

## Unified EB brand brings about exciting changes

When the employee benefits businesses of Momentum and Metropolitan merged, one of South Africa's largest EB companies was formed, offering a broad range of products and services. Our commitment to excellence, combined market reputation and operational acumen paved the way for the next exciting chapter in our journey together.

Momentum Employee Benefits, with its strong corporate presence, was chosen as our operating brand. Building an authentic brand and spreading the word about what Momentum EB represents – for ourselves as well as our clients – are very important steps for all of us from these early merger days onwards.

### Greater focus on segment needs

Specific market segments have distinct requirements. Our focus will be to fulfil the product and servicing needs of all segments of the employer market, from small to large employers, union-influenced environments and state-owned enterprises.

Momentum EB and Metropolitan EB historically serviced complementary markets. Throughout the merger we have tried to ensure that, as far as possible, our product and service offering has remained of the highest standard and we have used the merger as an opportunity to bring the best of both worlds into one merged, world class EB business. In the SMME market, we will focus on providing umbrella solutions to smaller funds through our FundsAtWork offering. In the Corporate market (including unions and state-owned enterprises), we will continue to offer investment, annuity and risk solutions to larger funds. In addition, Metropolitan Retirement Administrators, which is part of our Momentum Employee Benefits business, offers administrative services to large funds (generally 3 000 members and more) through its administration platform, Benchmark.

### Licensing

Two large life licenses – Metropolitan Life Ltd and Momentum Group Ltd, are being utilised in the MMI Group. Existing business of Metropolitan EB and Momentum EB is currently still underwritten by Metropolitan Life Ltd and Momentum Group Ltd respectively.

Pre-merger clients of Metropolitan EB will in future receive correspondence on a Momentum EB letterhead as the EB business has been branded “Momentum”, even though Metropolitan Life Ltd is still the underwriter and contracting party of the policy and the products are still branded as “Metropolitan”. The only exception to this is that clients of Metropolitan Retirement Administrator will continue to receive correspondence from “Metropolitan” as this is the chosen brand for our large-scale administration business. We will over time be reviewing the use of life licenses and product names to ensure consistency and we will communicate accordingly if changes are made.

Metropolitan Life Ltd and Momentum Group Ltd, as wholly owned subsidiaries of MMI Holdings Ltd, will continue to operate separately and the balance sheets are not being merged. Both entities have the same, high, credit rating.

## **Risk and Investments**

Over the past few years, Momentum EB has grown its market share in the group risk industry significantly, with the combined unit now enjoying the largest market share in the industry.

Headed by Francesco Joshua, our risk business is well-placed to continue providing effective solutions to the diverse and changing needs in the South African environment. Clients have become accustomed to our sustainable pricing model differentiated by benefits that are priced affordably, service level promises that are kept and disability claims that are assessed fairly.

Our investments and annuity business is headed by Johan Gouws who has overall responsibility for the development and management of all our investment and annuity products, which are focused on providing solutions for retirement funds as well as employers.

Our smooth bonus investment and with-profit annuity portfolios form a large part of our business. All previous board committees of Metropolitan and Momentum have been replaced with new committees in terms of MMI’s new governance structure. The Discretionary Participation Committee monitors compliance with the Principles and Practices of Financial Management, which govern the management of our smooth bonus investment and with-profit annuity portfolios.

**Momentum Group Limited** 268 West Avenue Centurion 0157 PO Box 7400 Centurion 0046 South Africa  
Tel +0860 657 585 Fax +27 (0)12 675 3970 clientcontactcentre@momentum.co.za www.fundsatwork.co.za

Directors: LL Dippenaar (Chairman) MJN Njeke (Deputy Chairman) NAS Kruger (Chief Executive Officer) FW van Zyl (Deputy Chief Executive Officer) PE Speckmann (Finance Director)  
JP Burger RB Gouws PK Harris F Jakoet SC Jurisich KL Matseke PJ Moleketi M Mthombeni SA Muller JE Newbury SE Nxasana KC Shubane FJC Truter BJ van der Ross  
JC van Reenen M Vilakazi Company secretary: FD Jooste Reg. No. 1904/002186/06 Momentum is an authorised financial services and credit provider  
Momentum Group Limited, is a wholly owned subsidiary of MMI Holdings Ltd

advice | insurance | investments | health

## Retirement Fund Administration

As communicated earlier this year, our product and service offering has been reviewed to align with our market segment focus and the needs of each client base. We believe that umbrella funds offer the most cost effective solution for small to medium-sized employers. In order to sustain cost efficiency in the long term, we will only provide one umbrella fund solution. In this space we have selected the Momentum FundsAtWork umbrella funds as the single solution that will support this market segment. Where required, the FundsAtWork offering will be enhanced further to cater for the needs of this market and facilitate the transfer of existing Metropolitan clients.

