and to any changes on your investment.
7. If you have appointed a financial adviser, we can pay initial and ongoing adviser fees within limits, by selling units from your investment at the prevailing fund(s) unit price.
8. You can request us to stop the payment of adviser fees if your financial adviser does not meet his or her obligations, or when your mandate ends.
9. Only a mandated Category II financial services provider (FSP) can instruct us on your behalf. We require a copy of the mandate to verify the appointment of such an FSP.
10. We will make statements, documents and information about your investment available to your financial adviser.
11. Financial advisers can ask us for access to your investment information through a third-party information provider. We are not responsible for any loss or claim that may arise because we made your investment information available to your appointed financial adviser through such a provider.

#### I. Communication

1. We will publish your investment statement every quarter online on your client profile on [momentum.co.za](https://momentum.co.za).
2. We will publish your quarterly statements and tax certificates on [momentum.co.za](https://momentum.co.za) where you can view, download or print it and will let you know when we have published it.
3. You can also request statements or tax certificates from us.
4. We must have up-to-date contact information for you and your appointed authorised signatory, if applicable.
5. If you do not inform us of any personal detail change and we are unable to reach you on the contact details provided, your investment may become unclaimed and we will appoint a tracing agent to try and trace you.
6. Any costs associated with tracing will be for your account and we may deduct it from the value of your investment.

#### J. Data Protection

1. You have a say in how we treat your personal information. We follow confidentiality principles and the principles in the Protection of Personal Information Act to make sure that all personal information that you give to us is kept secure and confidential.
2. By entering into this investment agreement, you give us your permission to collect, record, store, update and use (or process) your personal information for the purposes of:
  - 2.1 providing you with services for this investment, including its administration and processing your requests;
  - 2.2 giving your personal information to our holding company, our holding company's parent company, its subsidiaries or contracted service providers and transferring your personal information to an entity outside of the borders of South Africa. We will share this information only so that these entities can administer your investment or benefits and give you related services;
  - 2.3 giving your information to regulatory authorities, governmental departments, tax authorities and other persons that we are legally required to share your information with;

- 2.4 giving information to industry bodies such as, among others, the Asisa, and contracted third parties, such as tracing agents, attorneys, debt collectors and other persons that help to enforce agreements; and
- 2.5 doing research, servicing products or enabling you to view your investment and do transactions on our website. Where appropriate, this information will be de-identified so that it cannot be linked back to you personally.
3. Where we have given your information to any third party for any of the purposes above, we will make sure that they agree to treat your information with the same level of protection as we do.
4. You have the right to access and ask for a copy of the personal information we have for you. We are allowed to charge you a fee for giving you this information. You may ask that we update or correct your personal information.
5. You may object to us using your personal information at any time, unless the law allows us to use it for a specific purpose. If you object to our use of your personal information, we cannot perform any of the activities listed above until we are able to resolve your objection. If you think your personal information is being tampered with, or that it has not been protected, you can complain to the government's Information Regulator at [infoereg@justice.gov.za](mailto:infoereg@justice.gov.za).

#### K. Complaints

1. You can contact our client contact centre and we will follow our complaints resolution process. A copy of our process is available on request. We show our contact details in section L. You may also contact our regulatory compliance team by email at [mi.regulatorycompliance@momentum.co.za](mailto:mi.regulatorycompliance@momentum.co.za).
2. We have a conflict of interest management policy. A copy is available at [momentum.co.za/collectiveinvestments](https://momentum.co.za/collectiveinvestments).
3. If you have any complaints about the advice you have received, contact the Ombud for Financial Services Providers.

#### L. Contact details

**Momentum website:** [momentum.co.za](https://momentum.co.za)

##### Client contact centre

ShareCall: 0860 111 899

International number: +27 (0)12 675 3002

Email: [ci.clientservice@momentum.co.za](mailto:ci.clientservice@momentum.co.za)

Post: PO Box 7400, Centurion, 0046

##### Trustee

Standard Bank of South Africa Limited

Address: 20th Floor Main Tower, Standard Bank Centre, Adderley Street, Cape Town, 8001

##### Ombud for Financial Services Providers

website: [faisombud.co.za](https://faisombud.co.za)

ShareCall: 086 066 3247

Telephone: +27 (0)12 762 5000

Email: [info@faisombud.co.za](mailto:info@faisombud.co.za)