FundsAtWork
Umbrella Funds
Preservation made easy
A comfortable retirement is possible if employees contribute towards their retirement savings when they start working and preserve their money when changing jobs.

Unfortunately many members choose to withdraw their money from their retirement fund and use it for immediate needs when changing jobs. They think they can always catch up their retirement savings along the way in the future.

This means not only do they have to pay a hefty tax penalty, but they also have to save a lot more each month going forward to make up for lost time. Sadly, many members quickly forget their catch-up intentions and repeat the pattern when leaving their next job.

Employers, financial advisers and the whole industry should encourage members to preserve their retirement savings when changing jobs. This is to keep them on their road to financial success and help them to have a lot more money saved up by the time they retire.

Keeping retirement savings in the Umbrella Fund or transferring them into the Preservation Fund is a simple, affordable and flexible option to protect retirement savings and make sure retirement plans remain on track.

**Smart Exits**

Our award-winning Smart Exits solution was the first digital solution of its kind to help members make better financial decisions when they resign.

When an employee leaves employment, Smart Exits gives them an overview of the amount of money in their retirement savings now, and at retirement. It also shows them how much tax they will pay if they decide to take their benefit in cash. It helps them make informed decisions by creating awareness about the importance of keeping their retirement savings invested.

They will also be able to seamlessly move to the Momentum Corporate Preservation Fund, or leave their money in the FundsAtWork Umbrella Fund.
On withdrawal or retrenchment FundsAtWork Umbrella Fund members can decide to leave their benefit in the FundsAtWork Umbrella Fund and become a paid up member or move to the Momentum Corporate Preservation Fund.

Benefits
- There is no disinvestment or re-investing of the member’s retirement savings.
- Members can stay in the same product option, for example if they were in Provider they can remain in that option.
- High levels of flexibility allow members to move between options to meet their unique needs. For example, if they are in Provider, they can move to Founder or Entrepreneur, or vice versa.
- Members can switch investment portfolios.
- No initial fees are paid to move to the Momentum Corporate Preservation Fund.
- No monthly administration fee is paid.
- The Preservation Funds are fully compliant with and align to Government’s vision of encouraging members to preserve their retirement savings. The trustees of the FundsAtWork Umbrella Fund and Preservation Funds are the same. There are more independent trustees than sponsor trustees.
- Members continue to have access to attractive value-added benefits, included at no additional cost.

Outcome-based investing
All Momentum portfolios follow an outcome-based investing (OBI) philosophy. OBI targets a specific return over a chosen period and defines risk as the likelihood that an investment portfolio won’t deliver the return it’s targeting. It means risk doesn’t have to be reduced to three simple definitions of ‘low’, ‘medium’ and ‘high’ any longer, but can be described in sync with members’ goals: will they or won’t they achieve their goal and, if they miss it, by how much will it be?

Differences between the preservation options

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<tr>
<th>In-fund preservation</th>
<th>Momentum Corporate Preservation Fund</th>
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<tr>
<td>Members cannot withdraw a portion of their money and leave the rest in the FundsAtWork Umbrella Funds before retirement. If they want to make a withdrawal they can take a portion as a lump sum and transfer the balance to the Momentum Corporate Preservation Fund or another fund.</td>
<td>Members can withdraw a portion of their money before they place the balance in the Preservation Fund. They can also make one more withdrawal from the Preservation Fund before they reach their retirement age. They can choose to withdraw the whole amount or a portion of their money and leave the balance in the Preservation Fund until retirement.</td>
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<td>No commission is paid.</td>
<td>Commission is paid if a member appoints a financial adviser.</td>
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*If the member moves to the Preservation Fund the amount transferred has to be more than R500. If a member is invested in a life stage portfolio when they move to the Preservation Fund or become an Umbrella Fund paid up member they will not transition through the life stages automatically. They will remain invested in the underlying portfolio at that point in time.*
Value-added benefits

Members will keep their access to attractive value-added benefits to improve their financial health and wellness, at no additional cost. These benefits are:

- **Family Protector base**
  Members get a lump sum funeral benefit valued at R15 000. For any funeral claim to be paid the balance in the member’s retirement savings account must be more than R5 000.

- **Multiply Starter**
  Multiply is our rewards programme that guides, motivates and rewards members for taking everyday steps to enhance their financial and overall wellbeing. All members have access to entry-level membership, Multiply Starter. They can also choose to upgrade to Multiply Premier for an additional fee, for discounts and benefits from over 60 partners.

- **Hello Doctor**
  Hello Doctor allows members to talk to a doctor 24/7 to give them expert health advice, anytime, anywhere, through their phone, tablet or computer.

Fees

Fund expenses are charged and deducted from the member’s retirement savings account. These include audit and valuation fees, statutory expenses and fees for the trustees and principal officer.

An asset-based fee is charged on investments in non-Momentum portfolios, that is, portfolios not managed by Momentum. Only members who have chosen to invest in non-Momentum portfolios will pay this fee. The asset-based fee will be included in the quotation the member will receive when joining the Preservation Fund. For paid up members they will continue to pay the same asset-based fee.

Asset management fees are paid to the asset manager that manages the investment portfolio.

Let’s help members achieve their goals by encouraging them to make smart preservation choices when they leave the Umbrella Fund.

Talk to a Momentum Corporate specialist or your financial adviser.

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