A COST-EFFICIENT INVESTMENT SOLUTION PURPOSE BUILT FOR LIVING ANNUITY INVESTORS

A post-retirement investment solution

PYXIS BCI WORLDWIDE FLEXIBLE FUND

A CLASS

OVERWHELMED BY CHOICE?

THE PYXIS SOLUTION

SIMPLE & COST EFFECTIVE

STRINGENT RISK MANAGEMENT POLICY

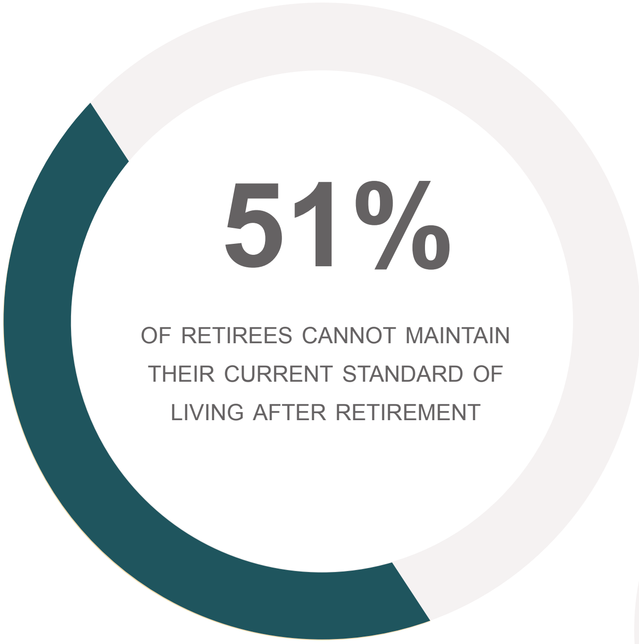
STRONG FOCUS ON INCOME & INCOME GROWTH

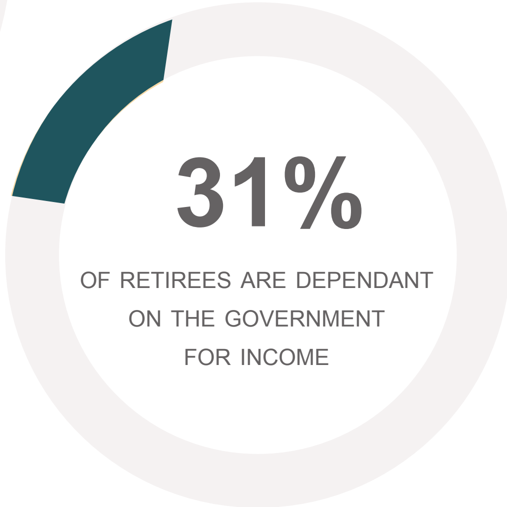
TARGETING HIGHER YIELDS

An Authorised Financial Services Provider (FSP #662)

PYXIS INVESTMENT MANAGEMENT™

CONCERNED ABOUT MAINTAINING YOUR LIVING STANDARD THROUGH RETIREMENT?

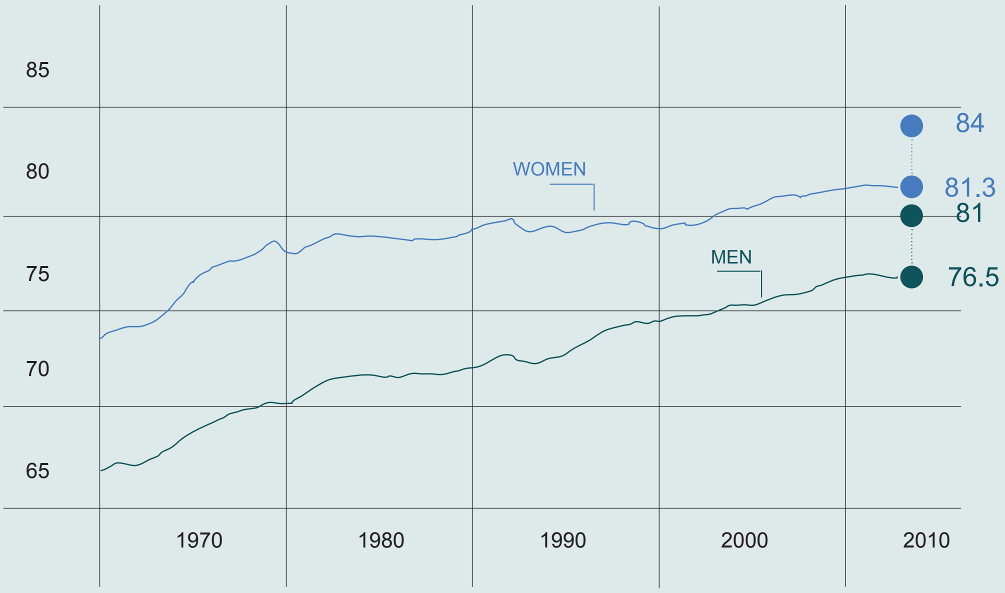




SOURCE: Glacier by Sanlam

WE'RE LIVING LONGER:

The most widely reported statistics on life spans are based on “average life expectancy at birth”, but by the time we've reached mid-life, chances are we're going to live longer than that average.



