

Terms for Investo Portfolio

You confirm that you understand and agree to the terms of this investment. Any reference to Momentum (or “us”, “we”, etc) in this agreement will mean Momentum Wealth (Pty) Ltd, and/or Momentum Metropolitan Life Limited, and/or our subsidiaries, agents and successors in title, as applicable.

A. General

1. The application form, these terms, the benefit quotation, and the new business investment or membership certificate, form the basis of this agreement between Momentum and you. This agreement is subject to the laws of South Africa.
2. To assist in making an informed decision, please refer to the relevant minimum disclosure documents (MDDs, also known as fund fact sheets), for information on the portfolio. MDDs provide detailed explanations of the risks and the potential downside of a portfolio, which may change from time to time. MDDs can be obtained from the relevant collective investment scheme (CIS) manager, investment manager or your financial adviser.
3. We can change the terms of this agreement, including our administrative fees, and the default money market fund (currently, the Momentum Money Market Fund) we use for certain transactions and events. For this, and any future transactions on your investment, please make sure that you read our latest terms and conditions document, which is available on request.
4. You appoint Momentum to administer your investment. We will process your instructions as long as it is within legal and product limits.
5. We will review your application when your completed application, including all the supporting documents and proof of the payment to us (if a single contribution) is received. If you followed all the instructions in this document, and we receive all the required documents, we can accept your application and your investment can start.
6. You should sign next to any alterations or additions to the application form and these will only become binding once we have accepted them.
7. We can decide not to accept your application.
8. This investment is subject to the South African Income Tax Act and we will deduct tax, when applicable.
9. If your investment amount drops below the product minimum amount, we can end this investment agreement.
10. We hold enough professional indemnity and fidelity insurance cover, as the law requires.
11. There are inherent risks associated with this contract's selected underlying investments. We will not be liable for the consequences of any adverse market movements. If we receive any instruction that is unlawful or contrary to business practices or legislation, we will not carry it out and will not be liable for any loss or damages suffered as a result thereof. We will also not be liable for any loss or damages suffered as a result of carrying out any instructions that are ambiguous or unclear.
12. We do not guarantee the performance of any investment; however, certain underlying products may carry guarantees. We reserve the right to reprice guarantees in certain circumstances, on the advice of our actuaries. You choose the investment based on your own investment strategy.
13. You must get ongoing investment advice on this investment due to the nature of the product.
14. In terms of the product rules, we can pay an ongoing adviser fee as a cost against your investment agreement. We may withhold or stop the payment of adviser fees to the financial adviser if they have not met their obligations, or when the mandate is ended.
15. We may withdraw your access to:
 - our institutional offshore investment capacity if legislation changes, and
 - investments of a particular external manager's funds (including collective investment schemes), if the fund manager or collective investment scheme has notified us that they will not accept further investments in one or more funds under their management.We can then switch these units and invest the proceeds into the default money market fund (currently, the Momentum Money Market Fund).
16. You may complain to our client contact centre (contact details on the last page). We will follow the complaints resolution process when we investigate your complaint. A copy of our process is available on our website.
17. Should you not be satisfied with the outcome of the complaints resolution process, you can contact the Momentum Complaints Resolution Officer, or you can contact the Ombudsman for Long-term Insurance (contact details on the last page). If you have any complaints about the advice you have received, you can contact the Financial Advisory and Intermediary Services (FAIS) Ombudsman (contact details on the last page).
18. Momentum has a conflict of interest management policy. A copy of this policy is available on our website.
19. **Important:** If any instruction is faxed or e-mailed to us, a fax confirmation receipt or an e-mail delivery confirmation is not proof that we have received a clear and legible communication.
20. **Important:** You are responsible to make sure that we have up to date contact information for you and your beneficiaries. If we cannot contact you or your beneficiaries when a benefit must be paid, we will follow the unclaimed benefit process.
21. You accept and understand that you are limiting your right to privacy.

You authorise us to:

 - obtain from any person, any information that is required for purposes of this application and to maintain your relationship with us. You authorise such persons to give this information to us. You also undertake to provide us with copies of documents containing such information.
 - share with other insurers, the information in this application or in any related contract or other document, either directly or through a database operated for or by insurers as a group, at any time and in such detailed, abbreviated or coded form as we or the operators of such database may decide relevant from time to time.
 - make available any information at our disposal to any third party in compliance with the statutory or regulatory requirements of this investment.You acknowledge that you cannot cancel this authorisation and that it will endure after your death. You agree that we can use this information for further processing within Momentum Metropolitan Holdings Limited.

