

# Wealth

## Momentum Growth Enhancer

### Investment Instruction – March 2017

Investment number	P	P																		
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This document, together with the Momentum Growth Enhancer brochure, the fee schedule, the new business application and confirmation, our terms and our guide to our business practices, form the basis of this agreement with you. Please ask your financial adviser, or contact us if you need a copy of any of these documents.

**Important:**

- You may not change any part of this instruction or its terms. If you correct any information you have completed, please sign next to it.
- You must complete this form and send it to us with your new business application or switch instruction if you choose to invest in the Momentum Growth Enhancer.
- Please make sure that you include the Momentum Growth Enhancer as an investment component on your new business application or switch instruction.

**Important information for the March 2017 trade**

Last date to finalise investment	<b>01 March 2017</b>	Secured return	<b>25%</b>
Trade date	<b>09 March 2017</b>	Expected gearing percentage	<b>500%</b>
Maturity date	<b>09 March 2022</b>	JSE code	<b>TBC</b>
Investment term	<b>5 years</b>		

### 1: My details

Title	<input type="text"/>	Initials	<input type="text"/>
Surname or name of legal entity	<input type="text"/>		
Identity, passport or registration number	<input type="text"/>		

### 2: My investment

Please invest in the Momentum Growth Enhancer for the March 2017 trade, as per my attached completed and signed  
 New business application  or  Switch instruction

- We will invest in the Momentum Growth Enhancer on its trade date when we have received this document, new business application (or switch instruction) with all the required documents and our bank's confirmation that we have received the investment amount in time to invest in the Momentum Growth Enhancer.
- You can invest by:
  - transferring your investment amount to our bank account,
  - by making a deposit into our bank account, or
  - by switching your investment components in your existing investment. You must make sure that we have the cash from the switch before last day to finalise investment in the Momentum Growth Enhancer.
  - unfortunately we cannot accept investments where we must collect the investment amount from any bank account.
- If we accept your investment for the Momentum Growth Enhancer, we immediately invest the investment amount in the Momentum Money Market Fund where it earns interest until the trade date.
- You will only be eligible to invest in the Momentum Growth Enhancer if the investment amount is in the special Momentum Money Market Fund on the last date to finalise investment, as specified above.
- If you are switching an existing investment, please make sure that you submit your application on time and that the proceeds are in the relevant money market fund before the last day to finalise investment.
- We trade in investment increments of R1 000 on the Momentum Growth Enhancer trade date.
- We can decide not to invest in the Momentum Growth Enhancer on the trade date if:
  - The secured return or gearing percentage on the trade date is notably different to the stated levels due to changes in the markets,
  - If we did not receive enough investments to allow for the trade with the issuer, or
  - If we have good reason not to continue with the trade for example the issuer is unable to meet its obligations.
- If we do not trade we will keep your investment in the Momentum Money Market Fund. If you want to invest in a different investment component you must send us another new business application or switch instruction.
- You can only invest in the Momentum Growth Enhancer while it is available. We cannot accept any investment after the closing date for its trade.
- You cannot make additional investments in the same Momentum Growth Enhancer tranche after it has traded.
- In addition to this document, you must carefully read the Momentum Growth Enhancer brochure, the new business application (or switch instruction), our terms and the guide to our rules and practices to make sure that you understand the benefits and the risks of this investment. If you are not sure or have any doubt about the suitability of this investment for you, we suggest that you speak to your financial adviser.

### What is the Momentum Growth Enhancer?

The Momentum Growth Enhancer is a five-year structured investment that provides well as a secured return of 25% (before tax) at maturity. The Momentum Growth Enhancer further provides enhanced growth participation in an underlying growth index, the BNP Paribas Multi-Asset Diversified vol 8 Future Index, if returns in that index exceed 25% at maturity.

At maturity, investors can expect to receive their original investment amount back, plus a 25% secured return (before tax) on their original investment. The growth enhancement factor is expected to be 500% at maturity. This means that, if at maturity, the underlying growth index has increased by more than 25%, investors will further receive 500% of the growth of that portion of the index above 25%.

