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Unclaimed assets policy

1. Document control

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08/07/2020	1.0	Draft	Bernard Pieterse Shital Jeeva	Momentum Investments requires a policy to guide it on the treatment of unclaimed assets

Document Review and Approval History

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2. Definitions and Acronyms

Beneficiary	Means the natural or legal person, or a legal arrangement, or category of persons, who will be paid the proceeds of the investment at the maturity date or in the event of death of the investor in accordance with the product terms.
Electronic communication	Means communication by means of data generated, sent, received or stored by electronic means.
Momentum Investments	Means all entities within Momentum Investments that offer life policies, units/participatory interests in a collective investment scheme, and any other product, to retail and/or institutional clients.
Tracing Steerco	Means a forum convened from time to time within Momentum Investments with a view to dealing with assets identified as at risk of being unclaimed assets and making recommendations as to treatment thereof.
Unclaimed asset	Means assets that have been forgotten by the client or in respect of which the client's heirs and beneficiaries are unaware that they could have a valid claim.

3. Introduction

Momentum Metropolitan Life Limited (MML) is a member of the Association of Savings and Investment in South Africa (ASISA). As such, it has voluntarily undertaken to comply with applicable standards, codes and guidelines issued by ASISA. Momentum Investments (MI) is part of MML and offers investment products and solutions to both retail and institutional clients, in conducting its business MI undertakes to comply with applicable legislation including voluntary standards, codes and guidelines issued by industry bodies such as ASISA.

MI acknowledges that as part of its business activities, there will be instances where a client is unaware of specific assets or a client's beneficiary is unaware that they may have a valid claim in respect of the client's assets.

4. Purpose

This policy provides guidance as to the appropriate actions that MI should take to:

- identify assets that might be classified as unclaimed;
- declare those assets as unclaimed;
- deal with those assets as required by applicable legislation and the ASISA standard on unclaimed assets; and
- provide reports to relevant authorities in relation to those assets.

5. Scope

This policy applies to all entities within MI in respect of MI's investment management, pure LISP and CIS businesses:

- Momentum Asset Management (Pty) Limited (FSP No. 623)
- Momentum Alternative Investments (Pty) Limited (FSP No. 34758)
- Momentum Outcome-based Solutions (Pty) Limited (FSP No. 19840)
- Momentum Investment Consulting (Pty) Limited (FSP No. 32726)
- Momentum Global Investment Management Limited (FSP No. 13494)
- Momentum Wealth (Pty) Ltd (FSP 657)
- Momentum Collective Investments (RF) (Pty) Ltd

Except for products issued to retirement annuity funds and preservation funds which are dealt with in terms of the Pension Funds Act, 1956 and the rules of the relevant retirement annuity fund and/or preservation fund. Unclaimed assets that relate to a policy of insurance will be specifically dealt with in accordance with the process as prescribed in the relevant insurer's unclaimed assets policy.

6. Principles

In dealing with unclaimed assets, MI will comply with the following principles:

- A customer's right to an unclaimed asset remains until the claim is paid or the asset returned or the asset is otherwise dealt with in terms of this policy.
- Unclaimed assets should not become the property of MI or its shareholders.

7. Identification of assets that might be classified as unclaimed

The following trigger events will indicate that the identified assets are at risk of being classified as unclaimed assets:

- Date of maturity for fixed term contracts (MEGO/LEGO guarantee products with fix term – do we include endowments but on Wealth we don't call it fix term it is a restricted period).
- Date of cessation of regular contributions in respect of an open-ended contract – 1st unpaid engage with FA/client to request if error/payment, stop /cancel DO on 2nd unpaid attempt.
- Named beneficiaries cannot be located in respect of a contract on death claim (includes Beneficiary of ownership (BOO)).
- Date that annuity payment/income distribution payment/redemption or maturity payment is returned as unpaid by the bank.
- Post is returned as undelivered.
- Electronic communications are undelivered where possible.
- The customer reaches age 80 and no interaction in the past year.

8. Actions to be taken after trigger event

Once a trigger event occurs, MI must within a reasonable period of the occurrence of the trigger event, take appropriate action to establish whether the client is still alive or aware of their entitlement in respect of the assets (i.e. tracing). This must at least include:

- an attempt to contact the client through telephonic or electronic means (where applicable);
- use of internal and external databases to compare the client's last known contact and address information; and/or
- the use of specialist tracing company.