WOMEN BORN IN 2014 ARE EXPECTED TO LIVE UNTIL AGE 81 AND MEN UNTIL AGE 77

HOWEVER, ONCE THEY REACH AGE 55, THIS AVERAGE CHANGES FOR WOMEN TO 84 AND MEN TO 81

SOURCE: CDC

WHY CHOOSE THE PYXIS BCI WORLDWIDE FLEXIBLE FUND A CLASS?

PURPOSE-BUILT:
THE PYXIS SOLUTION IS BUILT TO PRESERVE AND GROW CAPITAL, WHILE GENERATING A SUSTAINABLE AND GROWING INCOME STREAM TO FUND YOUR RETIREMENT

LOW COST:
FEES CAN HAVE A DETRIMENTAL IMPACT ON INVESTMENT RETURNS. WE OFFER AN AFFORDABLE, ACTIVELY MANAGED SOLUTION FOR THE COST CONSCIOUS INVESTOR

APPROPRIATE RISK MANAGEMENT:
A STRONG FOCUS ON RISK MANAGEMENT TO SUPPORT A WELL-DIVERSIFIED INVESTMENT, SEEKING A BALANCE BETWEEN GROWTH AND INCOME. THE SOLUTION HAS A MODERATE RISK PROFILE

THE RISKS FACED BY RETIREES

Investors entering retirement (or already in retirement) face numerous risks that need careful consideration. This is more so the situation for retirees who placed their retirement assets in Living Annuities. Some of these risks can be mitigated or controlled by the Living Annuity investor and others not. The major risks, which are all inter-related, include:

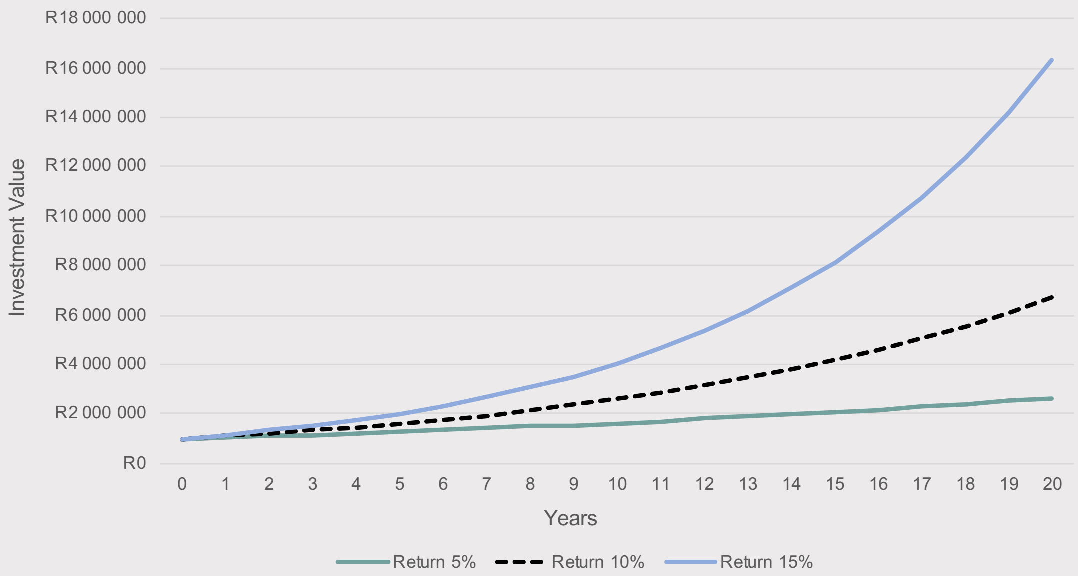
- ***1. Investment return risk*** – the risk of poor returns
- ***2. Inflation risk*** – the reduction in purchasing power of capital and future income
- ***3. Fees and costs risk*** – paying exorbitant fees
- ***4. Withdrawal risk*** – drawing an unsustainable rate of income
- ***5. Sequence risk*** – the risk of a major negative market event at or shortly post retirement
- ***6. Longevity risk*** – the risk of living longer than expected

