Wealth may not change the world, but it will change the way you live in it.
Retirement Income Option

The Retirement Income Option is a living annuity designed to help you grow your retirement savings while providing you with a regular drawdown after you retire. This is a flexible post-retirement investment that allows you to participate in the market during your retirement, with the added benefit of choosing a personalised drawdown rate.

More importantly, you can choose from a wide range of investment components to suit your needs and personal circumstances. If your needs change, you can adjust your portfolio at any time.

Who can invest?

The Retirement Income Option is suitable for retired individuals who require the flexibility of choosing their investment components, and would like the option of changing their income levels yearly as their needs change over time.
What are the key benefits and features?

You benefit from our holistic offering
We realise that each investor’s investment needs are unique and change as they move through different life stages. We have built our value proposition on being able to meet investors’ needs in a unique, comprehensive and innovative way. Our wide range of complementary investment products and services gives you and your financial adviser the opportunity to respond to your changing investment needs, with specifically tailored investment solutions. We also offer portfolio management and fiduciary services that allow you to maximise your investment return potential and protect your wealth.

You can choose from our wide range of investment components
We provide investors with a complete range of investment components that are designed to cater for varying market conditions and investor needs. This allows you to structure your investment around your appetite for risk, investment timeline and specific investment needs. With the help of your financial adviser, you have the flexibility to invest in various investment components such as local and international collective investment schemes, exchange traded funds, direct Top 40 shares, personal share portfolios and protected investments, all in one investment.

You can choose a drawdown (income) level to suit your needs
With the Retirement Income Option, you have the flexibility to choose a drawdown (income) level of between 2.5% and 17.5% of your investment value per year. This allows you to choose an income level that is suited to your personal needs and circumstances. This amount can be paid to you every month, every three months, every six months or yearly. Your income drawdown will be paid by selling units from your underlying investment components or drawdown account.

You have the added benefit of increasing or decreasing the drawdown you withdraw. This can be done every year on your investment’s anniversary date.

You are not allowed to make any other withdrawals besides income drawdowns from your investment.

Important: It is your responsibility to make sure that your retirement savings, and the growth you receive, is enough to sustain you for the rest of your life. This investment is different to a traditional life annuity where the product provider typically carries these risks. It is important that you and your financial adviser carefully manage your investment to make sure it achieves an appropriate level of growth for your needs. This includes managing your yearly drawdown rate because it is an important part of the retirement income planning process.

You can benefit from the drawdown top-up service if you have chosen a drawdown account
A drawdown account is an investment component from where we pay your drawdown (income). You can choose any local collective investment scheme or a combination thereof as your investment’s drawdown account.

You can benefit from the drawdown top-up service if you have chosen a drawdown account. This means we will monitor the balance in the drawdown account on your behalf. If the balance drops below the required minimum, we will inform your financial adviser who can send us an instruction to have it topped-up. If we do not receive an instruction to top-up the drawdown account, we will sell units from your investment components and allocate it to the drawdown account, which will cover your drawdown amounts for approximately one year.

Important: If you are invested in direct shares, exchange traded funds (ETFs), personal share portfolios (PSPs) or international investment components, you must have a drawdown account for drawdowns.
You can benefit from automatic top-up service
A fee account is an investment component from where we deduct all ongoing fees. You can choose any rand money market collective investment scheme as your investment’s fee account. Please discuss this with your financial adviser.

You can benefit from the fee top-up service if you have chosen a fee account. This means we will monitor the balance in the fee account on your behalf. If the balance drops below the required minimum, we will inform your financial adviser who can send us an instruction to have it topped up. If we do not receive an instruction to top-up the fee account, we will sell units from your investment components and allocate it to the fee account, which will cover your fees for approximately one year.

Important: If you are invested in direct shares, exchange traded funds (ETFs), personal share portfolios (PSPs) or international investment components, you must have a fee account for fees.

You can benefit from tax concessions
By investing in the Retirement Income Option, you can enjoy significant tax benefits:
• You do not pay tax on any interest or dividends earned on your investment. Any capital gains realised are also excluded from Capital Gains Tax (CGT). This means you can benefit from tax-free investment growth.
• There is no estate duty payable on a living annuity.

For more information, please refer to our “Legal and tax considerations for investments” guide available on www.momentum.co.za. Alternatively, you can speak to your financial adviser.

You can phase-in your lump-sum investment amount
If you are concerned about fluctuating market conditions, you can phase-in your lump-sum investment over a period of up to 24 months from a money market fund. We will then invest into your chosen investment components by making regular withdrawals from the money market fund until you are fully invested.

You can protect your investment value when you die
The Death Benefit Guarantee acts as a top-up guarantee when you die. If, at your death, the investment value on that day is less than the investment value at the previous anniversary date (plus all new investments less any withdrawals), this benefit is the difference between the values on the two dates. Your investment must meet the asset allocation guidelines set out in Regulation 28 of the Pension Funds Act for you to qualify for this benefit.

We calculate the investment value at death after we have deducted all the fees. The benefit is then invested in the Momentum Money Market Fund until we finalise the claim.
Please refer to the specific details of your investment components to find out if your chosen investment component has a larger trading minimum.

