

# Terms for the Flexible Investment Option

## A. Our agreement

1. These investment terms, the fee schedule, application form and the fee and benefit proposal, if you have one, are the basis of the agreement between you and Momentum Wealth (Pty) Ltd. Momentum Wealth (Pty) Ltd (we) administers your investment.
2. This agreement is subject to the laws of South Africa including the Income Tax Act. We will deduct tax or withhold tax where applicable.
3. We are committed to comply with anti-money laundering, anti-bribery and anti-corruption legislation. It means that we can ask you for more information when needed.
4. To make an informed decision, refer to the relevant minimum disclosure documents (MDDs) and fund fact sheets for information on each investment component. MDDs and fund fact sheets also provide detailed explanations of the risks and the potential downside of each investment component that may change from time to time. You can get MDDs and fund fact sheets from the investment manager or your financial adviser.
5. We will review your application with all the supporting documents. If you provide us with all the required information, we can accept the application and collect the investment amount or ask you to pay the investment amount to us. Once we have confirmed that we have received the investment amount, we will accept your application and this agreement can start.
6. We can decide not to accept your application.
7. We can change the terms of this agreement. We will notify you before we do this. If we increase our administration fees, we will give you at least three months' notice.
8. We may cede our rights and obligations in this agreement to another authorized financial services provider as part of a bulk transfer of clients of investments or through corporate action.

## B. Your product

1. The Flexible Investment Option is a Financial Sector Conduct Authority (FSCA) Category III Administrative financial services provider (FSP) investment, administered by Momentum Wealth (Pty) Ltd.
2. Momentum Wealth Nominees (RF) (Pty) Ltd holds the assets in your investment in your name.
3. We hold professional indemnity and fidelity insurance cover as required by law.
4. We use a default investment component for certain transactions and events. These components are cash accounts that can earn interest while we wait for a transaction date or an investment instruction.
5. We will use your individual offshore allowance for any investment in foreign currency investment components. You can also use money that is legally offshore for this purpose.
6. If you choose a yearly increase for your regular investment, we will increase the investment amount every year according to your instruction. You can change or cancel this instruction.
7. You cannot nominate a beneficiary for this investment, it forms part of your estate when you die.
8. You can transfer units from this investment. If we receive such a instruction, we will confirm the transfer in writing.
9. If you send us a copy of a security cession agreement, we will note it and confirm it in writing. Until this cession is cancelled, the cessionary must sign all instructions for this investment.
10. We will cancel the security cession when we receive a cancellation instruction from the cessionary.

11. If there is a security cession noted on your investment when you die, we will pay the investment value to the cessionary. The cessionary must pay any surplus from this payment owed to you to your estate.
12. You can instruct us to cancel this agreement. We will pay you when we have received the sale proceeds from the investment management companies after we have deducted any outstanding fees and tax. Changes in the investment market and exchange rates between currencies can affect the investment value.
13. If your investment value drops below the minimum amount stated in the guide to our business practices, we can end this agreement.
14. On receipt of a valid confirmation of death, the investment will be dealt with in terms of the investors last will and testament and in accordance with the instructions of the executor of the estate.

## C. Your financial adviser

1. You could benefit from appointing a financial adviser who can give you ongoing investment advice.
2. Your financial adviser must be registered in terms of the Financial Advisory and Intermediary Services (FAIS) Act and with us.
3. We verify each financial adviser's licence category and underlying financial product categories according to section 7(3) of the FAIS Act at the outset of your financial adviser's appointment.
4. We use third parties to verify FAIS licences. We are not responsible if the information relied on is wrong or if the verification process causes a delay in carrying out an instruction.
5. Your financial adviser must comply with FAIS licence requirements for the duration of your investment.
6. We are not responsible for any loss, liability or damage that you or any third party suffer due to your financial adviser not being appropriately licensed at any time during your investment.
7. If you have appointed a financial adviser, we can pay adviser fees within limits as a cost from your investment. If you inform us in writing that your financial adviser does not meet their obligations or when your mandate ends, we can withhold or stop the payment of these fees.
8. Your financial services providers (FSPs) can instruct us on your behalf if we have a valid client mandate.

## D. Communication

1. We can only process legible, valid and complete instructions or where instructions are submitted online. An email delivery receipt is not proof that we received a clear instruction.
2. We must have up-to-date contact information for you. We will follow our unclaimed benefits process if we cannot reach you when a benefit becomes payable. We may appoint tracing agents or similar third-party service providers to locate you. We may deduct any reasonable costs incurred in attempting to find you from your investment on an ongoing basis or when you have been located.
3. We will inform you of your investment value every quarter. You can access your investment statements on [momentum.co.za](https://momentum.co.za), get it from your financial adviser, or contact us.
4. We will make statements, documents and information about your investment available to your financial adviser.
5. Financial advisers can ask us for access to your investment information through a third-party data provider. We are not responsible for any loss, liability or claim that may arise because we made your investment information available to your appointed financial adviser through such a provider.
6. We use and rely on data from third-party sources (including investment managers) to compile your investment information.

