

momentum

for your financial wellness

FundsAtWork

Namibia



The gap - not to be ignored

The retirement savings gap

Financial literacy is one of Namibia's biggest challenges. Research reveals that only one in nine Namibians save for retirement in the form of a pension or provident fund. This means that 88% of the Namibian population is likely to rely on government to help them fund their retirement.

The risk of longevity will result in many individuals outliving their retirement savings. A lack of proper financial planning and medical costs which have outstripped inflation increases, are the major reasons why retirees will have to live on much less than their final salary at retirement.

The average salary replacement percentage for most people is well below the targeted level of 75% and higher, which means the average person will have significantly less than 75% of their final working salary to live on at retirement.

The insurance gap

The insurance gap refers to how much insurance a person has compared to what they actually need if an active income earner in the household dies or becomes disabled. The national disability prevalence rate in Namibia is given at approximately 5%. According to reports on people living with disabilities, unemployment was reported by approximately

57% of all disabled people between 15 and 65 years. These numbers highlight the importance of adequate insurance cover.

Employer sponsored benefits are often the only source of retirement savings and insurance cover that an individual has. It is crucial that the correct base for retirement and insurance planning is put in place by the employer.

FundsAtWork - partnering with financial advisers and employers to fill the gap

Fortunately for Namibians, many small to medium size employers recognise the advantages of offering retirement and insurance benefits to their employees. Not only do these employers attract and retain effective and qualified staff, their staff turnover is lower and they have significant cost savings, over and above the tax benefits. Unfortunately offering retirement and insurance benefits to employees can be costly and complex.



our simplified product design helps members and employers control their own financial destinies





Employee retirement and insurance planning - clear, simple and safe

Employee retirement and insurance planning

The FundsAtWork umbrella funds are built on the philosophy of transparency, flexibility, value for money and ease of use. FundsAtWork recognises that individuals have different needs. We have designed three product options offering retirement savings and insurance benefits to cater for the diverse needs of individuals. FundsAtWork is committed to helping the employer and member close the retirement savings and insurance gaps.

Retirement benefits

FundsAtWork’s range of investment portfolios is carefully designed to assist members to achieve their investment objectives and to bridge the gap in their retirement savings. The three options, Provider through to Entrepreneur, provide for straightforward to complex requirements.

Provider is the most basic and cost effective product option. This product option has no investment portfolio flexibility. It is appropriate for members who are less financially sophisticated but want to invest in a portfolio that is managed on lifestage principles.

Trader is appropriate for members who are financially sophisticated and require a fair amount of investment portfolio flexibility. Members in Trader can manage their investments according to basic risk profiles.

Entrepreneur is fitting for members who are highly financially sophisticated and require the ability to structure specific and unique investment profiles using a selection of Momentum portfolios and unit trusts.

Investment philosophies meeting investment needs.

People’s needs change depending on their personal circumstances, their age and where they might find themselves on their life path. This is also true for their investment needs.

FundsAtWork provides a wide variety of investment portfolios to meet the investment objectives and diverse needs of our members.