The Momentum Growth Enhancer is a rand based investment and changes in the rand against other international currencies do not impact its maturity amount.

If the investment return of this growth index is negative, we give you back your investment amount plus 25% (after deducting the appropriate taxes where applicable). Both the secured return and growth from the growth index may be subject to tax.

**Important:** If you sold part of your investment before the maturity date, your secured return and enhanced return will reduce and your maturity amount will be calculated on the remaining portion.

### The growth index

The underlying growth index that the Momentum Growth Enhancer will be exposed to is outlined in the table below:

Index	Bloomberg code	Reference currency
BNP Paribas Multi-Asset Diversified vol 8 Future Index	BNPIMD8F	EUR

### More information on the index

The BNP Paribas Multi-Asset Diversified vol 8 Future Index is an excess return multi-asset index that only invests in futures and is broadly diversified across the globe. The index covers a wide range of risky assets such as developed market equity, emerging market equity, and commodity futures. It also includes defensive assets such as government bond and gold futures.

The index follows a quantitative and dynamic asset allocation strategy. The asset allocation is determined according to an algorithm developed by BNP Paribas, allowing both long and short positions. The asset allocation is reviewed daily to offer high reactivity and robustness. To limit rebalancing events, the index also includes a specific trend indicator.

The index has stringent risk control measures in place. There are volatility constraints used with an aim to keep volatility at 8%.

The index is an excess return index, which means that it provides the return after deducting the cost of the EUR funding interest rates.

### Maturity amount

BNP Paribas Arbitrage S.N.C will calculate the maturity value using the investment return of the underlying index.

The formula that will be used to determine the maturity amount is:

$$\text{Maturity Amount} = \text{Investment Amount} \times [125\% + \text{MAXIMUM}(0\%; \text{Gearing} \times \text{Index Performance})]$$

The above formula is before the impact of tax has been taken into account. The net maturity amount after the impact of tax may be lower than that determined by the above formula, depending on the investment wrapper used.

Maturity Amount:	The amount you will receive at maturity, before the deduction of applicable tax.
Investment Amount	Investment amount is the amount you invest in the Momentum Growth Enhancer
Secured Return	The secured return is 25% at maturity.
Gearing	The rate you share in the excess index performance. This is expected to be 500%, but will be confirmed after we trade the Momentum Growth Enhancer.

### Index performance

The performance for the index is calculated as follows:

$$\text{Index Performance} = \frac{\text{Index}_{\text{final}} - 125\% \times \text{Index}_{\text{initial}}}{\text{Index}_{\text{initial}}}$$

Index<sub>final</sub>

The final index level is the closing level of the index published by the index calculation agent on the maturity date.

Index<sub>initial</sub>

The initial index level is the closing level of the index published by the index calculation agent on the trade date.

### Calculation agent for the daily price

The daily price for the Momentum Growth Enhancer note is calculated by BNP Paribas Arbitrage S.N.C.

### Index calculation agent

The index calculation agent for the BNP Paribas Multi-Asset Diversified vol 8 Future Index is BNP Paribas Arbitrage S.N.C and is sponsored by BNP Paribas.

### Minimum investment amount

The minimum investment amount for the Momentum Growth Enhancer is R50 000 after fees.

If you chose or have a Retirement Annuity Option, a Retirement Preservation Option or a Retirement Income Option, the minimum is lowered to R10 000.

Section 14 transfers have limits for adviser fees. Due to these limits, if you have a Section 14 transfer into the Retirement Annuity Option and Retirement Preservation Option, you may not invest in the Momentum Growth Enhancer.

### Fees

The following upfront fees apply to your investment in Momentum Growth Enhancer.

Financial adviser fee	3.42%
Administration Fee	8.58%
Total Fee	12.00%

The fee includes VAT where applicable. The upfront administration fee will be confirmed after we trade the Momentum Growth Enhancer but will not exceed 8.58%.

