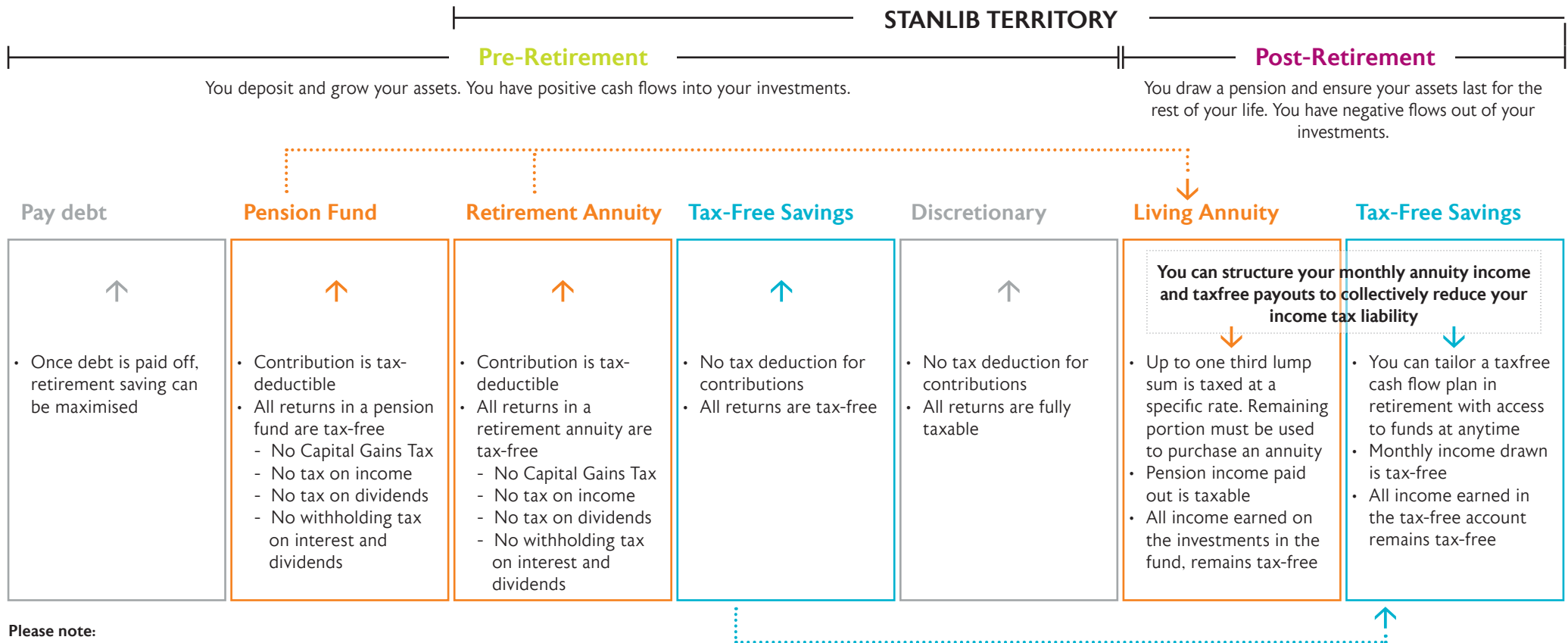


STANLIB

Tax-Free Savings Investment

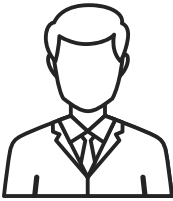
Planning for your post-retirement goals can be more effective by combining a retirement annuity, with a Tax-Free Savings Account. All cash flows from a Tax-Free Account in retirement, are Tax-Free.

The table below depicts the traditional retirement savings vehicles combined with supplementary savings through a tax-free vehicle, pre and post retirement:



Please note:
Your contributions in a tax-free savings account are limited to R33 000 p.a. SARS will tax any amounts exceeding this limit at a rate of 40%.

Investor A



POST-RETIREMENT EXAMPLE:

Pension withdrawal from a linked life annuity ONLY:

Investor A withdraws a pension from a living annuity of R20 000 p.m. and is then taxed annually on R240 000.

