

PRODUCT SUMMARY



What is the Prescient Living Annuity?

The Prescient Living Annuity is an investment-linked annuity policy underwritten by Prescient Life Limited. A living annuity pays you an income in retirement and is suitable for retirees who do not want to purchase a guaranteed life annuity or a with-profits annuity. The Prescient Living Annuity can be purchased with a retirement benefit, or, with a transfer from another living annuity. With a living annuity, you are able to choose how you would like your retirement benefit to be invested. You are also able to choose the level of income that you would like to draw from your living annuity. You can choose to draw an income in two different ways:

1. As a Rand amount (fixed or growing at inflation / some other percentage per annum)
2. As a percentage of your capital at the start of each year e.g. 5% of your retirement capital

Whether you choose option 1 or option 2, the income that you specify must be between 2.5% and 17.5% of your retirement capital, by law. You can specify the frequency of your income payments (monthly, quarterly, bi-annually, annually) and you are able to adjust your income level on an annual basis on the anniversary of your investment in the annuity. The income that you receive will first be taxed according to prevailing pensioner PAYE tax rates.

You may transfer your existing living annuity to Prescient and there will be no penalties should you wish to transfer your living annuity from Prescient to another provider. In the event of your death, the value of your death benefit will be your remaining investment value. Your nominated beneficiaries will receive a benefit in the proportions set out on the beneficiary nomination form.

Why should I choose a Prescient Living Annuity?

The Prescient Living Annuity provides you with a low cost, flexible retirement income product which is easy to understand. The Prescient Living Annuity will give you access to a range of investment options with exposure to all the relevant asset classes to diversify your investment holdings. The various investment options are managed by Prescient Investment Management and a number of other managers for whom we perform administration.

What is it going to cost me?

You will pay an on-going administration fee which depends on the size of your investment. All fees are quoted excluding VAT, as a percentage of assets under management on an annual basis:

	Investments < R5m	Investments R5m-R10m	Investments > R10m
Prescient Administered Funds	0.60%	0.35%	0.25%
Fund Expense Fee (inclusive of the Administration fee)	0.228%	0.171%	0.1482%

The on-going administration fee includes all the costs apart from the expenses associated with the management of the investments. The investment management costs are shown in the "Investment Options" brochure in the Total Expense Ratio column. Prescient does not charge initial fees when you purchase a living annuity or switching fees should you decide to switch your underlying investment options.

What do I need to do to get started?

1. Complete the Prescient Living Annuity application form
2. Compile the following supporting documentation:

ID document containing a photo, full names, date of birth and ID number, valid passport or a valid driver's licence	✓
A document less than 3 months old containing residential address that is a utility bill, bank statement, rates account or tax invoice	✓
Proof of banking details	✓

3. Send the completed application form and supporting documentation to D and D the Cycle (Pty) Ltd:

Fax	086 605 3877
Email	prescient@thecycle.co.za

What happens after I sign up?

The administrator of the fund will provide you with the following:

1. Online access to the administration system to view your account where you can view all transactions processed on your account from inception and for any period
2. A transaction confirmation statement and a policy document

How can I get help?

If any of the above is not clear, you can obtain further information from Prescient:

Email	prescient@thecycle.co.za
Phone	011 706 3239

Disclosures

The Prescient Living Annuity product is underwritten by Prescient Life Ltd. The assets in this policy will be kept separate from other assets and liabilities underwritten by Prescient Life Ltd. The benefits offered under the Prescient Living Annuity are linked to the investment returns achieved. Neither the investment returns nor the benefits offered are guaranteed. Prescient Life has outsourced certain aspects of the administration function to D&D The Cycle (Pty) Limited (Reg. No: 2013/157477/07) who is also an approved retirement benefit administrator (reference number 24/766) and an approved Financial Services Provider (FSP NO 45863, specifically in relation to **Personal Share Portfolios** selected by Members. The current investment options available to policyholders are selected Collective Investment Schemes in Securities (CISs) registered with Prescient Management Company (Pty) Ltd, selected fund policies underwritten by Prescient Life Ltd and approved external funds, inclusive of PSP's with your preferred asset manager, which are managed and administered by approved third party managers and administrators. The value of units may go down as well as up and past performance is not necessarily a guide to the future.

A living annuity allows you to set your income level subject to constraints imposed by the authorities from time to time and allows you to select a wide range of investments in respect of the capital that will generate the annuity. The level of income you select is not guaranteed for the rest of your life. The level of income you select may be too high and may not be sustainable if (1) you live longer than expected with the result that the capital is significantly depleted before your death; or (2) the return on the capital is lower than that required to provide a sustainable income for life. It is your responsibility (in consultation with your financial advisor) to ensure that the income that you select is at a level that would be sustainable for the rest of your life. You need to carefully manage your income drawdown relative to the investment return on the capital in order to achieve this.

This guide has been compiled to provide factual information on the product offered and does not constitute advice.

Prescient Life Limited is a Financial Services Provider authorised under the Financial Advisory and Intermediary Services Act of 2002 (FSP 44077). D and D the Cycle (Pty) Ltd is a Financial Services Provider authorised under the Financial Advisory and Intermediary Services Act of 2002 (FSP 45863).