You will not pay any ongoing adviser fees or ongoing administration fees on the Momentum Growth Enhancer value during the five-year investment term.

Both your upfront financial adviser fee and our upfront administration fee are deducted from and reflect in the daily price as part of the Momentum Growth Enhancer investment structure. We invest your whole investment amount and that will earn a secured return and also shares in the growth of the index at maturity. Please speak to your financial adviser for more information regarding upfront fees.

### Interest earned

We will invest your investment amount in a special Money Market Fund where it will earn interest up to the trade date. On the trade date, we will invest in the Momentum Growth Enhancer in multiples of R1 000. You can invest any balance that remains in this money market fund in any available investment component.

### Maturity

At the end of the five-year investment term the issuer will pay us the proceeds within two weeks after the maturity date. We will then invest the money we have received in the Momentum Money Market Fund where it will earn interest. We will charge an ongoing administration fee at our fee scale at the time. If you want to invest this money in other investment components or if your investment product allows you to make a withdrawal, you must send us your instruction.

### Withdrawal

The Momentum Growth Enhancer is designed for investors who do not need cash from their investment for the five-year investment term. However, you can sell any part of your Momentum Growth Enhancer investment before the end of its investment term at the current market value which is net of a

surrender charge. You will give up the secured return and enhanced return for the part sold. The market value is dependent on upfront fees deducted, prevailing interest rates, the growth in the underlying growth index as well as perceptions of the credit worthiness of BNP Paribas. It is possible that you may not get your initial capital investment amount back should you withdraw fully.

You can only make withdrawals if the investment wrapper you chose allows for it. Please read our product brochures and our guide to our rules and practices.

The Momentum Growth Enhancer notes are listed by the issuer on the Johannesburg Stock Exchange (JSE), and therefore any withdrawal is subject to the JSE settlement system's turnaround time. Your proceeds should be available within a period of approximately two weeks.

### Surrender charge

The surrender charge is the penalty an investor would incur if they were to sell part or all of their Momentum Growth Enhancer investment prior to maturity. The following factors impact the surrender charge:

- Upfront advice and administration fees deducted (consult your Financial Adviser), reflected in the daily price; and
- The length of time left to maturity of the investment.

At the start of the investment, the surrender charge will be equal to the upfront fees. The closer the investment is to maturity, the closer the surrender charge gets to zero. The market value shown on the investment statement is net of the surrender charge.

### Death, disability and divorce orders

If you die, if you become disabled and are unable to work, if we receive a claim from a divorce order, or if you ask us to transfer your investment in terms of a Section 14 transfer to another provider during the investment term, it is seen as a withdrawal. When any of these happen, we must sell from your Momentum Growth Enhancer investment. This will result in the secured return and enhanced return falling away for the part sold.

If you are invested in a Flexible Endowment Option and want the investment to continue in the event of death, then you must appoint a second life insured and a beneficiary of ownership. The secured return and enhanced return will then still apply at the maturity date.

### Income drawdown requirement

If you are a Retirement Income Option investor, you may not invest more than 25% in the Momentum Growth Enhancer. Although the Momentum Growth Enhancer prices daily you must carefully consider your investment's allocation, taking your income drawdown needs into account. If there are not enough funds available to pay your income drawdown we must sell part of your Momentum Growth Enhancer investment. This will reduce your secured return and enhanced return at maturity.

### Regulation 28 of the Pension Funds Act

If you are a Retirement Annuity Option or Retirement Preservation Option investor, Regulation 28 limits your investment allocation for the Momentum Growth Enhancer to 25%.

If your portfolio changes and your investment in the Momentum Growth Enhancer is more than 25% of your whole investment, your investment will not comply with the limits of Regulation 28. If you do not change your investment portfolio and the markets do not change to make the investment Regulation 28 compliant before the end of 12 months, we must switch it. This will reduce your secured return and enhanced return at maturity.

### Sell instructions

You may only sell a whole note. Each R1000 of investment will purchase one note on the trade date. If you sell part of your investment before the maturity date, it will impact the maturity amount and protected amount.