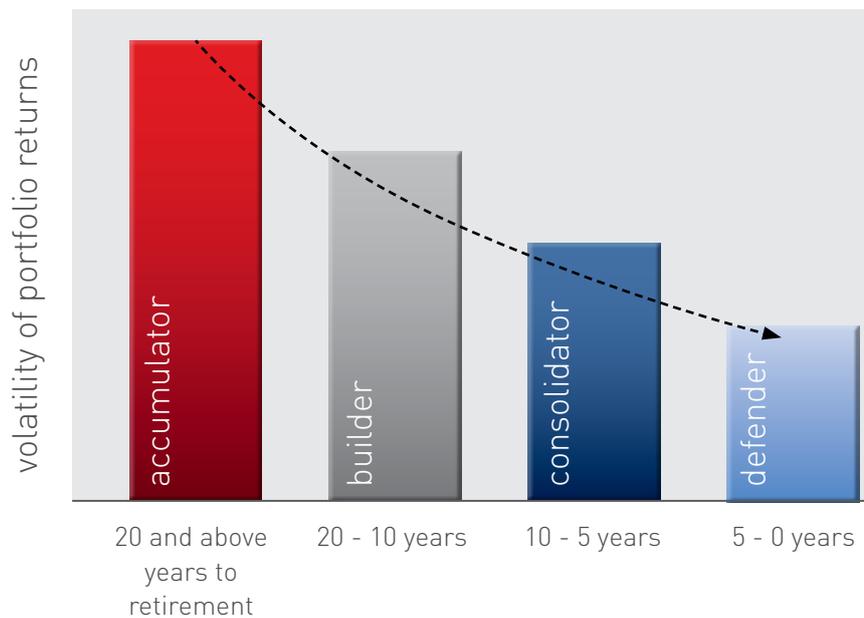
Summary of investment portfolios

Provider	Trader	Entrepreneur
	Investment portfolios	
Momentum Lifestage portfolios	Momentum Money Market	All Trader portfolios
	Momentum Bond	Selected Prudential unit trusts
	Momentum Balanced	Selected Coronation unit trusts
		Selected Investec unit trusts

Retirement benefits (continued)

Momentum Lifestage portfolios

The member's assets are invested in the portfolio that is appropriate to them depending on how many years they have until retirement. As members get closer to retirement their assets will be invested more conservatively and members are automatically transferred between the different Lifestage portfolios.



Momentum Money Market

This is an actively managed portfolio investing in domestic cash, and near-cash money market instruments that provide competitive returns relative to cash while ensuring capital protection. The absence of equity and other long-term growth investments results in this portfolio having a low risk of capital loss, at the expense of higher long-term returns. RMB Namibia Asset Management manages the portfolio.

Momentum Bond

This specialist portfolio invests in domestic and South African fixed-interest instruments, being bonds and cash. The portfolio has a medium risk profile with the primary objectives being a regular source of income and the potential for capital appreciation.

Momentum Balanced

The portfolio aims to achieve an optimal balance between the different asset classes in order to lower the volatility of returns while at the same time providing for capital growth over the long term.

Unit trusts

Entrepreneur members have access to a range of unit trusts from various managers.

Visit our website for more information or speak to your financial adviser.

Note: Portfolios may change from time to time without prior notice.



Insurance benefits

Many people are ignorant when it comes to insurance planning. They do not realise the amount of death, disability and dread disease cover they need. Informed insurance planning ensures that emotional struggles are not further complicated by financial hardship.

FundsAtWork assists members to plan for these events through insurance benefits specifically for death, disability and dread disease.

Insurance benefits are available on all three product options and also as stand alone benefits without the retirement savings benefits.

FlexiCovers

Members can effortlessly flex up or down and pay the same unit rate as for their default cover. The default cover is the cover that the employer has chosen for their employees. Members under all three product options have access to FlexiCovers.

Group life cover

The purpose of life cover is to replace an individual's salary when they die. The life cover required by a specific earner depends on current personal income and debt levels.

Spouse's and children's pension

On the death of the member a monthly pension is paid to the spouse and / or children. The spouse's pension is paid for the lifetime of the spouse and the children's pension is paid until the child turns 21 years.

Disability cover

Disability insurance benefits protect the individual against the potentially severe financial implications if they become disabled.

FundsAtWork offers the following disability cover:

Permanent health insurance (PHI)

PHI provides a replacement monthly income in the event that the member is no longer able to work. The benefit is paid until normal retirement age for permanent disabilities. Employers have the option to choose a salary replacement benefit of 100% throughout, or 100% in the initial period and 75% thereafter. Employers can also select an initial period of 12 or 24 months and can choose the disability definitions in order to manage the cost of the benefit.

Lump sum disability (PTD)

PTD provides a lump sum payment to a member when they suffer a permanent disability. The employee can use the lump sum payment to adjust their lifestyle or to invest to provide an additional income, or both.