RISK FACTORS

	INVESTMENT RETURN	INFLATION	FEES	WITHDRAWAL RATE	SEQUENCE RISK	LONGEVITY
Impact on the value of the investment:	Higher is better	Higher is bad	Higher is bad	Higher is bad	Negative	Negative
Who has control?	Investment manager and investor - to a limited extent	Neither investor nor investment manager	Investor	Investor	Neither investor nor investment manager	No-one
How to mitigate risk factor:	Select an investment solution designed and developed for purpose, and which is managed in a responsible manner	Ensure investment strategy has sufficient inflation protection strategies in place	Negotiate with service providers and select cost-efficient investment solutions	Keep withdrawal rates as low as possible	Select an investment solution that adopts rigid risk management strategies	All of the aforementioned

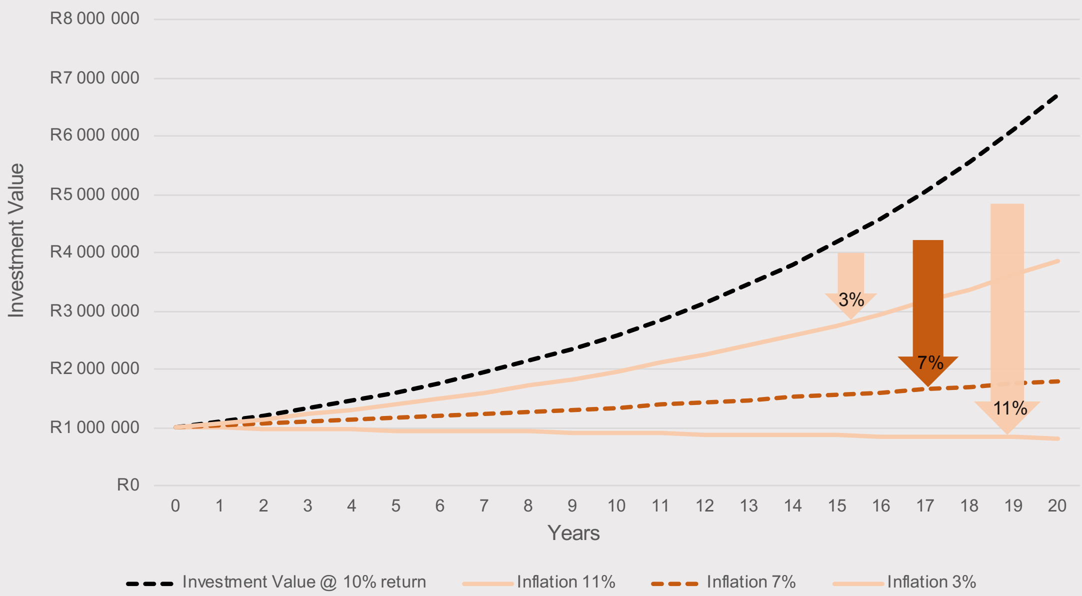
The charts below illustrate the potential impact of the main risk factors on an investment. Implementing the correct investment strategy is crucial for financial success in retirement. The first chart shows the growth of a R 1 million investment at various rates of return. The higher the rate of the return, the better. Simple enough.

VALUE OF R1M INVESTED TODAY, FOR DIFFERENT RATES OF RETURN OVER TIME



The silent thief: inflation. Inflation has the effect of reducing the purchasing power of capital over time. The impact of inflation on investment return for various levels of inflation is shown below. As soon as inflation exceeds the rate of return, the value of capital invested starts to reduce in real terms. After 20 years, R 1 million invested at a return of 10% per annum, grows to R 6,7 million. Adjusting for a 7% annual rate of inflation, the "real" value of invested capital amounts to only R 1,8 million.

IMPACT OF INFLATION ON THE REAL VALUE OF A R1M INVESTMENT TODAY GROWING AT 10% OVER TIME



Fees, the first of two risk factors the investor has control over by way of choosing how and where to invest. Typically, there are three components to fees: the annual advice fee charged by a financial advisor, an annual administration fee charged by the Life Company or administrator and an annual asset management fee charged by the investment manager. It is crucial to understand what each party charges and, by law, this should be disclosed to investors.

As per the chart above, the real value of a R 1 million investment growing at 10% with inflation at 7%, is R 1,8 million after 20 years.

