



Namibia Retirement Income

Grow your savings with a post-retirement investment.

The Namibia Retirement Income is a living annuity designed to help you grow your retirement savings and provide you with a regular income after you retire. This is a flexible post-retirement investment where you can participate in the market during your retirement, with the added benefit of choosing an income withdrawal that suits you.

You can choose from a wide range of investment components to suit your needs and personal circumstances.

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Who can invest?

The Namibia Retirement Income investment is suitable for retired individuals who need the flexibility of choosing their investment components, and would like the option of changing their income levels yearly as their needs change.

This product is suited for you if:

<input checked="" type="checkbox"/>	you have retired from your employer's pension or provident fund, retirement annuity or preservation fund;
<input checked="" type="checkbox"/>	you want the flexibility of choosing your investment components;
<input checked="" type="checkbox"/>	you want the flexibility to change your income withdrawals yearly;
<input checked="" type="checkbox"/>	you want to grow your wealth; and
<input checked="" type="checkbox"/>	you want to leave the proceeds to your chosen beneficiaries when you die.

Income payments

With current legislation you can withdraw between 5% and 20% of the investment value each year as an income from your living annuity. You can change this income withdrawal every year on the anniversary date of your investment.

You can choose to receive your income withdrawals every month, every quarter, twice a year or once a year.

Beneficiaries

You can nominate beneficiaries on your investment.

Accessibility

You only have access to the withdrawal you have chosen every year. You cannot withdraw any additional once-off payments.

Your investment

Investment term	There is no specific investment term linked to the living annuity.
Investment risk	Your investment risk is entirely linked to your underlying investment components.
Investment components	You can choose from a number of unit trusts that offer you access to local and offshore markets, depending on your investment objectives. These include unit trusts managed by reputable investment firms in both Namibia and South Africa.
Contributions	You may only make contributions to a living annuity with lump sums from your employer's pension or provident fund, retirement annuity fund, preservation fund or transfers from existing living annuities.
Minimums	You can invest a minimum lump sum of N\$50 000.

Investment limits

Regulations limit the exposure to certain assets and asset classes to protect your retirement savings.

The following broad limits apply:

- Maximum of 75% in share investments
- Maximum of 25% in property investments
- Maximum of 35% in offshore investments
- Minimum of 45% invested in Namibian assets

Fees

Administration fees, advisory fees and asset management fees apply. For more information on these fees, refer to our fee schedule or speak to your financial adviser.



Tax

You will be liable for income tax according to your individual income tax rate on your income withdrawals from the living annuity.

Transferability

You can transfer the assets in your living annuity to a guaranteed life annuity with a life insurance company. However, transfers are subject to certain regulatory requirements.

Can I add money to my investment?

You can add additional lump sum investments to the living annuity at any time during your investment term. However, you can only add funds from other approved retirement funds.

Can I make changes to my investment?

You can change your investment as your needs change. These changes include adding to your investment, making changes to your income withdrawals every year on the anniversary date and switching between your underlying investment components.

Can I change ownership of my investment?

You cannot change ownership of your investment.

What happens when I die?

The remaining investment value in your living annuity will be allocated to your nominated beneficiaries.

If you didn't nominate a beneficiary, the investment will form part of your deceased estate.

Your income level

The table shows the impact that your income withdrawal level can have on the longevity of your investment.

The longevity of your income and your investment is impacted by:

- your investment return; and
- your income withdrawal rate.

The table above assumes that you will adjust your chosen income percentage over time to maintain the same amount of real income (ie allowing for inflation of 6% per year). Once you reach the number of years in the table above, your income will reduce rapidly in the following years.

You can use this table as a guide.

	Investment return per year (before inflation and after all fees)				
	2,5%	5,0%	7,5%	10,0%	12,5%
5,0%	11	14	19	33	50+
7,5%	6	8	10	13	22
10,0%	4	5	6	7	9
12,5%	2	3	3	4	5
15,0%	1	1	2	2	2
17,5%	1	1	1	1	1
20,0%	1	1	1	1	1

Table: Years before your income will start to reduce

Important

You can choose your income level and change it yearly, but it must always be within the limits that the authorities impose. These limits can change from time to time. You can also choose from a wide range of investment components to generate the income.

The level of income you choose is not guaranteed for the rest of your life. The level of income you choose may be too high and may not be suitable if:

- you live longer than the average life expectancy and your money runs out before you die; or
- the growth of your investment is too low to keep up with inflation and provide you with an income for life.

It is your responsibility, together with your financial adviser, to make sure that the level of income you choose can sustain you for the rest of your life. You need to carefully weigh up your income level to the growth of your investment.

More information

Contact your financial adviser if you have any questions or need more information, or visit [momentum.com.na](https://www.momentum.com.na)

