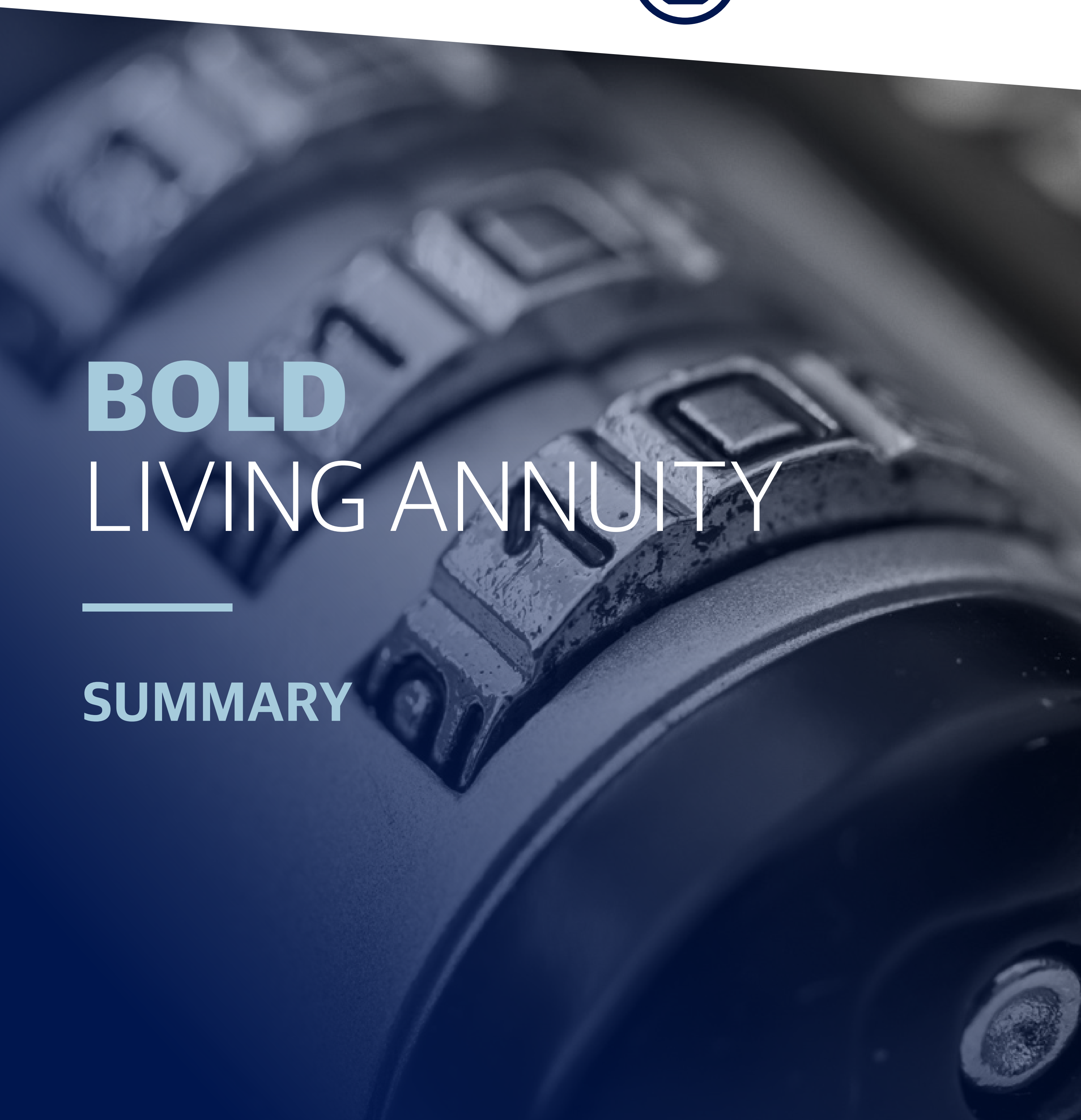
LIBERTY



BOLD
LIVING ANNUITY

SUMMARY

RETIRE WITH A **LIBERTY RETURN GUARANTEE** IN SA'S TOP FUNDS

You've worked hard to save for your retirement, and the older you get, the more it feels like certain investment options are off limits. They're just too risky.

WHY **BOLD LIVING ANNUITY?**

Liberty Bold is the only living annuity that allows you to invest in any combination of SA's top funds and change them whenever you like with a return guarantee that rises as your returns do.