B. Specific terms for the Investo Endowment

1. This investment is a long-term insurance agreement, issued under the Long-term Insurance Act.
2. Section 54 of the Long-term Insurance Act limits surrenders and loans on endowments. This means that only one interest-free loan and one withdrawal can be requested within the restricted term of the first five years. There are also limits that apply to the amounts that can be taken.

3. Section 54 also limits the recurring and additional contributions made in one investment year. If you make recurring and additional contributions into the Investo Endowment (in one investment year) that adds up to more than 120% of the highest total contributions made in either of the previous two investment years, a new five-year restricted term will start.
4. We will increase your recurring contribution every year as per your instruction. You can change this recurring investment instruction later.
5. Any funds of a collective investment scheme that you have chosen as underlying assets for this contract do not constitute assets that you own. We own the assets, and the investment owner participates in those through the contract. Accordingly, the prices of units of such collective investment scheme funds published in newspapers cannot be directly correlated to the unit prices of the contract.
6. You can nominate a beneficiary to receive the proceeds. This beneficiary will receive the proceeds from your investment when the last surviving insured person dies. If the nominated beneficiary dies before you, the beneficiary nomination is cancelled.
7. You also have the option to nominate a beneficiary of ownership. When you die and there is another insured person, the investment agreement remains active. This nominated beneficiary of ownership will, therefore, become the new owner of the investment when you, as the investor, die.
8. If you have not nominated a beneficiary, we will act on the instructions of the executor of your deceased estate.
9. You can cancel or nominate new beneficiaries of proceeds, or a beneficiary of ownership. Such a change must be requested in writing and only once we have confirmed the change in writing, will it be valid.
10. When a collateral cession is noted on an investment, all current beneficiary nominations will be suspended.
11. If there is a collateral cession noted on your investment and the last insured life dies, we will pay the investment value to the cessionary. The cessionary must refund any surplus from this payment to your beneficiary, or in absence of a beneficiary, your deceased estate.
12. This investment agreement has a cool-off option that allows you to end it within 31 days after receiving your investment certificate. If you do this, you may get less than what you have invested. We will pay you the investment value on the day we receive the proceeds from the assets sold. The investment value is determined by changes in the investment market and exchange rates between currencies. We will also refund all of our fees and that of your adviser. We can only refund you after we have received the sell proceeds from your chosen underlying investment funds. This is subject to legislation and provided that no alterations have been made to the contract.
13. When you surrender this investment agreement in full, you agree to cede all your rights, title and interest in this agreement to Momentum Connect (Pty) Ltd. For this, you receive payment of the surrender value from Momentum Connect (Pty) Ltd. You accept that Momentum Connect (Pty) Ltd or its legal successors can have access to your personal information in this investment.
14. If you have indicated on the application that this is not a replacement policy, you declare that this application does not replace the whole or any part of your existing insurance with any insurer (whether replacement is to take place immediately or to replace an insurance contract that was discontinued within the past four months or that is to be discontinued within the next four months). A replacement includes any change to an existing policy, i.e. cancellation, paid-up, cool-off, contribution reduction, etc.

C. Specific terms for the Investo Retirement Annuity

1. When you invest in the Investo Retirement Annuity, you apply for membership of the Momentum Retirement Annuity Fund. The rules of that fund and the provisions of the Income Tax Act and the Pension Funds Act are binding. Momentum Metropolitan Life Limited, a registered long-term insurer and licensed retirement funds administrator, underwrites and administers this fund.
2. After we have accepted your application, you cannot cancel the investment agreement. You can transfer your membership in this