While we make all reasonable efforts to make sure that sourced data is current and correct, we cannot guarantee this. We can, therefore, not accept responsibility or liability for decisions made nor any loss that may arise from using and relying on data from third party sources.

## E. Processing your instructions

1. We will process your instructions if it is within legal and product limits.
2. 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 instruction and once your instruction has been processed.
3. You instruct us to act on your investment instructions completed on the relevant form that we receive by email, website or any other electronic medium with regard to your investment. You agree that any electronic record of investment instructions and applications that we have received and processed will be valid proof of the contents of such instructions and applications.
4. We will act on an instruction that came from you. If it is subsequently shown that it was not you who signed or sent it, we will not be liable for any damage that you may suffer as a result of our execution of that instruction. This authorisation will remain in force until we receive written notice of its termination, provided that this termination will not affect any transactions that were already in process at the time of receipt of that notification.
5. We will pay interest on your investment amount if it takes longer than one day to process and accept your investment application.
6. We will process valid instructions within two business days after we have received them and, where required, after receipt of your electronic authorisation. We will instruct the specific investment management company to process your instruction within their timelines.
7. If your bank rejects your investment payment or bank collection, you will carry any risks regarding market movements and will be liable for any costs incurred.
8. The bank instruction to collect money from a bank account will continue until it is terminated.
9. You can ask us to cancel your regular contribution before the collection day. If we cannot process your instruction on time, we will let you know.
10. If you miss a contribution, the contribution will start on the next collection day as per your chosen collection frequency.
11. If two consecutive contributions are missed, we will stop the contribution until we receive a new instruction.
12. We may cede or assign our collection mandate to a third party.
13. We give instructions to investment management companies every business day. Different cut-off times apply to different investment funds. Refer to the MDDs and fund fact sheets for cut-off times.
14. We will make our best effort to process instructions within these timelines unless this happens:
  - 14.1. The occurrence of extraordinary events that can cause large-scale market changes and an increase in dealing activity.
  - 14.2. High volumes of instructions received.
  - 14.3. Delays if your instruction was not clear or the information was incomplete.
  - 14.4. Any other event that is beyond our control.We are not responsible for loss or damage if any of the above happens.
15. Foreign currency trading investment components:
  - 15.1. When instructed to invest a rand amount into a foreign currency investment component, we will invest that amount into our default investment component first. If no fund is specified, we will use our default investment component, the rand-denominated money market fund.

- 15.2. We will convert the amount in this money market fund to the applicable foreign currency at the first opportunity. When we receive the foreign currency amount, we will instruct the investment management company to invest.

- 15.3. Foreign currency cash amounts do not earn interest.

16. If you appoint a discretionary investment manager, a Category II financial services provider, you have agreed to specific contractual obligations in your mandate with your investment manager.
17. We will apply the latest mandate if you notify us of a change in your current investment manager and appoint a new one. Any residual obligations are between you and the investment manager.
18. If we cannot process any portion of an instruction, we will ask you or your financial adviser for a new instruction.
19. If a specific class of an investment component is closed or if we can no longer offer it, we will inform you or your financial adviser and ask for a new investment instruction. We will switch the units and invest the proceeds into the default investment component if we do not hear from you.
20. It is you and your financial adviser's responsibility to make sure that you understand any exit fees or market value adjusters that may apply to any investment component you use.
21. You will not earn interest on any cash amount while we are processing a switch instruction.
22. If we do not process your instruction in time or accurately, you can earn interest on your investment amount for the delay or we will compensate you for the difference.
23. Each investment component may have different processes and trade information. Your instructions must meet these specific investment requirements.
24. If you have a regular withdrawal we sell units from your chosen withdrawal account to pay you. We monitor the investment component balances in your withdrawal account and we will top it up from your investment. We will first sell the most liquid investment components (like money market funds) before selling from your other investment components.
25. If you do not have a withdrawal account, we will first sell the most liquid investment components (like money market funds) before selling from your other investment components.
26. Events beyond our control can directly affect our ability to carry out our obligations within the agreed time frames or at all. To the extent that such circumstances prevent us from performing in terms of our agreement with you because of such an event, we will not be responsible for any delay, interruption or failure to perform our obligations to you, and our obligations will be suspended for as long as the event persists.
27. We will not be responsible for any losses, damages, claims or expenses suffered by you or any third party because of delays or interruptions beyond our control.
28. Events beyond our control could include natural disasters such as fires and floods, pandemics or epidemics, lockdowns, war, strikes, any actions of government authorities, pro-longed electricity outages, grid failures and the unavailability of telecommunications networks.
29. We may provide you with communication of such events or changes, but if we are unable to do so, our rights will not be affected.