Fund Selection

- **A choice of 190 funds** from 15 investment managers.

Offers wide range of choice

- **Complete flexibility**
- You can **switch your funds at any time** without losing or affecting your return guarantee.

The power of a Living Annuity

- A living annuity has a **wide choice of portfolios** but in order to outperform a life annuity, investors must harness the power of equity returns.
- **Insurers effectively rely on fixed interest type of returns** to give you a guaranteed life-long income in a life annuity.

The benefit of risk and reward

- To harness the **power of higher expected returns** from the top performing funds in a Living Annuity, you need to take higher risk with your choice of funds (typically through exposure to more equities).
- However, it is difficult for most to accept the risk of a significant fall in **value of your retirement money.**

The Bold solution

- We combine higher expected return funds with a unique, five-year, **guarantee of 80% of your highest aggregate return.**
- This gives you peace of mind to choose higher risk funds with higher expected returns – to be bolder in your investment strategy.
- The return guarantee is an **optional benefit.**
- The **return guarantee** is rolled over every five years.

An aggregate return guarantee

- The return guarantee applies to 80% of the **highest total aggregate return** of your chosen funds, as measured at every three-month interval.
- For example;
  - If you have two funds equally split, returning 10% and 20% then the **combined return** is 15%.
  - The return guarantee has then risen by 12% (80% of 15%) from its starting level of -20%.

How is your highest total aggregate return determined?

- From inception and at every ensuing three-month interval, we review the **total aggregate return** of your chosen funds.
- If the total aggregate return hits a new high at this point then this return becomes your new **High Quarterly Watermark Return** and your return guarantee increases with it.
- A return guarantee protects 80% of your high watermark which means on the first day, when your total return is zero, the most your return can drop is 20%.

Protects 80% of your highest watermark return

- **The return guarantee increases** if the total aggregate return, measured every three months, hits a new high.
- If the total aggregate return is 25% at the end of a quarter, then the **return guarantee** is now at no negative returns (the original "-20%" worse-case scenario at day one plus 20% [80% of 25%], which is now locked-in.
- **Later if the total aggregate return increases** to 50%, the return guarantee becomes 20% (80% x 50% = a 40% rise on the original - 20% starting guarantee).

When does the return guarantee apply?

- If you have selected the **return guarantee,** it applies to any income withdrawals, at the five year point or if you pass away.

Renewable five year return guarantee

- You can renew the **return guarantee** after five years.
- It does not apply if the return guarantee is stopped before five years, or if you transfer to another company's Living Annuity, or commute your investment value.

What are the return guarantee costs?

- The **return guarantee** is valuable, because you can choose any combination of funds and change them at any time.
- For a return guarantee you pay:
  - A low 1% **once off** initial guarantee charge, (less than 0.2% a year for the five years).
  - Growth Sharing above a certain **Target Return** level each year for five years.

Growth Sharing and initial fee

- **Growth sharing works like this:**
  - You pay **20% of any aggregate return** above the target return of 14% p.a. (or 0.2% of each 1% above 14% at the end of each year).
  - You pay at the end of each year (or if the guarantee is stopped), but only if the total combined return from the start of the year is above the **Target Return level,** irrespective of the fund mix you have chosen.

What are the other costs?

- Platform fees
- Investment Management Fees (for investment funds)
- Advice fees.

Low costs for Bold Living Annuity

- **Entire platform fee** depends on total Assets Under Management (unlike many other LISP platforms):
  - 0.5% for investments up to R1 million,
  - 0.35% for investments greater than R1 million,
  - And 0.25% for investments greater than R3 million.
- Trackers funds offer **considerable value.**

Is Bold Living Annuity less flexible?

- Not at all. There is **complete flexibility** in terms of choice of funds at any time.
- You can also stop the **return guarantee** at any time.
- Stopping the **return guarantee** will activate a deduction for Growth Sharing for the year-to-date.

Stopping the return guarantee early

- If the **return guarantee** is stopped before the total aggregate return is 14%, then Growth Sharing deduction is zero.
- If the **return guarantee** is stopped when the total aggregate return is above the Growth Sharing Target Return (e.g.14%), for instance, 24%, the deduction would be just 2% [24% less 14%=10% times the Growth Sharing percent of 20% = 2%].

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