### The issuer

The issuer of the Momentum Growth Enhancer is BNP Paribas Arbitrage Issuance B.V.

### The guarantor

The guarantor for this structured investment is BNP Paribas that has a rating of A (S&P), A1 (Moody's) and A+ (Fitch), respectively.

### Who provides the protection on the Momentum Growth Enhancer?

The protection on the investment amount as well as the secured return and the enhanced return at maturity is provided by BNP Paribas. If BNP Paribas

fails or defaults, investors may potentially lose their entire investment amount. BNP Paribas is a leading global bank and has credit ratings of A/A1/A+ from S&P, Moody's and Fitch respectively. BNP Paribas provides the secured return and enhanced return at maturity for the Momentum Growth Enhancer and not MMI Group Limited. No one else undertakes to perform in terms of this structured portfolio. Investors must understand that they are relying on BNP Paribas' credit worthiness and that they take on this credit risk. This structured portfolio ranks without any preference (pari passu) with other creditors of BNP Paribas.

### What you must know about the Momentum Growth Enhancer

You must make sure that you understand all the risks of this investment as described in this document. Some of these risks are:

1. The 25% secured return and any enhanced return is only for the part of your investment that remains invested for the full five-year investment term.
2. The starting index level of the underlying growth index is the official closing level of the index on the trade date. It is not the index level when you sign the investment instruction. It is very likely that these index levels will change.
3. The Momentum Growth Enhancer provides you with a capital growth opportunity only where the underlying BNP Paribas Multi-Asset Diversified vol 8 Future Index return has exceeded 25% over the five-year investment term. It is possible that the Momentum Growth Enhancer will not generate capital growth because of the performance of the index during the investment term.
4. We cannot predict the investment return of the index. Past investment performance is not a guide to its future performance. You cannot use it on its own to consider the risks for this investment.
5. You can potentially earn lower investment returns in the Momentum Growth Enhancer compared to an investment directly in the shares that make up the index.
6. As with any investment in shares or equity indices, the prices can go up and down. The performance of the Momentum Growth Enhancer over the investment term may or may not be better than inflation.
7. Equity index investment performance can sometimes rise and fall more than other assets like bonds over a short time period.
8. Investing in shares and equity indices is also affected by economic risk. External global events such as terrorist attacks and other geopolitical events can have a negative effect on the global economy regardless of the geography of the index.
9. When you invest in the Momentum Growth Enhancer you take on the credit risk of the guarantor. If the guarantor should become insolvent, it is possible that they may not be able to pay your initial investment amount and the investment growth on it at the end of the five-year investment term.
10. The value of the notes is affected, in part, by the general market view of the guarantor's creditworthiness. Such perceptions are influenced by the ratings the guarantor gets from rating agencies, like Fitch Ratings, Moody's Investors Services Inc. and Standard & Poor's Ratings Services. If the guarantor's rating is downgraded by one of these rating agencies, it can also reduce the value of the notes during the term of the investment.
11. There are regulatory and tax risks when you invest in a structured investment like the Momentum Growth Enhancer. For example, changes in investment and pension fund regulations or income tax changes during its five-year investment term. You must get independent professional advice, including tax advice.
12. An investment into the Momentum Growth Enhancer is not intended for currency protection or to reduce currency losses.
13. The maturity proceeds you will receive will be an after-tax return. The maturity amount outlined in the formula above is before the effect of tax has been taken into consideration. MMI Group Ltd. will calculate and deduct the appropriate amount of tax in accordance with the SARS dispensation for SA insurance companies. The proceeds paid to you will be after tax.
14. There is a risk that one or more of the index components of the BNP Paribas Multi-Asset Diversified vol 8 Future Index may be replaced by the index calculation agent. For example, if one of the index components ceases to exist or is changed (in accordance with the index rules), the index calculation agent can change the index and replace that index component if necessary.
15. Indices have their own disclaimers that include:

- a. The index provider of any index quoted in this document does not guarantee the accuracy and the completeness of that index or any data included therein and has no liability for any errors, omissions or interruptions therein.
- b. The index providers make no warranty as to the results it obtains by licensee, owners of securities, or any other person from the use of the index or any data included therein.
- c. The index providers expressly disclaim all warranties of merchantability or fitness for a specific purpose or the use of the index or any data included in it.
- d. The index providers do not give advice.
- e. The index providers have no liability for any damages.
- f. The index providers can stop providing the index.
- g. An index may have copyright or trademark.