## F. Ring fence

1. Ring fence means that the investment management company have the right to suspend a sell instruction, including switches of your investment holding in an investment component within limits.
2. We will cancel your sell instruction when we are notified of a ring fence situation. We will resubmit your instruction the next business day, using that day's price for the trade. If the instruction is ring-fenced again, we will follow the same process until the investment management company processes the sell instruction.

3. If a sell instruction is ring-fenced, it will delay our payment to you or our investment instruction for your switch.
4. We are not responsible for any loss or damages that a ring fence can cause.

#### G. Fees

1. The following fees apply to your investment:
  - Initial and ongoing financial adviser fees;
  - Momentum administration fees;
  - Investment management company fees; and
  - Fees for your discretionary investment manager, if you have one.

Fees include value-added tax (VAT) and a Momentum Financial Planning (MFP) distribution fee, unless stated otherwise.
2. Some investment management companies also charge a performance fee. You can find more details on the investment component's MDD or fund fact sheet.
3. We will deduct bank and transaction charges levied by the relevant banks and other FSPs involved in transactions from your investment. Such charges may vary from time to time.
4. When any agreement between you, your discretionary investment manager and your financial adviser changes, we will review the ongoing administration fee.
5. We will stop deducting all adviser fees immediately upon being notified of your death, insofar as this does not prejudice any other rights of or outstanding obligations due to your appointed financial adviser in terms of your mandate.
6. We may receive a rebate from investment management companies for our specialised administrative functions, like consolidated reporting, investment values and transactions and providing tax certificates. We can use the rebate to reduce our administration fee for that specific investment component.
7. When we deduct the rebate from the ongoing administration fee, the administration fee for that investment component may reduce to a minimum of zero.
8. If an investment management company lowers the investment manager rebate that they pay us, the fee you pay us will also change, even though it is not our administration fee that changes.
9. The administration fee structure we agreed with your financial adviser or discretionary investment manager may impact the fees you pay. If these fee structures change, our ongoing fees on your investment will also change.
10. If you change your financial adviser or discretionary investment manager, their administration fee structures no longer apply.
11. We will take fees for your investment from the fee account, if you have one. We will monitor the balance of the fee account and will let your financial adviser know when the balance is low. When there is not enough money in your fee account to deduct fees, we will deduct the fees from other investment components. If you activated the fee account top-up feature, we will top up the fee account before there is not enough money to deduct fees. When we top it up, we will first sell from the most liquid investment components (like money market funds) before selling from your other investment components.
12. If there is not enough money in your fee account to deduct fees or if you do not use a fee account, we will first sell from the most liquid investment components (like money market funds) before selling from your other investment components to pay fees.
13. We are not responsible for any losses suffered due to errors caused by investment management companies or financial advisers.
14. From time to time, there may be changes to our fees or costs subject to regulatory approvals and processes.

#### H. 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 us is kept secure and confidential.
2. By entering into this agreement, you give us 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 product, including its administration and processing your instructions;
  - 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 with whom we are legally required to share your information;
  - 2.4. giving information to industry bodies such as, among others, the Association for Savings and Investment South Africa, 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. You may ask that we update or correct your personal information.
5. You may object to the use of your personal information at any time, unless the law allows us to use it for a specific purpose. If you think your personal information is compromised, misused or that it has not been protected, you may contact us or you may complain to the government's information regulator at [inforeg@justice.gov.za](mailto:inforeg@justice.gov.za)

#### I. Complaints

1. Momentum has a conflict of interest management policy. A copy is available at [momentum.co.za](http://momentum.co.za)
2. If you have any complaint regarding this investment, send it to our client contact centre and we will follow our complaints resolution process. A copy is available at [momentum.co.za](http://momentum.co.za)
3. If you have any complaints about the advice you have received, you may contact the Ombud for Financial Services Providers.

#### J. Contact details

##### Client contact centre

ShareCall: 086 054 6533  
 Telephone: +27 12 675 3000  
 Email: [wealthservice@momentum.co.za](mailto:wealthservice@momentum.co.za)  
 Postal: PO Box 7400, Centurion, 0046  
 Website: [momentum.co.za](http://momentum.co.za)

##### Momentum Wealth (Pty) Ltd

Momentum Wealth (Pty)Ltd is an authorised financial services provider and part of Momentum Group Limited. (FSP 657)  
 Reg no 1995/008800/07

**Momentum Metropolitan Life Limited**

Momentum Metropolitan Life Limited is an authorised financial services and registered credit provider. (FSP 6406)

Reg no 1904/002186/06

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

ShareCall: 086 066 3274

Telephone: +27 12 762 5000

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

Website: [faisombud.co.za](http://faisombud.co.za)