Capital income provider (CIP)

CIP combines the features of both the PHI and PTD benefits. It provides a monthly income in the event of disability for a maximum of two years after which a lump sum is paid to the member.



Insurance benefits (continued)

Dread disease cover

Globally a new trend is emerging, companies are losing skilled staff to disability occurrences at an even younger age due to stress-related causes. In Namibia more than 80% of all dread disease claims are related to cancer, heart attacks and strokes. Many physical diseases such as heart attacks, strokes, hypertension and diabetes find their origin from mental diseases such as stress and depression.

FundsAtWork offers members a dread disease benefit that covers life threatening conditions.

FundsAtWork Family Protector

Family funeral and education benefits

Many individuals have some form of insurance, which helps surviving household members defray some funeral expenses. However, just as many households borrow money to pay for funerals. Tuition fees rise by between 7% and 10% per year.

Family Protector provides basic payouts to cover funeral expenses and to meet basic educational needs. Members on all product options have flexibility and can increase the amount of cover they enjoy and to make changes to the number of family members covered.

Benefits the member must have to qualify	Family Protector BASE Benefits the member will get automatically	Family Protector PLUS Benefits available to Provider and Entrepreneur by paying a small additional premium
Retirement benefits	Funeral benefit BASE <ul style="list-style-type: none"> • N\$10 000 per main member and spouse(s) • N\$ 5 000 per child 8 family members covered (the member, up to 2 spouses and 5 children)	Funeral benefit PLUS (FlexiCovers) The member can: <ul style="list-style-type: none"> • add children • add cover • add parents / parents-in-law
Retirement and death benefits	Funeral benefit BASE + Education benefit BASE <ul style="list-style-type: none"> • an amount is made available for children's education if a member dies • N\$10 000 per child • up to 5 children covered • money administered by FNB trust 	Funeral benefit PLUS (FlexiCovers) + Education benefit PLUS (FlexiCovers) The member can: <ul style="list-style-type: none"> • add children • add cover



Business benefits

Benefits online

FundsAtWork's web applications give members, employers and financial advisers instant access to information as well as the ability to transact electronically.

Employer portal

FundsAtWork's online employer portal gives employers immediate control over the management of member data and benefits. The system makes it easier for employers to perform transactions and saves time without compromising sound governance. Queries and reports are available at the push of a button.

Employers have instant online access to member benefits. The system is web-based, users do not have to be office bound in order to access it. They can quickly and securely add and update member information, eliminating the need for paper-based tasks and reducing turnaround times of general data maintenance at month-end and claim stage. Financial advisers, appointed by the employer, can also access the system.

Member portal

Members can make changes to their personal details, change their beneficiaries, view their benefit statements and the amount in their retirement savings account as well as make changes to their investment portfolios and FlexiCovers.

Cellphone and email notification

Momentum communicates with its members via sms or email, where we have their contact details, on certain events such as their monthly retirement savings account balance, investment portfolio switches and claims assistance.

Financial adviser portal

Financial advisers have access to all the information relating to their clients.

External educators

Our external educator visit the employer after the installation of the scheme. They train the employer on how to use the online employer portal and take members through their benefits and product options helping them to understand retirement and insurance planning better.



A final word

- FundsAtWork offers simplified retirement savings vehicles and insurance benefits.
- Our reduced costs through economies of scale allow smaller employers to provide employee benefits that are normally only available to members of large retirement funds.
- Sound governance through access to professional lawyers, investment experts and accountants who support the trustees, sponsored by Momentum as the administrator.
- Employers can focus on what they're good at while we take on the administrative complexities and burdensome trustee duties.
- FundsAtWork allows for different member and employer needs in terms of insurance benefits, investment portfolios, contributions and levels of flexibility.
- Members have direct online access to fund information and benefit statements informing them of their retirement savings account balance, insurance benefits and investment portfolios.
- Employers can perform all reconciliation transactions electronically via our employer portal.
- All fees and charges are clearly set out so that there are no hidden costs.
- FundsAtWork provides pertinent real-time information to educate members, which ultimately leads to them being more financially aware and making better informed decisions.



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