



— **Discovery** —
Secured Capital
Annuity





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Secured Capital Annuity

A retirement income plan that gives you certainty knowing that you'll receive guaranteed income throughout retirement, with life cover.



What is the Secured Capital Annuity?

The Secured Capital Annuity is a retirement income plan (fixed annuity) that provides you with peace of mind in retirement. You'll receive guaranteed income for the rest of your life, as well as life cover equal to your initial investment.

Features of the Secured Capital Annuity



You need at least R75,000 to invest in the Secured Capital Annuity. The different sources of money that you can use to invest in this annuity are:

- Pension funds
- Provident funds
- Preservation funds
- Retirement annuities
- Transfers from living annuities



You can choose to receive your income monthly, quarterly, twice a year or yearly. You can also choose how you want your income to change over time.



Your annuity payments will be taxed as gross income.



Life cover equal to your initial capital investment is payable to your nominated beneficiaries when you die.



Summary of this investment

The Secured Capital Annuity is designed to give you certainty, security, and additional income in retirement.

It provides income for the rest of your life, with life cover payable to your nominated beneficiaries when you die. You can choose to receive 13th cheques and age-based income adjustments or a traditional, fixed escalation rate.

Minimum investment amount

R75,000

Income term

The fixed annuity component is paid as a single-life annuity for whole of life. The rates offered on the annuity depend on prevailing interest rates, age and sex.

Capital protection through life cover

The life cover component provides you with a capital legacy for your beneficiaries when you die. The cover value is equal to your initial investment amount.

Tax

Your income payments are taxed according to the latest SARS marginal income tax tables, or any tax directive you may have for a different rate.

Fees

Any fees payable to Discovery Invest under this policy have already been taken into account in the annuity rate offered.

Income payment patterns

You can choose how your retirement income grows. We offer two options:

Age-based income adjustments	A traditional fixed rate increase
Your income level will change each year based on your chosen starting escalation percentage and a pre-defined set of adjustments. You will receive more income upfront in the form of 13 th cheques.	Your income will increase at a steady, pre-determined rate each year, regardless of changing needs or market conditions.
These 13th cheques are equal to an additional month of income.	

Ask your financial adviser for the relevant fact file to learn more about:

- How the life cover works
- Premiums for the life cover
- How the income payment patterns work



Why the Secured Capital Annuity?

With the financial security of lifelong income, and the ability to leave a capital legacy for your beneficiaries through life cover, this plan ensures your peace of mind in retirement. You can choose to receive 13th cheques for up to 10 years if you choose for your income pattern to be aligned with your expected retirement spending needs.

When you invest in a Secured Capital Annuity, you benefit from financial security, the ability to leave a capital legacy for your beneficiaries, and the opportunity to choose how you want your income to be paid over time.

Benefits of the Secured Capital Annuity

What you get

How you get it

Guaranteed income

Have the comfort of knowing you will receive retirement income for the rest of your life.

This investment is funded using either the full or two-thirds benefit from your pension fund, provident fund, or retirement annuity when you retire.

Leave a capital legacy

Secure your family's financial future through life cover equal to your initial investment value.

This life cover is payable in exchange for a premium deducted from your annuity income before it is paid to you.

Life cover is paid tax-free under current tax practices.

Income adjustments on your terms

Choose how you want your income to increase:

- Receive 13th cheques for up to 10 years and escalation adjustments based on expected retirement spending needs.

OR

- A traditional, fixed yearly escalation rate.

- The number of 13th cheques you will receive is shown in your policy schedule and depends on your choice of starting escalation percentage.

- Choose your starting income escalation percentage:

0% | 3% | 5% | 7% | 10%

13th cheques and age-based income adjustments

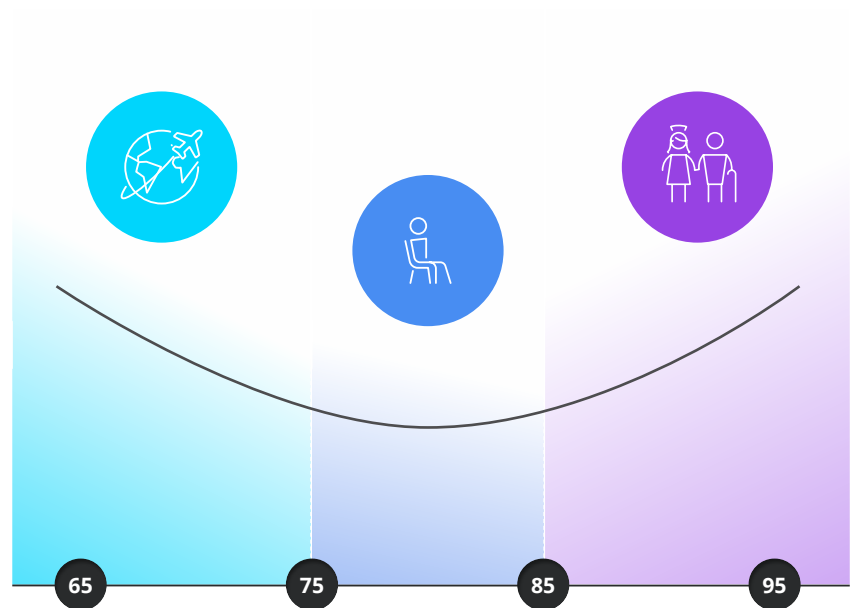
■ This income payment pattern is based on the science of retirement spending.

Rather than being linear and increasing yearly with inflation, income needs evolve throughout retirement in a 'smile' pattern.

In the early years of retirement, spend and income needs are higher. This is because when retirees are younger, they are able to pursue travel or leisure activities, may still have financial dependants, or are still paying off debt.

As retirement progresses, retirees become more sedentary and their discretionary expenses start to reduce. Therefore, income needs in these middle years start to decrease.

In the later stages of retirement, medical expenses often become a significant consideration. Whether it's routine check-ups, medications, or unforeseen health issues, this leads to an increase in income needs.





Ask your financial adviser for the relevant fact file

Speak to your financial adviser to help you make informed decisions about your investments. If you don't have a financial adviser, you can contact our call centre on 0860 67 57 77.

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