



Global Wealth Endowment



South Africa represents less than one percent of the world economy. With international exposure, clients could benefit from being invested in some of the biggest global companies and markets. This can enhance diversification opportunities when they invest, and can provide protection against risk and weakness to help them grow their wealth over the long term.

Clients invest to make their money grow to have enough for their needs on their journey to success. We know their journey is unique – they may want to invest for a nest egg or build their legacy, while taking advantage of the benefits of housing their investment in a tax-efficient product.

Singular personalisation on their journey to success

Our investment platform helps clients build and protect their financial dreams on their journey to success, whether immediate or over the longer term.

With singular personalisation, we reimagined the idea of an investment platform where technology makes personal objectives and goals the centre of all investment experiences. By offering a world of choice to suit each person's investing needs, financial advisers can guide their clients with sound financial planning and advice for their different financial goals.

**Each
person's
investing journey
to success is unique
and personal.**

**With us, they can shape
that journey in the
most singular
way.**

How can the Global Wealth Endowment help clients?

Available through **Momentum Wealth International**, the Global Wealth Endowment as an insurance product, gives South African clients with a long-term investment horizon the opportunity to meet their offshore investment needs.

Momentum Wealth International, based in Guernsey, is an offshore investment platform providing a truly global investment experience and opportunities for diversification through access to various international markets.

The Global Wealth Endowment provides the benefits of a tax-efficient international investment structure, with intergenerational wealth planning benefits.

There are two options to choose from:

Capital Redemption Bond

The Capital Redemption Bond (or sinking fund policy) can have one or multiple contract owners. There are no insured lives on this option. It has a minimum restriction (retention) period of five years and a 99-year maximum term. Although it is designed for corporate structures and trusts, it can be used by individuals.

Life Insurance Bond

The Life Insurance Bond can have one or multiple contract owners. The Life Insurance Bond can have one insured life or an unlimited number of insured lives. It has a minimum restriction (retention) period of five years and no maximum term, and the death benefit becomes payable on the death of the last insured life. The investment owner can nominate an unlimited number of beneficiaries to receive the proceeds upon death of the last insured life.

Who can invest?

- South African individuals who want to use their offshore investment allowance.
- South African individuals, companies, trusts, and other corporations wanting to invest money that is already held offshore.
- Clients who want to make use of prudential limit capacity, also known as 'asset swap capacity'.
- Foreign tax residents may invest, but should obtain independent tax advice.



South African individuals

Individuals using offshore investment allowance



Offshore money investors

Entities investing money already held offshore



Prudential limit investors

Clients using 'asset swap capacity'



Foreign tax residents

Individuals residing outside of South Africa

Why invest?

- For clients who fall into the higher tax brackets, it is a tax-efficient way to invest. Momentum pays tax (in South Africa) on the client's behalf according to the tax approach that life insurance companies in South Africa are required to follow. Any proceeds taken from the investment are, therefore, not subject to further income tax or capital gains tax in the client's hands.
- Clients can choose from a broad range of global investment components and instruments to suit any investment objective, from investment funds and model portfolios to exchange-traded funds, as well as international personal share portfolios.
- Clients enjoy consolidated valuation reporting via our secure website or through their appointed financial adviser, and we provide access to investment funds in various currencies in one investment contract.
- Clients can benefit from intergenerational wealth planning benefits that translate into cost and tax savings in the estate.
- The option of taking interest-free loans is available during the initial five-year term, subject to restrictions. After the five-year term, there are no restrictions.
- Clients can use their investment as collateral security in South Africa.

Collateral security

Allows investment to be used as collateral



Tax efficiency

Reduces tax burden for high-income clients

Loan options

Offers interest-free loans during the initial term

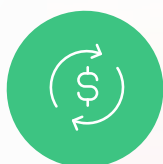


Investment options

Offers a wide range of global investment choices

Wealth planning

Facilitates intergenerational wealth transfer



Reporting

Provides secure and consolidated valuation reports



The value of financial advice

Financial advisers integrate their expertise in tax regimes with research and current knowledge of the investment landscape when developing a financial strategy tailored to their clients' circumstances and financial planning needs. We recognise the significance of engaging a financial adviser and, consequently, make the use of one a prerequisite for using the Global Wealth Endowment to invest.

Regularly consulting a financial adviser and doing so before making any changes to investments can assist clients in remaining invested and increasing their likelihood of achieving their financial goals. The decisions made regarding an investment portfolio will directly impact its returns. For this reason, we believe that financial advisers are ideally positioned to help clients make these essential decisions.



Technical details

Minimum investment amount and additional investments

The minimum investment amount is USD25 000 (or currency equivalent).

Clients can add money to their Global Wealth Endowment contract at any time. The minimum additional investment amount is USD7 500 (or currency equivalent).

If an additional investment breaches any South African or Guernsey regulations on permissible investment amount increases, we can apply any part of the additional investment amount towards a new investment contract.

Minimum amounts for investment funds and other investment components are set by the underlying investment managers and component providers, which can vary.

Investment choice

The Global Wealth Endowment is administered by Momentum Wealth International. Clients have access to a broad range of global investment components and instruments to suit any investment objective, from investment funds and model portfolios to exchange-traded funds, as well as international personal share portfolios.