- fund to another approved retirement fund, as long as the transfer complies with the law. The amount transferred will be the value of the investment less any applicable fees or charges.
3. If you request us to transfer your membership within 31 days after you have received your membership certificate, we will refund you all administration fees and all fees that were paid to your financial adviser. We may charge a transfer administration fee when our administrators have spent a great deal of time on the transfer. We can only transfer the refund amount after we have received the sell proceeds from your chosen underlying investment funds.
 4. You may retire from the retirement fund once you are 55 years old, except on death or retirement due to ill health, unless permitted otherwise by legislation. When you retire, the tax on the retirement benefit is calculated in terms of the Income Tax Act.
 5. When you retire from these investments, the value of the retirement benefit will be the value of the investment less fees. Depending on the legislation at the time when you retire, you may make a single withdrawal up to a maximum of one-third from your retirement benefit. You must use the remaining amount to buy a regular income investment for you. The regular income after you have retired will be taxed as gross income, as stated in the Income Tax Act.
 6. If you retire after five years from starting your investing with us, you can invest your retirement lump sum in Momentum's Enhancer Benefit.
 7. Regulation 28 of the Pension Funds Act places limits on your investment portfolio to protect retirement fund assets. If your investment portfolio does not meet these requirements, your investment will not be accepted and we will require a new investment instruction from you.
 8. If your investment does not comply with Regulation 28 because of market or currency movements, we will ask you to change your portfolio so that it will comply. If you do not make this change in time, we will have to switch the non-compliant portion into a default money market fund (currently, the Momentum Money Market Fund) so that your investment portfolio will comply. You can switch the non-compliant portion from the default fund into another investment fund, provided that your overall investment portfolio complies.
 9. You may nominate a beneficiary to receive the investment proceeds if you die before retirement. When you die, the trustees of the fund can allocate the proceeds of your investment to your dependants, as per the Pension Funds Act, even if you have nominated another beneficiary.
 10. When we are informed of your death, the trustees of the Momentum Retirement Annuity Fund can sell your investment portfolio and invest the proceeds from this sale in a default investment fund (currently, the Momentum Money Market Fund). The proceeds will stay invested in this default investment until the trustees give us a final instruction on how the benefit must be paid out.
 11. Any funds of a collective investment scheme that you have chosen as underlying assets for this contract do not constitute assets that you own. We own the assets, and the member participates in those through the contract. Accordingly, the prices of units of such collective investment scheme funds published in newspapers cannot be directly correlated to the unit prices of the contract.
 12. If you have indicated on the application that this is not a replacement policy, you declare that this application does not replace the whole or any part of your existing insurance with any insurer (whether replacement is to take place immediately or to replace an insurance contract that was discontinued within the past four months or that is to be discontinued within the next four months). A replacement includes any change to an existing contract, i.e. cancellation, paid-up, contribution reduction, etc.

D. Specific terms for the Investo Linked Investment

1. The assets within your investment are held by Momentum Wealth Nominees (Pty) Ltd, in the name of Momentum Metropolitan Life Limited, for your exclusive benefit.
2. Once the Investo Linked Investment has started, you may not exercise a cool-off option. This is because the Investo Linked Investment is a unit trust or linked investment and not a policy. Since the Policyholder Protection Rules do not apply to this investment, a cooling-off period therefore also does not apply to the investment.

3. You cannot nominate a beneficiary for this investment agreement. When you die, this investment forms part of your deceased estate. If you do complete beneficiary details for this product, we will disregard those details.
4. You may cede this investment agreement as collateral security by sending us a copy of your cession agreement. We will then note the cession and confirm this in writing.
5. If there is such a cession noted on your investment and you die, we will pay the investment value to the cessionary. The cessionary must pay any surplus from this payment to your deceased estate.
6. You may also change the ownership of this investment agreement. We will confirm the change of owner in writing.
7. If you give us an instruction to cancel the investment agreement, we will sell the investment portfolio and pay you the investment value less fees only when we have received it from the investment managers. The investment value is determined by the investment market and exchange rates between currencies. We can only pay you after we have received the sell proceeds from your chosen underlying investment funds.

E. Information

1. You can access your investment statements from our website, or you can contact our client contact centre (contact details on the last page). We will advise you quarterly (Investo Linked Investment), or yearly (Investo Retirement Annuity and Investo Endowment) of your investment's value.
2. We will make all statements, documents and information regarding your investment available to you or your appointed financial adviser.
3. In certain circumstances and at the request of financial advisers, we can make your investment information available to them through their third-party provider. You give us permission to make your information available to such a provider. You indemnify us against any loss or claim of any nature that may be as a result of the use of such a third party system provider.
4. Information on collective investment schemes or listed companies will be given to you on request. We can charge you for this.

F. Your financial adviser

1. The adviser you appoint to provide you with advice must be authorised as a Category I Financial Services Provider.
2. When financial advisers are Category II Financial Services Providers, you can instruct us to follow their investment instructions because they may act as discretionary investment managers.
3. We will only allow authorised financial services providers, with whom we have a service level agreement, to act as your appointed adviser and to earn adviser fees on your investment.
4. We will verify each adviser's license category and underlying financial product categories with the Financial Sector Conduct Authority (FSCA). We will make sure that the fees paid are within product limits.
5. Your financial adviser is responsible for making sure that you receive and understand all appropriate advice, product and fee information that you need, including any changes in our business practices and procedures.

