

Leaving your retirement fund

It's all about
making the
right choices



What choices are you making to invest in your future?

Most of us would, at some point, like to stop working and start indulging in some of the other more enjoyable aspects life has to offer – whether it be spending more time with family and friends, a few rounds on the golf course or travelling. It seems simple enough, but in order to enjoy life to the full you need a plan that will help you save for retirement. If you're retiring soon you'll also need a plan that will help you grow your capital and provide a level of income that enables you to maintain your current standard of living. On leaving your employer's fund you have a number of choices.

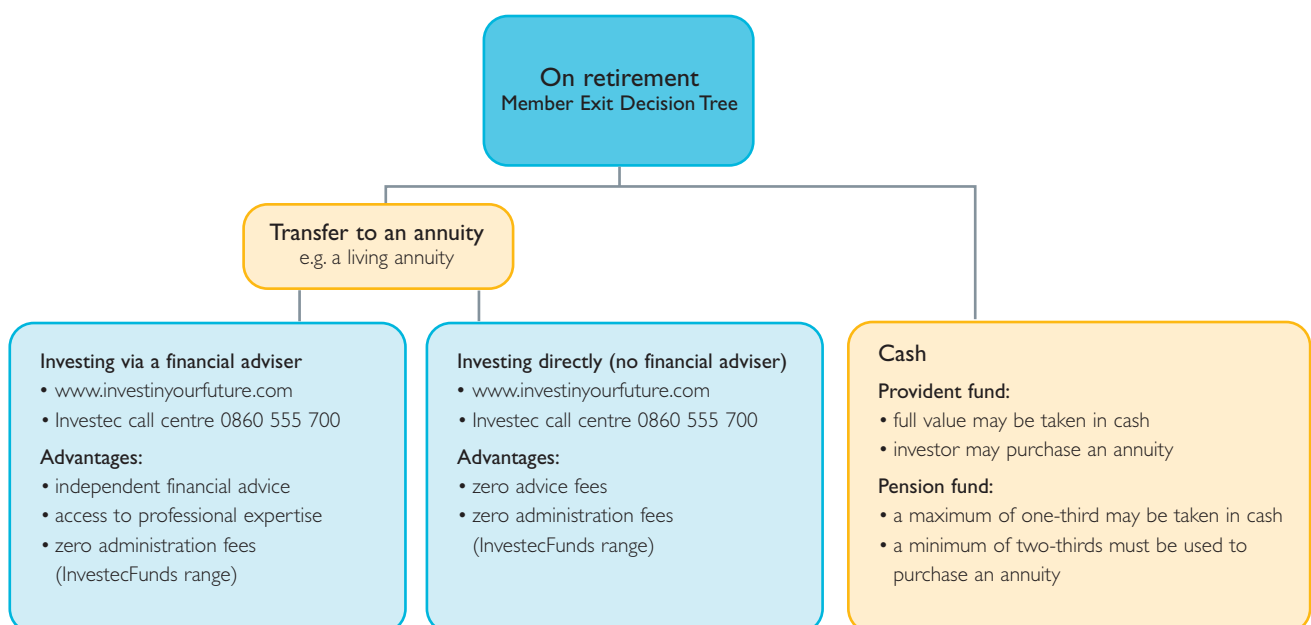
Options on retirement

■ Taking your benefit in cash

On retiring from a provident fund you could choose to have the full value of your benefit paid out in cash. If you retire from a pension fund you may receive up to one third as a lump sum. You may be tempted to use some cash from your retirement to purchase your dream house at the coast, travel the world or even start your own business. Generally, it is not prudent to use your retirement nest egg for anything other than retirement. Not only will the tax man make you pay for this "privilege" you may also outlive your capital and not enjoy the retirement you've always dreamt of having. The tax payable on the lump sum will depend on the amount and your salary/income in the year of retirement or the preceding year.

■ Transferring your benefit to an annuity e.g. a living annuity

You can make your savings work for you after retirement by investing in a living annuity like the **Investec Living Annuity**. A living annuity is suitable for investors who wish to preserve their capital and require dependable returns in excess of inflation. You could purchase a living annuity with the full value of your benefit at retirement or you could use part thereof. Pension fund members need to transfer at least two-thirds of their retirement benefit to an annuity. You don't pay any tax on transferring your benefit to an annuity. However, income from your living annuity will be included in your gross income for the year and will be taxed at your marginal rate.



Options on leaving your employer's fund before retirement

■ Transferring your benefit to a preservation fund

It's important to look after your current retirement capital, without dipping into your savings for expenses before you retire. You can do this with a preservation fund, such as the **Investec Preservation Fund**. This allows you to transfer your benefit should you resign, and helps you stay on track for retirement in the event of retrenchment, dismissal, or the winding up of your employer's retirement fund. No tax is payable on transfer. You may make one withdrawal up to the full value of the preservation fund before retirement.*

■ Transferring your benefit to a retirement annuity

On leaving an employer's fund, most members choose to transfer their benefit to a preservation fund but you also have the option to invest in a retirement annuity, such as the **Investec Retirement Annuity**. No tax is payable on transfer. You may not make any withdrawals from the fund before retirement.

