

# Terms and conditions

Investors must read the applicable terms and conditions outlined below as well as the necessary FICA and new business requirements available on the Momentum Collective Investments (RF) (Pty) Ltd website ([www.momentum.co.za/collectiveinvestments](http://www.momentum.co.za/collectiveinvestments)) before signing the application form.

1. For the purposes of this application form, an Investor means the holder of a participatory interest/s in a collective investment scheme in securities administered and managed by Momentum Collective Investments (RF) (Pty) Ltd (“the Manager”), which is registered with the Registrar of Collective Investment Schemes.
2. **Net asset value (NAV):** Prices are calculated on a NAV basis, which is dependent on the total value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of participatory interest/s in issue. Permissible deductions include brokerage, securities transfer tax, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by the Manager.  
**Service charge:** The service charge for each portfolio is accrued daily and levied monthly on the market value of the portfolio. A portfolio may have a performance-based annual fee, which shall be a variable amount that may either increase or decrease, depending on whether the Manager has added or detracted value for the portfolio relative to the portfolio's benchmark. Refer to the latest minimum disclosure documents (MDDs) for more details. The service charge is usually deducted from the income received by the portfolio/s.
3. **Performance fees:** Certain portfolios have performance fees which are detailed in the Manager's portfolio summary sheet, available on [www.momentum.co.za/collectiveinvestments](http://www.momentum.co.za/collectiveinvestments) and on the latest MDD. Investors may carry a lower proportion of the performance fee relative to performance enjoyed, while other Investors may carry a higher proportion of the performance fee relative to performance enjoyed. Where underlying portfolio/s charge implicit performance fees (i.e. implicit in their unit prices), Investors may carry these performance fees regardless of whether the top-tier portfolio or mandate has outperformed its own benchmark.
4. **Total expense ratio (TER):** The TER of a portfolio is a measure of the portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a portfolio include annual service charges, performance fees, taxes, trustee fees and audit fees. The latest TERs are displayed on the MDDs.
5. **Switch:** A switch involves selling participatory interests in one portfolio and investing the proceeds in another portfolio. Refer to the Manager's Switch Form for further details as well as applicable fees.
6. Income distributions are made at regular intervals for all portfolio/s. Distributions are declared as specified in the Deed and applicable supplementary deed/s. Refer to the latest MDDs for more details. Distribution

payments will only be made if the value of the payment is above R20.

7. The Investor applies to invest in the portfolio/s administered and managed by the Manager in accordance with the provisions of the Deed and any supplemental deed/s executed thereafter as at the NAV price as at close of business on the date of receipt of the money by the Manager from the Investor.
- 7.1 In the case of an initial investment, no investment application shall be considered or processed unless the Manager is in receipt of the following:
  - 7.1.1 A fully completed application form
  - 7.1.2 Proof of receipt of money, for example deposit slip or proof of electronic transfer
  - 7.1.3 Investment instructions
- 7.2 The requirements as stipulated in clause 7.1 above must be in possession of the Manager before the daily cut-off time of 14h00. If the requirements are only satisfied after 14h00, the following working day's NAV price shall be used to calculate the purchase value of the investment and the investment will be processed on such following working day. In instances where the Investor is applying for subsequent investment/s, the Investor must forward proof of deposit or bank confirmation slip to the Manager as well as investment instruction completed on the relevant form by facsimile or email to the Manager before the cut-off time of 14h00. Provided the Investor has forwarded proof of deposit or bank confirmation slip and instructions, the application will be processed on the next working day.
8. Foreign investors use the same bank account details noted on the application forms and are issued with a swift code by the bank. Deposits and payments will only be received in South African rands.
9. The Investor authorises the Manager to act upon investment instructions completed on the relevant form received by facsimile, email, internet site or any other electronic medium with regard to any investment in portfolio/s administered and managed by the Manager. The Investor confirms that any electronic record of investment instructions and applications received and processed by the Manager as aforesaid will constitute prima facie proof of the contents of such instructions and applications and the Investor indemnifies the Manager against any losses, claims or damages arising from acting on such instructions and/or applications and confirms that the Manager shall not incur any liability of whatsoever nature in respect of any transfer, payment or other act done in accordance with such instructions and/or applications notwithstanding that it shall be shown that same was not signed, sent or emanated by the Investor. It is also agreed that this authorisation shall remain in force until notice in writing of its termination is received by the Manager and any such notice shall be without prejudice to the completion of transactions already initiated pursuant to this authorisation.
10. All documentation and/or communication received by any form of electronic medium by the Manager from the Investor, including but not limited to, application forms, specific documents required or requested by the Manager, investment instructions completed on the relevant form, proof of deposit or bank confirmation slip and so forth, must not be assumed to be in the possession of the Manager. The Investor must after forwarding an instruction to the Manager's Client Service Centre number as stipulated in the application form confirm that the Manager is in receipt of such instruction. The Manager shall not be held liable for any and all claims, losses and or damages whether indirect, special or consequential and or any expense of any nature whatsoever which the Investor may incur or suffer as a result of the Investor not adhering to the aforesaid.
11. As stipulated in clause 7.1 above, this application form will not be processed before the Manager receiving all of the relevant documentation required, as set out in the Financial Intelligence Centre Act, 38 of 2001 (FICA) and new business requirements document. The Manager reserves the right to request further