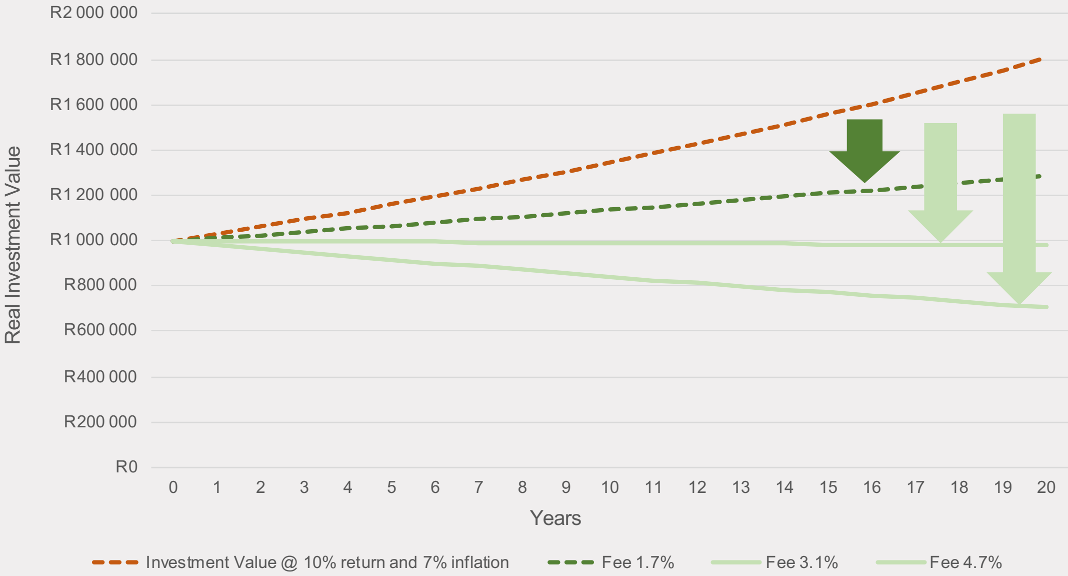
This value reduces as follows for various fee levels:

*Total annual fee of 1,7%**	*R 1,3 million*
*Total annual fee of 3,1%**	*R 1,0 million*
*Total annual fee of 4,7%**	*R 0,7 million*

**Inclusive of advisor, administrator and asset manager fees (incl. VAT)*

And you have not even drawn a cent of income.

IMPACT OF COSTS (FEES) ON THE REAL VALUE OF R1M



Lastly, the withdrawal rate, the second factor investors have control over. The impact of different withdrawal rates on invested capital is shown below. On an investment of R 1 million growing at 10% per annum with inflation at 7% and fees at 1,7%, a withdrawal rate of 10% of capital leads to complete capital erosion in 11 years. At a withdrawal rate of 5%, the capital will last around 20 years. It is crucial that investors withdraw at a responsible rate from their retirement savings to prolong the lifespan of capital as far as possible.

IMPACT OF THE WITHDRAWAL RATE ON THE REAL VALUE OF A R1M INVESTMENT TODAY GROWING AT 10% OVER TIME WITH 7% INFLATION AND 1.7% TOTAL FEES

SIMULATION

The table below illustrates a simulation of how different fees and withdrawal rates will impact how many years your capital lasts, using an example of a 10% return with inflation at 7%.

Assumed return: 10%		FEES		
Assumed inflation: 7%		LOW	MEDIUM	HIGH
WITHDRAWAL RATE		1,7%	3,1%	4,7%
LOW	2,5%	57 years	40 years	31 years
MEDIUM	5,0%	24 years	20 years	15 years
HIGH	10,0%	11years	10 years	10 years

It is clear that there are many moving parts to successful retirement.

THREE MAJOR FACTORS THAT MAY HAVE A DETRIMENTAL IMPACT ON RETIREMENT SUCCESS CAN BE CONTROLLED OR INFLUENCED BY THE RETIREE OR INVESTOR:

FEES & COSTS

THIS SHOULD BE REDUCED AS FAR AS POSSIBLE. STUDY YOUR INVESTMENT STRUCTURE AND THE FEES THAT EACH SERVICE PROVIDER IN THE VALUE CHAIN CHARGES.

WITHDRAWAL RATE

RETIREES MUST DRAW FROM RETIREMENT ASSETS AT A RESPONSIBLE RATE. INCOME DRAWDOWN RATES OF MORE THAN 3% TO 4% MAY PLACE CAPITAL UNDER PRESSURE, ESPECIALLY WHEN INVESTMENT MARKETS PERFORM POORLY, AND INFLATION RUNS RAMPANT.

INVESTMENT RETURNS

BY SELECTING A PURPOSE-BUILT SOLUTION EXCLUSIVELY DESIGNED FOR POST-RETIREMENT FUNDS, ONE CAN ENSURE THAT THE CORRECT INVESTMENT STRATEGY, RISK MANAGEMENT TECHNIQUES AND FOCUS ON INCOME ARE APPLIED, ALL AT AN EFFICIENT COST.

THE PYXIS BCI WORLDWIDE FLEXIBLE FUND A CLASS IS:

- ✓ A UNIT TRUST SOLUTION FOR A LIVING ANNUITY
- ✓ PURPOSE BUILT
- ✓ FOCUSED ON RISK MANAGEMENT
- ✓ ACTIVELY MANAGED
- ✓ INNOVATIVE

AN AFFORDABLE SOLUTION FOR THE COST CONSCIOUS INVESTOR