### 3: Financial adviser to complete

#### 3.1 Financial adviser details

\* If there is more than one financial adviser, please give the preferred adviser's details first.

Name	Financial adviser code	FSP name	FSP house code
*			

#### 3.2 Declaration

- I gave and explained all documents that apply to this investment to the investor before the signing of this application.
- I acknowledge that I have personally explained all the fees and charges applicable to this investment and their application to the investor.

#### 3.3 Financial adviser signature

I confirm that I have carefully read, understand and accept this instruction, these declarations and all terms, proposals, schedules and guides that apply to this instruction. The information I provide is true and correct. **I made sure that all the details of this instruction were completed.** I will not hold you liable for any loss or damages if someone alters this instruction after I have signed it.

Full name of signatory

Signature of financial adviser  Date   -   - 2 0

#### 3.4 Contact person at the financial adviser's office

Name and surname

Telephone - work   Cellphone number

Email address

#### 4: Investor's declaration

1. I understand that you have the right to close the Momentum Growth Enhancer for investments or not to trade on the trade date. If that happens, you will not pay my financial adviser.
2. I confirm that I have read this document, the Momentum Growth Enhancer brochure, your new business application (or switch instruction), your terms, your guide to your rules and business practices. I understand the fees and surrender charges and how fees are paid and surrender charges deducted. My financial adviser explained the fees and surrender charges to me.
3. I understand and accept the risks that are part of an investment in the Momentum Growth Enhancer. My financial adviser discussed it with me.
4. I understand that if I sell any part of my investment in the Momentum Growth Enhancer before the end of the five-year investment term, I will lose the secured return and enhanced return on the part I sold and that my maturity amount will be calculated on my remaining notes. The value I will receive for an early sell is the market value as calculated by the calculation agent, less an applicable surrender charge. Should I sell all the notes from my investment before the end of the five-year investment term, I may not receive my initial capital investment back.
5. I understand that my investment in the Momentum Growth Enhancer is exposed to the credit risk of BNP Paribas (the guarantor), and not MMI Group Limited. The actual and perceived credit-worthiness of the guarantor may affect the market value of structured investments and if the guarantor cannot meet its obligations in terms of this structured investment, I may lose my entire investment amount invested in the Momentum Growth Enhancer.
6. I am aware that if market disruptions occur, and it becomes a non-business day, a different business day will be used for any transaction.
7. I confirm that I am not a sanctioned entity in any jurisdiction and that I do not operate from any sanctioned jurisdiction. I further confirm that this transaction is not a sanctioned transaction.
8. I confirm that neither you nor any of your affiliates have made any representation relating to the suitability of the Momentum Growth Enhancer in any way.
9. I have obtained advice from an independent financial adviser with regard to the suitability of this investment instrument.

I further declare that:

- I understand this instruction and have read and understood all the applicable notes, terms and minimum disclosure documents (in this document and on your website).
- The information I have provided is true and correct. I have completed all the details of this instruction.
- I will not hold you responsible for any loss or damages caused by my financial adviser not being appropriately licensed and delays because of that.
- I will not hold you responsible for any loss due to an unclear, incorrect or incomplete instruction I have sent.

Name and surname of signatory	<input type="text"/>																						
Capacity of signatory (if not investor)	<input type="text"/>																						
Signed at	<input type="text"/>										Date	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

<b>Authorised signatory</b>	<input type="text"/>	<b>Second signature (if required)</b>	<input type="text"/>
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