- documentation not referred to in this document, as and when applicable and further reserves the right not to process any Investment instruction/s should any documentation which the Manager requests and or requires; not be provided by the Investor to the Manager. The Manager shall not be held liable for any and all claims, losses and/or damages whether indirect, special or consequential and/or any expense of any nature whatsoever which the Investor may incur or suffer as a result of the instruction not being process timeously by the Manager due to the aforesaid.
12. The Investor undertakes to send the original documents as set out in the FICA and new business requirements document to inform the Manager when any contact details and or other pertinent information has changed and to forward such information and necessary documents to the Manager within 14 (fourteen) days of such change occurring. In instances where the Investor has failed to timeously provide the aforesaid details and documents to the Manager and should the Manager need to trace the Investor, any and all costs associated with tracing the Investor shall be for the account of the Investor.
  13. In the event that the Investor provides instruction for the repurchase of participatory interest/s in a particular portfolio, payment will only be made into the Investor's bank account. Payment will be effected within 14 (fourteen) days of the required documentation reaching the Manager. Where the participatory interests tendered for repurchase have been ceded, the written consent of the cessionary, or alternatively, proof that the cession has been cancelled must be provided before the repurchase can be processed. The Manager will under no circumstances make third-party payments. Furthermore, in the event of the Manager receiving conflicting repurchase instructions, the Manager reserves the right not to act on such instructions received and the Manager shall not be held liable for any and all claims, losses and/or damages whether indirect, special or consequential and/or any expense of any nature whatsoever which the Investor may incur or suffer as a result of the instruction not being process timeously by the Manager due to the aforesaid.
  14. Without prejudice to any other rights, which the Manager may have in terms hereof or at law, the Investor agrees that the Manager shall be entitled to recover from the Investor any amount of money paid to the Investor, which the Investor is not entitled to for whatsoever reason, including interest thereon.
  15. The Investor's *domicilium citandi ex executandi* for all notices and processes to be given in terms hereof, is the physical address detailed on this application form or as notified in writing to the Manager.
  16. Repurchase and income distribution payments are not transferable (will only be paid to the bank account in the name of the Investor) and can only be made electronically.
  17. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to capital gains tax (CGT). The Manager is obliged to report on the weighted average cost method for CGT purposes.
  18. Notwithstanding anything to the contrary contained in the application form, the Manager reserves the right to amend any provision of the terms and conditions contained herein and/or amend any other provision as contained within the application form upon reasonable written notice to the Investor of such amendment and/or cancellation.
  19. Notwithstanding anything to the contrary contained in the application form, where an Investor has made an investment via lump sum investment and elects to repurchase participatory interest/s in the portfolio resulting in the Investor's value in such portfolio after the repurchase to fall below R2 000.00, any repurchase instruction will result in the total balance being redeemed alternatively, the Investor may make an additional investment into the portfolio by purchasing additional participatory interest/s to ensure that the minimum balance in the portfolio exceeds R2 000.00.

20. All direct deposits and EFTs must clearly reference the RU contract number to ensure that the deposit is matched to the correct contract. Where the Manager has been instructed to collect money from the bank account, bank accounts will be debited within 2 (two) working days. The Manager is limited to a maximum amount of R499 999.99 per collection. Money will only be invested once the Manager's requirements have been satisfied. Participatory interests bought with a direct debit can only be disinvested or switched after 7 (seven) days. Electronic/internet transfers can take up to 2 (two) working days to appear in the Manager's account.
21. The Investor confirms that neither the Manager nor any of its employees have provided any advice on the suitability of this investment to the Investor's objectives and financial needs.
22. Cooling off rights are not applicable to investments in collective investment schemes.
23. Client statements are issued bi-annually when distributions are paid. Client statements are also available upon request from the Manager.
24. Tax certificates (IT3B and IT3C) are sent to clients annually after the tax year.
25. Complaints may be addressed to the Manager at the address provided on the application form.
26. There may be actual or potential conflicts that may exist between the interests of the Manager and investors, for example, associates of the Manager may be invested within certain portfolios, and the details thereof are available from the Manager.
27. The Standard Bank of South Africa Limited is the Trustee of the Momentum Collective Investments Scheme, 20th Floor Main Tower, Standard Bank Centre, Adderley Street, Cape Town, 8001.

