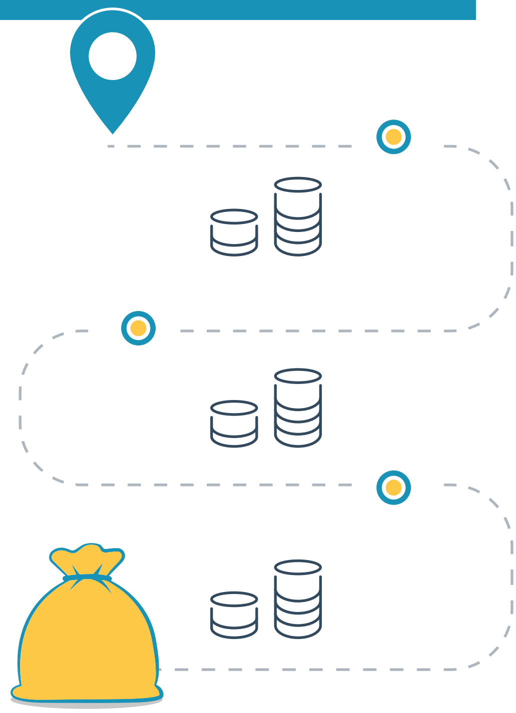
SIMEKA

member of Sanlam group

AN INVESTMENT STRATEGY

Setting You Up For Financial Freedom

Your financial **FREEDOM** at retirement is largely dependent on the investment decisions you make throughout your working life.



RETIREMENT IS A LONG-TERM INVESTMENT

- **It can be up to 50 years of investing**

You are not investing for the next one, two or five years... you are investing for the long term. People are living longer, so your investment strategy should cater for financial freedom well into your 70s, 80s and even 90s.

COMPOUND INTEREST

- **Making your money work for you**

Compound interest is often quoted as a reason to start investing as early as possible and to maximise the interest you will earn on your long-term investment.

Compound interest - the interest you earn on your initial investment plus all the interest on the growth your investment has earned over time – making your money work for you.

THE SOONER YOU START INVESTING AND THE LONGER YOUR INVESTMENT TIME HORIZON, THE GREATER YOUR ABILITY TO RETIRE WITH FINANCIAL FREEDOM. CHALLENGE YOURSELF TO SAVE AND INVEST NOW, SO THAT YOUR FUTURE SELF WILL BE IN A BETTER POSITION.

CHOOSE A SUITABLE INVESTMENT

- **Matching your investment needs to your objectives**

One of the best things you can do is to choose a suitable investment to grow your retirement benefit over time. Your investment decisions during your working life will provide the basis for financial freedom in retirement.

It is important to match your investment objectives to your investment needs at different stages of your working life.

IN YOUR 20s

- **Never too young to start saving for retirement**

As a young employee you have time on your side. This is where a more aggressive investment strategy may benefit you more, earning higher long-term returns. You need not be too worried about negative returns over the short term; instead, your focus should be on long-term capital accumulation and growth.

CHANGING JOBS

– Preservation is key

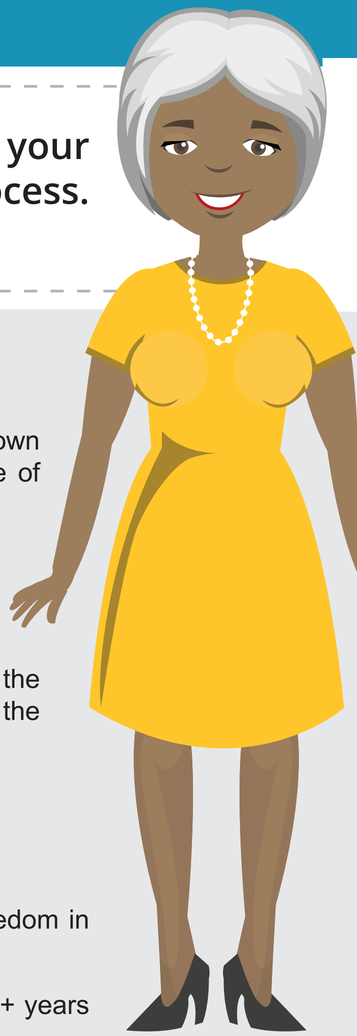
If you leave your current employer, remember to preserve your retirement savings.

You can become a paid-up member, which means you can leave your retirement savings in the fund of your current employer until you instruct the fund to transfer your savings to another fund or you retire.

You can also transfer your retirement savings to your new retirement fund or a preservation fund of your choice.

If you cash in your savings at this point, you will essentially be starting all over again when you contribute to your retirement fund with your new employer.

Preserving your retirement savings allows you to continue your retirement investing journey without a break in the process.



Fifty PLUS

Aligning your pre- and post-retirement investment strategies

As you get closer to retirement, you need to start aligning your retirement savings that you have grown over time, with your post-retirement strategy. It is therefore key that you understand what type of pension (annuity) you will purchase when you retire.

RETIREMENT BENEFIT COUNSELLING

Assistance is available

Your retirement fund should be offering some form of counselling you can make use of, to get the information you require. This assists you in your post-retirement journey and prepares you for the road ahead once you have retired.

RETIRED

Post-retirement investment strategy

The pension (annuity) that you have purchased will have a major impact on your financial freedom in retirement.

Investing does not stop at the point of retirement. You may still be investing your money for 30+ years while in retirement.

What's left to do – relax and enjoy the financial freedom you have earned!

TIPS

- Start saving early.
- Preserve your retirement savings.
- Stick to your long-term strategy.
- Consider additional voluntary contributions.
- Consider your post-retirement investment strategy before you retire.
- If unsure, get counselling from your retirement fund or speak to a financial adviser.