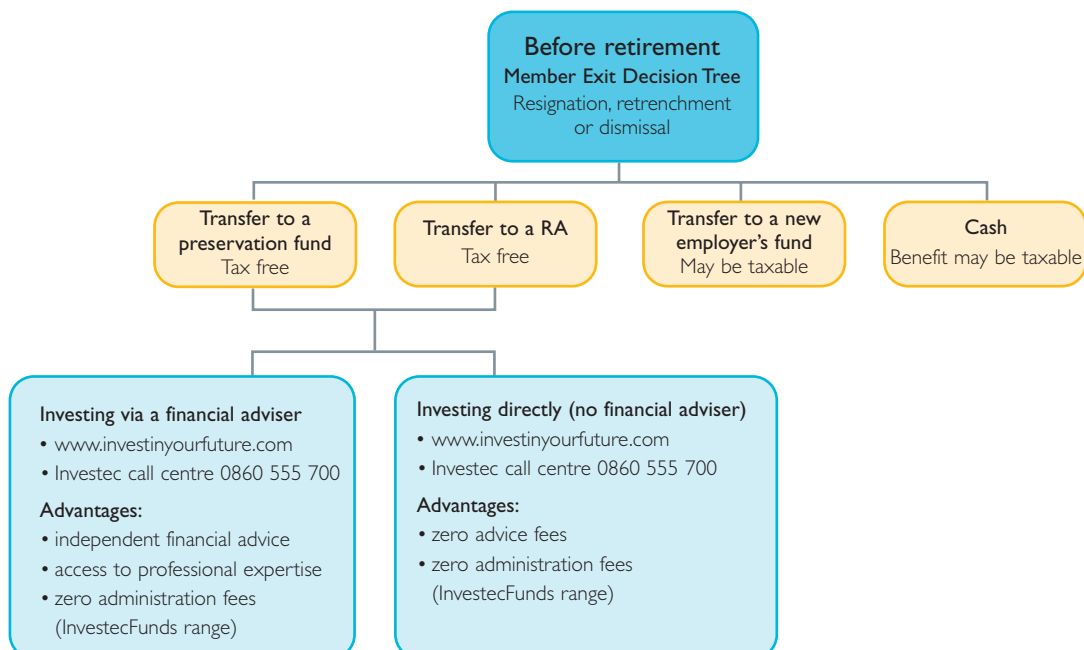
■ Transferring your benefit to a new employer's fund

If you are moving to another company you may have the option to join your new employer's fund. Before transferring your fund benefit you need to consider the tax implications of such a move. For example, if you move from a provident fund to a provident or pension fund – no tax is payable on transfer. However, if you move from a pension fund to a provident fund, tax is payable on transfer. In this instance you could consider rather transferring your benefit to a preservation fund such as the **Investec Preservation Fund**. No tax would be payable on transfer.

■ Taking your benefit in cash

You may be tempted to cash in your retirement benefit and buy that car you've always wanted or go on an exotic island holiday. Generally, it is not a good idea to give into this spending urge. Not only will the tax man make you pay for this "privilege" you'll also build up less capital for your retirement. The tax payable depends on the cash amount as well as your average tax rate.

* Where the source of funds is the Government Employees Pension Fund, the withdrawal will be limited to one-third of the value.



The Investec retirement range

Investec's retirement products are designed to meet your financial needs - wherever you are on your life journey. We offer you the following benefits:

- Superior investment performance
- A seamless transition from pre- to post-retirement
- A range of unit trust funds with which to build your portfolio
- The flexibility to switch between unit trust funds as your financial needs change
- Cost efficiency - competitive pricing based on new generation retirement products
- Transparent pricing and performance
- Tax benefits
- Access to your portfolio information via our secure website
- Regular statements



Investing is easy...

Select an accredited adviser

If you are unsure on how to plan for your retirement we recommend that you consult an independent financial adviser to help you make the right choices. There are thousands of financial advisers and choosing an adviser to manage your financial affairs can be daunting. Investec Asset Management offers you access to a panel of accredited independent financial advisers should you require financial advice when exiting your retirement fund. The independent financial advisers on our panel were selected following an extensive screening process. Please visit our website at www.investinyourfuture.com to choose an accredited financial adviser in your area or call Investec Client Service on 0860 555 700.

Invest directly (no financial advice)

- Please visit our website at www.investinyourfuture.com to learn more about retirement investing and Investec's portfolio range. You'll also find application forms and other key literature on the site.
- For more information and assistance with investing, call Investec Client Service on 0860 555 700.
- **Direct investors:** No initial and administration fees are payable (InvestecFunds range).

Why use the panel of advisers?

- Access to accredited independent financial advisers
- Zero initial advice fees
- One free consultation with an independent financial adviser
- A reduction in administration and investment fees

How do the costs compare?

Fees can have a significant impact on investment returns. The fee table clearly illustrates that investors who invest directly with us or who utilise the panel of accredited independent financial advisers enjoy significant cost savings – helping them grow their money faster.

Fees payable	Investing directly (no advice)	Utilising the panel of advisers	Utilising other advisers
Initial adviser fees	0%	0%	Up to 3%
Ongoing adviser fees	0% p.a.	Up to 1% p.a.	Up to 1% p.a.
Initial administration fees	0%	0%	1%
Ongoing administration fees	0% - 0.5% p.a.	0% - 0.5% p.a.	Up to 0.75% p.a.
Initial investment fees	Up to 0.25%	Up to 0.25%	Up to 0.25%
Ongoing investment fees	Existing fee scale	Discounted fee scale	Existing fee scale



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