## Contact details

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The portfolios reflected herein are approved incubator portfolios, bearing the name of Granate Asset Management (Pty) Ltd, registration number 2015/090537/07, an approved financial services provider (FSP) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002), FSP number 46189. The Manager administers and manages the Momentum Collective Investment Scheme portfolios and Granate Asset Management (Pty) Ltd undertakes financial services of a discretionary nature in relation to the investments of the incubator portfolios.

### **Scheme**

Momentum Collective Investments Scheme

### **Custodian/Trustee**

Standard Bank of South Africa Limited

Telephone: +27 (0)21 441 4100

### **Management company**

Name: Momentum Collective Investments (RF) (Pty) Ltd

Physical address: 268 West Avenue, Centurion, 0157

Postal address: PO Box 7400, Centurion, 0046

Facsimile: +27 (0)12 675 3889

Call centre: 0860 111 899

Email: [Granate.clientservice@momentum.co.za](mailto:Granate.clientservice@momentum.co.za)

Web: [www.momentum.co.za/collectiveinvestments](http://www.momentum.co.za/collectiveinvestments)

Registration number: 1987/004287/07

### **Investment manager**

Name: Granate Asset Management (Pty) Ltd

FSP number: 46189

Registration number: 2015/090537/07

Address: 3rd Floor, 2 Merchant Place, Cnr Fredman and Rivonia Drive, Sandton

Telephone: +27 (0)11 282 8000

Facsimile: +27 (0)11 282 4210

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

Web: [www.granate.co.za](http://www.granate.co.za)

### **CIS disclosure:**

Collective Investment Schemes (CIS) in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Momentum Collective Investments (RF) (Pty) Ltd (the manager) may borrow up to 10% of the market value of a portfolio to bridge insufficient liquidity. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, UST, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio, divided by the number of units in issue. A schedule of fees and charges and maximum commissions is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of participatory interests apply to certain Portfolios, which are subject to different fees and charges. The Performance Fee Frequently Asked Questions document is available on the website ([www.momentum.co.za/assetmanagement](http://www.momentum.co.za/assetmanagement)). The portfolio valuation time is 08h00 for fund of funds, and 15h00 for all other portfolios. The transaction cut-off time for non-fund of funds is 14h00 on the pricing date, and for fund of funds it is 14h00 on the business day prior to the pricing date. MMI Holdings Limited is a full member of the Association for Savings and Investment South Africa. The Standard Bank of South Africa Limited (PO Box 54, Cape Town, 8000) is the Trustee of Momentum Collective Investments Scheme. Momentum Collective Investments (RF) (Pty) Ltd (Reg No.1987/004287/07) (PO Box 7400 Centurion 0046). Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk. The terms and conditions as well as the minimum disclosure document (MDD) for each portfolio are available on the website ([www.momentum.co.za/assetmanagement](http://www.momentum.co.za/assetmanagement)). Associates of the manager may be invested within certain portfolios and the details thereof are available from the manager. MMI Holdings Limited is a full member of the Association for Savings and Investment SA. The Standard Bank of South Africa Limited is the trustee of the Momentum Collective Investments Scheme, 20th Floor Main Tower, Standard Bank Centre, Adderley Street, Cape Town, 8001. The manager and trustee are registered and approved under the Collective Investment Schemes Control Act (No. 45 of 2002). The manager retains full legal responsibility for the incubator portfolio.

The portfolios reflected herein are approved incubator portfolios, bearing the name of Granate Asset Management (Pty) Ltd, registration number 2015/090537/07 and FSP number 46189, an approved financial services provider (FSP) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002). The Manager administers and manages the Momentum Collective Investment Scheme portfolios and Granate Asset Management (Pty) Ltd undertakes financial services of a discretionary nature in relation to the investments of the incubator portfolios. A money market portfolio is not a bank deposit account. The price of a participatory interest is a marked-to-market value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument, and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses, it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures, and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yields of the Granate Unconstrained Fixed Interest Fund and the Granate Multi Income Fund are historic and are calculated monthly. The yield of the Granate Money Market Fund is current and is calculated daily.



**GRANATE**  
ASSET MANAGEMENT