The range of investment funds includes access to many of the world's leading investment funds and investment managers, as well as funds in a range of currencies. Please refer to the fund list to see all available funds.

Consolidated valuation reports are available in various currencies, namely the US Dollar, Pound Sterling, Euro, Yen, HK Dollar, Australian Dollar, Swiss Franc and South African rand. All valuation statements are available online from our website at momentum.co.gg.

Tax considerations

As an insurance product, the Global Wealth Endowment is subject to tax in South Africa. We pay tax on behalf of clients according to the 'five-funds approach' as required by the Income Tax Act of 1962. Investment returns within an endowment are taxed at a fixed income tax rate of 30% for individuals and 27% for corporate entities. The effective tax rate for capital gains is 12% for individuals and 21.6% for corporate entities.

Accessing money from the investment

Withdrawals

The Global Wealth Endowment is subject to certain restrictions on withdrawal and on the amount of a withdrawal as imposed by the applicable laws and regulations governing the product. In general, an endowment has an initial restriction (retention) period of five years, during which time one withdrawal and one interest-free loan are permitted. The withdrawal may be subject to early withdrawal penalties.

To enhance liquidity, Momentum Wealth International has incorporated 100 underlying policies within the Global Wealth Endowment, allowing greater accessibility. The withdrawals are treated as interest-free loans, enabling clients to make multiple withdrawals. After the five-year restriction (retention) period, you can make as many withdrawals as you wish. The minimum withdrawal amount is USD2 500 (or currency equivalent).

Security assignment (cession)

Clients can use their investment as collateral security in South Africa. Once a security cession agreement has been noted, the cessionary must approve and sign all instructions for this investment. Security cessions are only allowed with regulated financial services providers in South Africa.

Cooling-off rights

A client can cancel their Global Wealth Endowment contract within 31 days of the start date and get a refund of the investment amount paid, subject to a reduction of any costs and the amount (if any) by which the value of the investment has fallen.

What happens at death?

The Global Wealth Endowment has additional benefits to deal with how the investment, or the investment proceeds should be treated in the event of death. By adding a strong overriding contractual arrangement, probate may be avoided as the proceeds of the investment will, for example, be paid directly to the beneficiary or be transferred to the new owner. Probate may also be avoided if the proceeds are paid to a South African Estate. The below table provides information about which of these are available on which choice.

Overriding contractual arrangement	Global Wealth Endowment	
	Life Insurance Bond (With an insured life or lives)	Capital Redemption Bond (No insured life)
Joint and survivorship provision*	✓	✓
Successor contract owners	✓ (and alternate successors)	✓ (and alternate successors)
Beneficiaries of death proceeds	✓ (and alternate beneficiaries)	

* between spouses

Joint and Survivorship

By selecting the 'Joint and Survivorship' option, the deceased spouse's contract interest will pass directly to the surviving spouse and will bypass the deceased contract owner's estate.

Successor contract owner

A successor contract owner can be appointed to transfer ownership should the contract owner pass away.

For the Capital Redemption Bond

Individual contract ownership rights are transferred at death via ownership transfers. The contract will remain active until the end of the 99-year term or until the contract is fully redeemed.

For the Life Insurance Bond

The contract will continue until the death of the last-named insured life. Upon the death of the last insured life on the contract, the investment value of the contract passes directly to the nominated beneficiaries. By doing so, it bypasses the contract owner's estate and does not incur executor fees. Upon the death of the last insured life on the contract, where no beneficiaries are nominated, we will pay the investment value (after tax) to the contract owner's estate, which may be subject to Guernsey probate.

Fees

We show the administration fees charged on the Global Wealth Endowment on the investment statement. The fee schedule of the Global Wealth Endowment gives more information about the fees charged.

Investment information and statements online

Clients and their financial advisers can visit momentum.co.gg to view investment information and get investment statements.

Client information is secure. Only clients and their financial advisers can see the details of their investments with us.

Remember

The secret to successful investing is for clients to start investing in investment solutions that suit their needs and circumstances as soon as possible and to leave their money invested for as long as possible. Stay invested and keep focusing on the goal even in difficult financial climates. Financial markets generally go through cycles over time, which means that the value of the investment portfolio in the Global Wealth Endowment can go down as well as up.

Please read this brochure together with the Global Wealth Endowment's terms and conditions.

Contact us

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The **Global Wealth Endowment** is a life insurance product, underwritten by Momentum Metropolitan Life Limited Guernsey Branch, a foreign branch of Momentum Metropolitan Life Limited, a licensed life insurer under the Insurance Act.

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For investments in collective investments schemes (CIS) (unit trusts), refer to the minimum disclosure document (MDD), which is available from the relevant CIS manager. The MDD contains important information about investments in the particular CIS.

Fluctuations in the value of underlying assets of an investment portfolio, the income from them and changes in interest or exchange rates mean that the value of the portfolio and any income arising from it may fall as well as rise and is not guaranteed.

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Financial advisers are advised to always consult the latest version of this document. This document should be read in conjunction with the relevant product terms and conditions.

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