Dealing with assets identified as at risk of being unclaimed assets

In dealing with assets that have been identified as at risk of being unclaimed assets, MI must take into account the following:

- The nature of the trigger event and date thereof
- The contractual arrangement
- The fair treatment of the client, particularly the reasonable benefit expectation of the client
- The investment risk

Classification of assets as unclaimed

MI has established a Tracing Steerco. The Tracing Steerco will receive and consider reports of cases that have gone through the tracing process and a period no longer than three years has passed wherein appropriate efforts have been made to trace the client, but MI cannot successfully trace the client. The Tracing Steerco will make recommendations on the actions that MI must take in order to deal with the case. These recommendations may include a recommendation that assets be classified as unclaimed assets or that further avenues to trace the clients should be exhausted.

The recommendation made by the Tracing Steerco must be reduced to writing and stored appropriately to ensure that it can be easily retrieved.

Dealing with unclaimed assets

Once the Tracing Steerco recommends that the assets be classified as unclaimed assets, the recommendation must also include a recommendation on the manner in which the unclaimed assets should be dealt with by MI. In deciding the manner in which to deal with unclaimed assets, MI must take into account the following:

- The unclaimed assets should not be paid to shareholders or treated as income
- The unclaimed assets should be used for socially responsible activities
- The unclaimed assets should be used appropriately taking into account South Africa's social development needs

Should unclaimed assets remain with MI after five years from the date of declaration of those assets as unclaimed assets, the Administration of Estates Act, 1965 requires MI to:

- Prepare a detailed statement containing the surnames and first names of the clients (in this order, arranged alphabetically) as well as their last known address in form C in Annexure 1 of this policy in respect of all amounts more than R100.00 and publish it in the Government Gazette.
- Deduct from that amount the cost of publication apportioned equitably among the affected clients.
- After three months from the date of publication of the initial form C statement, MI must transmit a statement and affidavit in form D and E respectively in Annexures 2 and 3 of this policy to the Master.
- Deposit in the guardian's fund to the credit of the relevant client all such amounts still remaining unclaimed by affected clients.

Note that this part does not apply to products where the payment of the benefit ceases on the death of the client such that on death no asset exists, and the client is deemed/legally assumed to be dead.

9. Disclosures

MI makes appropriate and relevant disclosures to clients regarding its unclaimed benefits process at new business stage and on an on-going basis. Particularly, MI expressly discloses to clients at new business stage that:

- As a condition of investment, MI may decide to stabilise the investment by investing the assets in any appropriate vehicle.
- As a condition of investment, MI may recover any reasonable direct administrative, tracing and management costs from the client, including any other incidental or reasonably necessary costs incurred in dealing with unclaimed assets.
- As a condition of investment, the customer consents to MI using its personal information to facilitate tracing where required in the future.

10. Record-keeping

MI must maintain records that allow the tracing process to be audited and verified by MI regulatory compliance function and/or MML internal audit function.

11. Reporting on unclaimed assets

MI must report data relating to unclaimed assets to ASISA on an annual basis within three months from the end of the year in the prescribed format.

Annexure 1: Requirements for EFT deposits into the Guardian's Fund

Introduction

The Guardian's Fund is administered by the Master of the High Court. It is a fund created to hold and administer funds which are paid to the Master on behalf of the following people: minors, persons incapable of managing their own affairs, unborn heirs, missing or absent persons or persons having an interest in the moneys of a usufructuary, fiduciary or fideicommissary nature.

In the case of untraced or undetermined beneficiaries, money can be claimed by the beneficiary when the account comes to his/her attention. The application must be made on form J251 (available at: <https://www.justice.gov.za/master/forms.html>), supported by a certified copy of the account holder's identity document/passport and verification of fingerprints of applicant. (The latter can be done at any Master's Office as well as various Magistrate Courts).

It is important to note that money which remains unclaimed in the Guardian's Fund for a period of 30 years as from the date, upon which the person became entitled to claim it, is forfeited to the state.

In addition, in terms of Schedule 2 of the Administration of Estates Act, any unclaimed money paid into the Guardian's Fund in pursuance of section 93 of the Administration of Estates Act for account of absent or unknown creditors or contributories of any estate or company, a 5% commission is deductible from the unclaimed money.