G. Licensing

1. Your adviser must be appropriately licensed in terms of section 7(3) of the Financial Advisory and Intermediary Services Act (FAIS).
2. The licence requirements apply to new investments and changes on your investment, like switches, debit order changes, and additional investments.
3. We are not responsible for any loss or damages caused by your adviser not being appropriately licensed.
4. The information we use to verify FAIS licences is from third party sources. We make a reasonable effort to make sure that the data is correct, but we cannot guarantee it. We are not responsible if the information is wrong and causes a delay in carrying out an instruction.

H. Fees

1. We will pay the financial adviser's fees as agreed the signed and dated quotation or on the application form as applicable. We will deduct these fees from your investment. You acknowledge that these

- fees are based on the agreement between you and your financial adviser.
2. Your investment or membership certificate will specify all the fees that we charge under the contract. We will send your investment or membership certificate to you after we have accepted this application. It is your financial adviser's responsibility to make sure that you are fully informed of all fees and costs under this agreement.
3. We reserve the right to review the Momentum fees that apply to this contract, after giving you appropriate and reasonable notice of these changes. This includes, but is not limited to, the fees based on the total funds and number of contracts in your Investo Portfolio.
4. You instruct us to withdraw a trail fee, as specified in the advice fee section, from the value of your investment each month and to pay this to your financial adviser, for as long as this instruction remains in force and your adviser has a contract with Momentum.
5. You agree and confirm that we must pay all fees by disinvesting units proportionately from each of the investment funds you have invested in.

I. Processing of your instructions

1. We will do our best to process valid instructions within two business days after we have received it. This means that we will give instruction to the specific investment manager to process your request within their timelines.
2. We give instructions to investment managers every business day at 11 am.
3. If the following happens, we will not be able to process your instruction within two business days:
 - 3.1 Extraordinary events in the industry that can cause large-scale market changes and an increase in dealing activity.
 - 3.2 During such times when we receive high volumes of instructions, giving us your instruction before 11 am is not a guarantee that you will get the same day's price.
 - 3.3 Delays because your instruction was not clear or all the information was not completed.
 - 3.4 If the investment is in offshore funds, we will always carry out instructions at the earliest possible dealing opportunity, subject to the administrative procedures and possible fund dealing limitations that accompany investing in offshore funds. Please contact your financial adviser if you need more information on these procedures. For example, many of the offshore funds allow for dealing on a weekly basis only, and in some cases, only quarterly. We cannot guarantee turnaround times, as the notice and settlement periods of the various fund managers are not the same. Even when daily dealing of funds is involved, the standard turnaround time for one leg of an offshore instruction is nine business days. You also note that we do not determine the conversion rates at the time of instruction, but only once we have received the dealing prices.
 - 3.5 Any other event over which we do not have control, including, but not limited to: natural disasters, fire, war and riots. We are also not responsible for loss or damages if any of the above happens.
4. When we, for whatever reason, cannot allocate the investment amount to the chosen investment funds within two business days, we will add interest to your investment amount. We will add the interest amount to your original investment amount that we have to invest in the chosen investment funds, excluding Capital Guarantees. If you only chose a Capital Guarantee fund, we will allocate the interest amount to a default fund (currently, the Momentum Money Market Fund).
5. The legal and product rules of the specific type of investment must be followed at all times.
6. The following will apply if you gave your investment manager (a Category II Financial Services Provider) a mandate to make investment decisions on your behalf:
 - 6.1 You agreed to specific legal terms and contractual obligations in your mandate with your investment manager, which you must adhere to.
 - 6.2 If you send us any instruction directly, we can only adhere to it after we have informed your investment manager on record of your instruction.

Your investment manager must then give us permission, provided that the investment mandate allows for it. The delay in following your instruction may take as long as the notice term you agreed to in your investment mandate.

- 6.3 We will not be responsible for any loss or damages you may suffer because there was a delay in the processing of any of your direct instructions, due to you dealing with us directly and not through your investment manager.
- 6.4 If you want to appoint an investment manager other than the one we have on record, you must follow the notice term you have agreed to. We will not remove an investment manager as the one on record in a shorter period than the notice period you have agreed to.

