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SUITE OF UMBRELLA FUNDS

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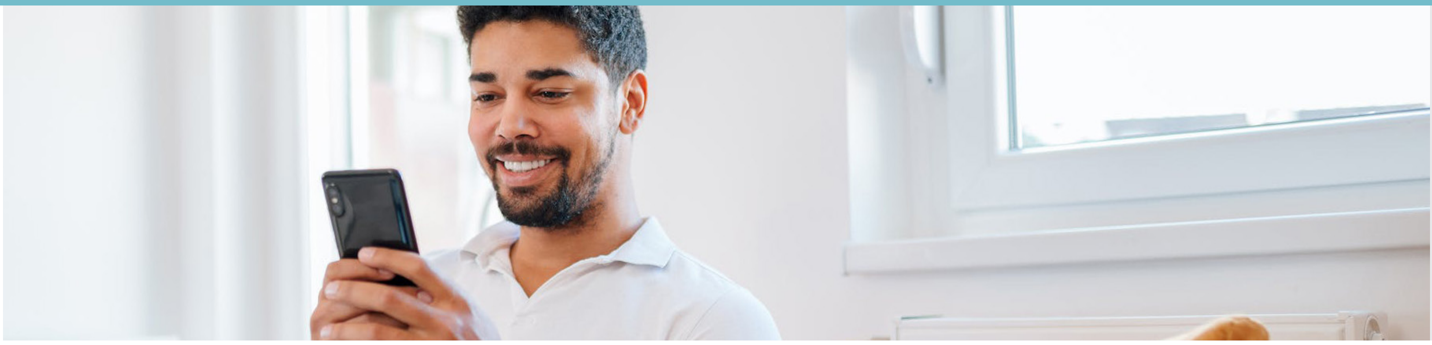


Changing jobs? The importance of **PRESERVATION**

Retirement may seem a long way off, and it's very easy to postpone thinking about it, let alone planning for it. However, there are certain guidelines that everyone should follow, no matter what their age, to ensure that future day is a happy one, rather than a time of anxiety and financial worries.

It's commonly accepted that you will need at least ***75%*** of your final salary as a replacement income when you retire. If you are employed for ***40*** years during your lifetme, that means you will get a total of ***480*** monthly salaries. That means that you have a chance every month for 480 months to decide how to make the most of your money, and to make it work for YOU!

No matter how old you are, you have the choice to plan for your future and for a comfortable retirement, but only if you choose to focus on this goal each month. ***So, how much are your preserving for a prosperous future?***

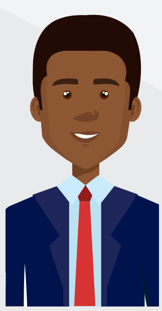
WHY NOT CHECK YOUR LATEST BENEFIT STATEMENT TO SEE WHETHER YOU ARE ON TRACK?

One of the biggest reasons that South Africans don't retire comfortably is because they don't preserve their savings when changing jobs. By taking a cash withdrawal, they deplete their retirement savings, and basically have to start saving all over again, with less time to make up for what they've lost. They also lose out on **compound interest.**

Compound interest helps your savings to grow over time – and the more time you give it, the more it will work for you. But how exactly does it work?

You probably know that you earn interest on your savings. Over time, you will also start to earn interest on the interest you've already earned, for as long as you keep your money invested. This might not seem like very much, but over time, it makes a massive difference. Have a look at the following example:

Bongani invests R500 each month from the age of 18. At age 28, after ten years, he decides to stop. He has invested a total of ***R60 000.*** He leaves this amount alone for the next ***47 years,*** until he turns 65.



Themba, Bongani's twin brother, also invests R500 a month, but he only starts at age 28. He carries on investing this monthly amount for ***37 years,*** when he turns 65. In total, he invests ***R222 000.***

Which brother will have more when he retires?

	Amount invested	Time spent contributing	Time spent invested	Projected benefit at retirement
 Bongani	R60 000	10	47	R1 050 000
 Themba	R222 000	37	37	R998 000

Even though Themba contributed almost ***four times more,*** he still has ***less*** money at retirement. This is because his money earned compound interest for ten years less than Bongani's did! Isn't it amazing what time can do?

The moral of the story is that you should ***leave your savings alone*** for as long as possible.

We make it easy for you to preserve your savings

You have the option to leave your money in Fund even if you do change jobs. This is known as becoming a paid-up member. In fact, unless you instruct the Fund otherwise, you will automatically become a paid-up member. It's that easy.

Why not make the most of tax rebates to reach your targeted retirement income?

Contributing more to your retirement fund means that less of your income is taxed! You can contribute up to 27.5% of your taxable income (to an annual maximum of R350 000) to your pension, provident and/or retirement annuity fund and receive a tax rebate.

For example:

Eve receives R15 000 income in total per month; making her taxable income before retirement:

R15 000 x 12 = R180 000

But... she contributes R1000 to her retirement fund every month; making her retirement contributions:

R1000 x 12 = R12 000

Her taxable income will be reduced by R12 000 each year, so she will only pay tax on R168 000 and not the full R180 000.

However, she can contribute a total of R49 500 per year (R180 000 x 27.5%) towards her retirement savings and be taxed even less.

Please note: You can roll over any contributions above 27.5% or R350 000 into future tax years.