General requirements

MI must prepare a submission to the Master of the High Court containing the following information:

- Bank details of the MI entity that will be making the EFT deposit into the Guardian's Fund, which must be confirmed and stamped by the bank.
- A letter on a letterhead of the MI entity that will be making the EFT deposit into the Guardian's Fund, together with the supporting documents containing the following information:
 - Full names of the beneficiary
 - That the beneficiary is absent and cannot be traced, as well as the steps taken to locate the beneficiary
 - The source of the money (i.e. the money was an investment of the client's funds derived from the client's salary) and the amount due to each beneficiary, if more than one beneficiary
 - The reason why the moneys should be deposited in the Guardian's Fund
 - Indicate who the guardian or caregiver of the minor or beneficiary (where applicable and known)
- Certified copy of the birth certificate or identity document of the beneficiary.

Additional requirements

- The relevant Guardian's Funds are within the following offices: Cape Town, Grahamstown, Pietermaritzburg, Kimberley, Bloemfontein and Pretoria. The unclaimed funds should be paid over to

the offices where the beneficiary last resided (i.e. last known address of the client or nominated beneficiary).

- Payment may be made electronically and a maximum of 20 beneficiaries per payment.
- Any amount can be deposited in the Guardian's Fund, irrespective of how small the amount is.
- The unclaimed funds must be in MI's possession for five years before MI may advertise in the Government Gazette. A period of three months after advertising must elapse before a deposit into the Guardian's Fund may be made.
- The requirement to advertise the details of unclaimed funds of R 100.00 and more in the Government Gazette is a statutory requirement in terms of section 93(1) of the Administration of Estates Act.
- A copy of the advertisement in terms of section 93 of the Administration of Estates Act must accompany MI submission to the Master's office.
- The format of the breakdown of the beneficiary's details should be in Excel spreadsheet format.

Guardian's Fund banking details

- Only upon receipt of all the above requirements for the EFT deposit into the Guardian's Fund, will a pre-approval reference number and bank details be provided to MI.
- It should be noted that no cheque deposits will be accepted in the Guardian's Fund. The only payment methods available are:
 - Electronic Funds Transfer (EFT); or
 - Direct bank deposit using the Guardian's Fund banking account details

Annexure 2

FORM C
STATEMENT OF UNCLAIMED MONEYS
 [Form C substituted by GN R2482 of 1 November 1985]

In terms of section 93(1) of the Administration of Estates Act, 1965, notice is hereby given that the undermentioned amounts which were held by or by any agent on his behalf, on 31 December 19, have remained unclaimed for a period of five years or more by the rightful owners. Should these amounts not be claimed within three months of the date of publication hereof, they will be deposited in the *Guardian's Fund of the Master of the Supreme Court of/ the South African Development Trust Fund to the credit of the rightful owners, after deduction of the costs of publication.

Name and last known address of rightful owner	Amount R
.....
.....
.....

Date

Signature

Capacity

Annexure 3

FORM D
STATEMENT OF UNCLAIMED MONEYS PAID INTO THE *GUARDIAN'S
FUND / SOUTH AFRICAN DEVELOPMENT TRUST FUND
 [Form D substituted by GN R2482 of 1 November 1985]

*The Master of the Supreme Court The Director-General: Department of Education and Development Aid, P.O. Box 384, PRETORIA, 0001

In terms of section 93(3) of the Administration of Estates Act, 1965, I, of, hereby furnish the undermentioned particulars of amounts which are not my property or subject to any valid lien, which were held by *me/an agent on my behalf on 31 December 19, and have not been claimed within three months of the date of publication of the statement referred to in section 93(1) of the said Act. These amounts, from which the cost of the said publication has been deducted, are hereby deposited

in *your Guardian's Fund/the South African Development Trust Fund to the credit of the rightful owners.

Name and last known address of rightful owner (surname in block letters)	Amount R
.....
.....
.....

Date

Signature

Capacity

Annexure 4

FORM E AFFIDAVIT

I,, of

declare under oath that the attached statement of unclaimed moneys, dated 19....., and signed by me, contains to the best of my knowledge and belief a true and complete exposition of the amounts which are to be deposited in the *Guardian's Fund of the Master of the Supreme Court at/ the South African Bantu Trust Fund in terms of section 93(3) of the Administration of Estates Act, 1965.

.....
Signature

The deponent has acknowledged that he knows and understands the contents of this affidavit.

Signed and sworn to before me at
this day of 19

.....
Commissioner of Oaths

.....
Area

.....
Office held if appointment held

ex officio