Annual tax on R240 000 = **R47 209**

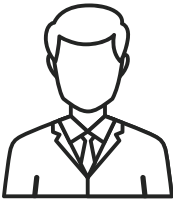
To calculate the net monthly income from the linked life annuity:

- Annual tax before rebate R47 209
- Less: Primary rebate (R13 635)
- Less: Secondary rebate (R 7 479)
- Annual tax after rebate R26 095

(R26 095/12months = R2 175 monthly tax amount)

Net payment from linked life annuity per month is (R20 000 - R2 175) R17 825

Investor B



Pension withdrawal from a linked life annuity AND a Tax-Free Savings Account :

Investor B withdraws a living annuity of R15 000 per month and R5 000 p.m. from a tax-free savings account. He/she is then taxed annually on R180 000.

Annual tax on R180 000 = **R32 400**

To calculate the net monthly income from the linked life annuity:

- Annual tax before rebate R32 400
- Less: Primary rebate (R13 635)
- Less: Secondary rebate (R 7 479)
- Annual tax after rebate R11 286

(R11 286/12 months = R940 monthly tax amount)

Net payment from linked life annuity per month is (15 000 - R940) = R14 060

Net payment from linked life annuity and tax-free investment is (R14 060 + R5 000) = R19 060

THEREFORE THE TOTAL TAX SAVINGS PER MONTH, IF AN INVESTOR SUPPLEMENTS THEIR RETIREMENT ANNUITY WITH A TAX-FREE SAVINGS VEHICLE IS (R19 060 - R17 825) R1 234 PER MONTH OR R14 809 PER ANNUM.

Assumptions:

This calculation is based on a pension of R20 000 p.m. / R15 000 p.m. from a living annuity at the applicable tax rate for a pensioner over the age of 65 but under the age of 75 at the 2016 tax tables rates. This calculation does not take into account any allowable deductions. The withdrawal from the tax-free savings account is on the assumption that the pensioner has accumulated enough funds in the tax-free savings account to support a monthly withdrawal of R5 000.

How do I go about investing in STANLIB's Tax-Free Savings Account?

We have a specific unit trust application form called STANLIB Unit Trust Tax Free Savings Account indicating what details are required to open a Tax-Free investment account. The application form is available on our website. A certified copy of the investor's identity / passport document and proof of residential address is required for FICA purposes. The completed application form and supporting documents can be emailed to STANLIB at instructions@STANLIB.com or faxed to 0867 277 501 or 011 448 6666.

Disclaimer

Collective investment schemes in securities are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. Participatory interest prices are calculated on a net asset value basis, which is the total value of all assets in the Fund including any income accrual and less any permissible deductions from the Fund divided by the number of participatory interests in issue. Permissible deductions include brokerage, UST, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by STANLIB Collective Investments (RF) Limited ("the Manager"). Where exit fees are applicable, participatory interests are redeemed at the net asset value where after the exit fee is deducted and the balance is paid to the investor. A portfolio of a collective investment scheme in securities may borrow up to 10% of the market value of the Fund to bridge insufficient liquidity as a result of the redemption of participatory interests, and may also engage in scrip lending.

Where different classes of participatory interests apply to certain Portfolios, they would be subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs. The exposure limit to a single security in this Portfolio can be greater than is permitted for other Portfolios in terms of the Collective Investment Schemes Control Act, 2002 ("the Act"). Details are available from the Manager. A Fund of Funds Portfolio only invests in other collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. A Feeder Fund Portfolio only invests in the participatory interests of a single Portfolio of a collective investment scheme apart from assets in liquid form. The Manager reserves the right to close certain Portfolios from time to time in order to manage them more efficiently. More details are available from the Manager. Forward pricing is used.

Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The Manager undertakes to repurchase participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and on the terms and conditions of the relevant Deeds. Payment will be made within 14 days of receipt of a valid repurchase form. Any capital gain realized on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT). All portfolios are valued on a daily basis at 15h00 except for Fund of Funds which are valued at 24h00. For Non-Money Market funds, investments and repurchases will receive the price of the same day if a complete instruction is received prior to 15h00. The Fund

Charges document (including the Performance Fee Frequently Asked Questions) is available on www.stanlib.com ("Investment for Individuals" section).

Liberty is a member of the Association of Savings and Investment of South Africa. The Manager is a member of the Liberty group of companies. Contact details of Trustees: Standard Chartered Bank, 4 Sandown Valley Crescent, Sandton, 2196. Telephone 011 291 8042. STANLIB Collective Investments (RF) Limited (Reg. No. 1969/003468/07)

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