FundsAtWork will also continue its support of the FundsAtWork preservation funds. The conversion methodology that will be followed to transfer all existing clients onto the FundsAtWork platform is currently being investigated to ensure a smooth transition. As clarity for conversion is obtained, further communication will be issued to all parties involved, including our trustees, intermediaries and clients. We anticipate starting this process in the next few months.

All large retirement fund administration services will in future be provided through our specialist retirement fund administrator, Metropolitan Retirement Administrators, with Ian Smith as its CEO. Although we will be open to exceptions, we will focus the provision of these services on retirement funds with a membership in excess of 3 000 members. Metropolitan Retirement Administrators will also continue to manage the Metropolitan Unclaimed Benefit Funds, which now includes the Momentum Unclaimed Benefits Fund as a decision was made to transfer this Fund with immediate effect.

Metropolitan Retirement Administrators was the first administrator in South Africa to complete both the International Standard on Assurance Engagements (ISAE) 3000 and ISAE 3402 type 2 reviews – the latter being the most robust and appropriate international assurance. The ISAE 3402 review provides comfort to both retirement fund members and trustees that all the key controls are operating effectively. Although the criteria for qualification are stringent, Metropolitan Retirement Administrators had successful reviews due to the high level of automation and integration of its administrative systems and processes, which even allow fund trustees to review service delivery against service level agreements in real time.

**Momentum Group Limited** 268 West Avenue Centurion 0157 PO Box 7400 Centurion 0046 South Africa  
Tel +0860 657 585 Fax +27 (0)12 675 3970 clientcontactcentre@momentum.co.za www.fundsatwork.co.za

Directors: LL Dippenaar (Chairman) MJN Njeke (Deputy Chairman) NAS Kruger (Chief Executive Officer) FW van Zyl (Deputy Chief Executive Officer) PE Speckmann (Finance Director)  
JP Burger RB Gouws PK Harris F Jakoet SC Jurisich KL Matseke PJ Moleketi M Mthombeni SA Muller JE Newbury SE Nxasana KC Shubane FJC Truter BJ van der Ross  
JC van Reenen M Vilakazi Company secretary: FD Jooste Reg. No. 1904/002186/06 Momentum is an authorised financial services and credit provider  
Momentum Group Limited, is a wholly owned subsidiary of MMI Holdings Ltd

advice | insurance | investments | health

We hope to complete the migration of large clients to Metropolitan Retirement Administrators over the next 18 months and the migration process will be managed by dedicated project teams with a strong focus on maintaining information integrity.

We understand that the above changes may be disruptive and we will therefore discuss the implications with you in order to determine the best solution for each existing client.

### **Delivering on our promise**

While it's easy to put a vision and mission on paper, the way we set out to achieve our aims and what we stand for, is what will prove enduring. Our core values are serving our clients, being a responsible organisation and one of choice for our employees and associates, while striving to be a preferred and top financial services company. We are well on our way to success and I am pleased to be able to share with you that we have managed to retain just about all key staff during the uncertain period that was created during the early stages of the merger.

We have recently won the POA "Imbasa Yegolide" (Golden Trophy) award (still operating as Metropolitan EB at that stage) for best risk manager for the third successive year, based on effective client service, risk modelling and expertise in providing solutions to clients affected by HIV/Aids.

This is only one of many accolades that we want to build on. We'll continue delivering at the highest level – something our clients have become accustomed to.

We trust that the merger will have a minimal impact on our service, and I'd like to take this opportunity to thank our clients for their patience during the merger integration process.

Yours sincerely



**Thinus Alsworth-Elvey**

CEO: Corporate Market

Momentum Employee Benefits

**Momentum Group Limited** 268 West Avenue Centurion 0157 PO Box 7400 Centurion 0046 South Africa  
Tel +0860 657 585 Fax +27 (0)12 675 3970 clientcontactcentre@momentum.co.za www.fundsatwork.co.za

Directors: LL Dippenaar (Chairman) MJN Njeke (Deputy Chairman) NAS Kruger (Chief Executive Officer) FW van Zyl (Deputy Chief Executive Officer) PE Speckmann (Finance Director)  
JP Burger RB Gouws PK Harris F Jakoet SC Jurisich KL Matseke PJ Moleketi M Mthombeni SA Muller JE Newbury SE Nxasana KC Shubane FJC Truter BJ van der Ross  
JC van Reenen M Vilakazi Company secretary: FD Jooste Reg. No. 1904/002186/06 Momentum is an authorised financial services and credit provider  
Momentum Group Limited, is a wholly owned subsidiary of MMI Holdings Ltd

advice | insurance | investments | health