J. Ringfencing

1. Ringfencing or ringfenced means the suspension of a sell instruction (repurchase) of your units in a collective investment scheme by the unit trust management company, as per the Collective Investment Scheme legislation.
2. When we are notified that a collective investment scheme manager ringfenced a sell instruction, we will cancel your sell or switch instruction. We will then resubmit your instruction the following business day for trade at the price of that day. Should the instruction be ringfenced again, we will follow the ringfencing process. This means that it could take up to 20 days for the proceeds to be available.
3. We are not responsible for any loss or damages that you may suffer because of the ringfencing.

K. Funds invested

1. If we cannot process any portion of an instruction, we will regard the entire instruction as invalid and you must provide us with a new instruction.
2. We will apply market value adjustors in some instances. For more information about market value adjustors, you can read the document called "Principles and Practices of Financial Management of Momentum's discretionary participation products" on our website.
3. We created different classes of collective investment scheme units to suit the underlying product and licence. The class you have invested in will be based on the underlying product that you have chosen.
4. All income distributions will be reinvested automatically.
5. We are not responsible or liable for losses incurred due to delays, omissions or any other errors on the side of the collective investment scheme management company (MANCO).
6. All investments will be subject to the rules and terms and conditions that govern those investments, as the law, the product provider or the MANCO determines from time to time. You understand "investment" to include investments in collective investment schemes, as defined in the Collective Investment Schemes Control Act (2002), insurance policies issued by long-term insurers as per the Long-term Insurance Act (1998), and benefits that pension fund organisations provide.
7. You agree that certain instructions that you give us about the underlying investments and products that you have chosen, may be subject to the timing standards, procedures and final prices and exchange rates that the MANCOs and other third parties use and confirm. We will do all that it can to make sure that we carry out such instructions within a reasonable period, but will not be responsible for any delays that the market conditions, the MANCOs or any other third parties cause.

8. We operate on a forward pricing system, which means that the price applied to transactions that take place before the cut-off time will only be calculated by the relevant asset manager that evening after the close of business. Transactions received after the cut-off time will be processed at the next day's price. You take note that the unit price for a trading day is available after midday on the following trading day.
9. We reserve the right to remove a fund from the Investo platform. If this happens, we will switch the market value of your investment in that fund to a similar fund or default fund (currently, the Momentum Money Market Fund), without charging you a switch fee.

L. LifeCycle Philosophy

1. We have based this philosophy on four funds with different risk profiles. We will automatically switch your investment from fund to fund, depending on the remaining initial savings term, unless we receive a written instruction from you wherein you clearly indicate your specific investment choice.
2. We reserve the right to alter the term that activates the switch from one fund to another. The effective date of a switch may also depend on your age.
3. As you near the end of your specified initial savings term, you authorise us to implement a conservative investment approach.

Contact details

Momentum website: www.momentum.co.za

Momentum Investo contact centre

ShareCall number: 0860 664 321
 Telephone number: +27 (0)12 675 3024/34
 Fax number: 0800 223 696
 E-mail address: investo@momentum.co.za
 Postal address: PO Box 7400, Centurion, 0046

Momentum Wealth compliance department

Telephone number: +27 (0)12 673 7561
 E-mail address: wealthcompliance@momentum.co.za
 Postal address: PO Box 7400, Centurion, 0046

Momentum Complaints Resolution Officer

Telephone number: +27 (0)12 673 7838
 Fax number: 086 667 6061
 E-mail address: clientcomplaints@momentum.co.za
 Postal address: PO Box 7400, Centurion, 0046

Ombudsman for Financial Services Providers (FAIS)

Telephone number: +27 (0)12 470 9080
 Fax number: +27 (0)12 648 3447
 E-mail address: info@faisombud.co.za
 Postal address: PO Box 74574, Lynnwood Ridge, 0040

Pension Funds Adjudicator

Telephone number: +27 (0)12 346 1738
 Fax number: 086 693 7472
 E-mail address: enquiries@pfa.org.za
 Postal address: PO Box 580, Menlyn, 0063

Ombudsman for long-term insurers

ShareCall number: 0860 103 236
 Telephone number: +27 (0)21 657 5000
 Fax number: +27 (0)21 674 0951
 E-mail address: info@ombud.co.za
 Postal address: Private Bag X45, Claremont, 7735

Momentum Metropolitan Life Limited

Registration No. 1904/002186/06

268 West Avenue Centurion 0157 PO Box 7400 Centurion 0046

ShareCall 0860 664 321 Telephone +27 (0)12 675 3024/34 Facsimile 0800 223 696

investo@momentum.co.za www.momentum.co.za

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