What is the minimum investment amount?

R50 000

Other minimums

Collective investment schemes
- R100 for each local collective investment scheme
- R20 000 for each international investment component

Direct shares and ETFs
- R5 000 for each share or ETF (after stockbroking fees).
You can only add to your investment using compulsory money (i.e. proceeds from other retirement funds). You can also combine your investment amounts from different retirement funds into a single Retirement Income Option.

We believe that you need to be completely informed and up-to-date on how your investment is performing. This is why we provide our clients with the necessary tools to view their investments and request information such as investment statements and tax certificates, at their convenience. Our website allows you to view your personal information that we have on record, as well as pertinent details about your investment. You can also change your communication preferences and request a variety of investment statements and your tax certificate. In addition, our real-time SMS and e-mail service allows you to request a variety of information about your investment.

You may need to adjust your portfolio in line with your changing needs. These changes include adjusting your level of income yearly, adding to your investment using compulsory money, and switching between underlying investment components. We do not charge transaction fees for online transactions.

All growth (interest, dividends and capital gains) on the underlying investment components that you have chosen is tax free and Dividend Withholding Tax (DWT) does not apply within this product. You will only pay tax on the income drawdown from this product, according to the income tax tables provided by SARS. For more information, please refer to our “Legal and tax considerations for investments” guide available on www.momentum.co.za. Alternatively, you can speak to your financial adviser.

You are not allowed to transfer ownership of your investment.
Can I cancel my investment?

You cannot cancel your investment. However, you can transfer your living annuity to another registered insurance company if it complies with Section 37(2) of the Long-term Insurance Act. In addition, you can withdraw the full value of your investment if it falls below R50 000 (R75 000 if no previous commutation was made upon retirement).

What happens to my investment when I die?

Your death benefit is the value of your investment when you die. You can nominate beneficiaries who will receive the following benefit upon your death. When you die, your nominated beneficiaries can choose from the following options:

- they can make a lump-sum withdrawal and take the full investment value in cash (after tax),
- they can choose to remain invested in the Retirement Income Option (living annuity) in their own name, or
- they can choose to combine these two options – a lump-sum withdrawal and a living annuity in their own name.

If you did not nominate any beneficiaries, the investment will form part of your deceased estate.

Can I change a living annuity to a traditional life annuity?

If you decide at any stage during your retirement that you prefer the certainty of a guaranteed income for life, you can convert your living annuity to a traditional life annuity, with us or with another provider. This change is a one-off option that cannot be reversed.

Can I cede my investment as collateral security?

You are not allowed to cede your investment as collateral security.
Momentum Wealth and other contact details

If you have any questions or require more information, please contact:

**Momentum Wealth service centre**

ShareCall number: 0860 546 533
Telephone number: +27 (0) 12 675 3000
Fax number: +27 (0) 12 675 3941
E-mail address: wealthservice@momentum.co.za
Postal address: PO Box 7400, Centurion, 0046
Street address: 268 West Avenue, Centurion, 0157
Website: www.momentum.co.za

**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

**Ombud for Financial Services Providers (FAIS)**

Telephone number: +27 (0) 12 470 9080
Facsimile 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
Facsimile number: 086 693 7472
E-mail address: enquiries@pfa.org.za
Postal address: PO Box 580, Menlyn, 0063

**Ombud for Long-term Insurers**

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

**Disclaimer:**

This information in this guide is for general information purposes only and is not intended to be act as advice, as mentioned in the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS). The information does not take into account your personal financial circumstances into account. For this reason, the decision to invest in the Momentum Wealth Investment Series must be made in consultation with your financial adviser, after assessing your financial situation and needs. This includes determining your specific risk profile and drawing up a plan to achieve your investment goals. The information in this document has been collected from sources deemed reliable by Momentum Wealth, which are not necessarily all inclusive, but are accurate as at the date of publication.

References to any tax rates, law and legislation are based on the current tax or laws and are subject to change. Reliance upon information in this document is at the sole discretion of the reader. MMI Group Limited and Momentum Wealth will not be liable to the reader.

---

MMI Group Limited
268 West Avenue
Centurion 0157
PO Box 7400
Centurion 0046
South Africa
Tel: +27 (0) 12 671 8911
Fax: +27 (0) 12 675 3911
client@momentum.co.za
www.momentum.co.za

Refer to the Momentum website for directors and company secretary details
Reg. no. 1995/008800/07

Momentum, a division of MMI Group Limited, an authorised financial services and credit provider
FSP 6486

Momentum Wealth (Pty) Ltd
268 West Avenue
Centurion 0157
PO Box 7400
Centurion 0046
South Africa
Tel: +27 (0) 12 675 3000
Fax: +27 (0) 12 675 3941
ShareCall 0860 546 533
wealthservice@momentum.co.za
www.momentum.co.za

Refer to the Momentum website for directors and company secretary details
Reg. no. 1995/009880/07

Momentum Wealth is an authorised financial services provider
FSP 657

---