



Benchmark Default Living Annuity



Benchmark Retirement Fund

Efficient. Trusted. Namibian.

Default living annuity

Members who retire, may wish to invest their accumulated fund credit in a living annuity. It is expected that pensioners, and their financial advisors, will make an active selection of the most appropriate investment portfolio as well as the drawdown rate to meet the individual pensioner's needs over the life of the pensioner. The Default Investment Linked Living Annuity may however be suitable for those members who do not wish to make an active investment or drawdown decision.

Large negative market fluctuations combined with uncontrolled monthly drawdowns adversely influence the invested capital which in turn influences the longevity of an annuity. The main characteristic of this product is that it combines a default investment portfolio with a default age-based drawdown strategy to manage the income over the life of the annuity. The member still retains the investment and longevity risk, but the Trustees assist to manage these risks.

Investment portfolio

The Default Investment Linked Living Annuity consists of two portfolios. The first portfolio is the initial drawdown portfolio with the objective of providing downside protection of the member's total assets during the first five years. The second portfolio is a balanced portfolio.

The investment portfolio constructed by the Trustees for the Default Investment Linked Living Annuity has the following objectives and characteristics:

- The initial drawdown portfolio will be constructed using absolute return funds with a real return objective of 4% (before investment management fees) over a rolling 3-year period;
- The composition of the portfolio should reduce the risk of large negative returns over any rolling 12-month period;
- Single manager risk will be reduced by splitting assets between more than one investment manager;
- The balanced portfolio will be constructed to maximise investment returns within the

prudential investment guidelines and to achieve a real return of 5% to 6% (before investment manager fees).

The portfolios are managed by the Trustees in their absolute discretion and the Trustees reserve the right to appoint additional investment managers or replace investment managers at any time or rebalance the allocation of assets between the respective managers from time to time.

Annuity income

The Trustees acknowledge that the annual legal drawdown rate of living annuities is a minimum of 5% and a maximum of 20% of the member's accumulated fund credit, as prescribed by the Income Tax Act.

Within these parameters the actuary has set an age-based scale of drawdown rates that may be revised from time to time. Currently this scale produces a pension income of roughly 6% of the pensioner's retirement capital at age 55. The drawdown rate increases gradually with increasing age of the pensioner up to 20% of retirement capital at age 86.

The pensioner may choose a lower drawdown rate than determined by the actuary at any time and needs to inform the Fund accordingly in writing.

The initial drawdown portfolio will be depleted fully before the drawdown will be taken from the balanced portfolio.

Drawdown is set by default with reference to the age of the pensioner when retiring in the Fund and thereafter in June each year.

Opt out

Pensioners can opt out of this product but would then once again have to make an active choice with regard to the investment of their assets as well as the drawdown rate to be applied.

When the pensioner decides to opt out, the Fund's Default Life Annuity may also be considered as an alternative.

Professional administration & management

- The Fund is administered by the experienced specialists of Retirement Fund Solutions.
- The carefully selected investment portfolio keeps investment administration fees affordable.
- RFS or a registered intermediary can help to explain the product.
- The Fund has a track record of more than 18 years.
- The Fund has a membership in excess of 11,000 and assets of N\$3 billion.
- The Fund is subject to independent annual audit and actuarial valuation.
- Benefit statements can be accessed via the internet.
- The Fund is registered with NAMFISA.
- The Fund is approved for tax purposes by the Ministry of Finance: Inland Revenue.



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How do I select the Default Living Annuity?

- Contact Retirement Fund Solutions, or a Benchmark Retirement Fund intermediary who will assist you to understand the product and your options.
- A Member Application Form must be completed and submitted to the administrator.
- Terms and Conditions apply which you must be aware of.
- A copy of your ID will be required.
- Provide your banking details.

Intermediaries

- Visit www.rfsol.com.na/benchmark for a list of intermediaries.

Registration details

- Reg. no. 25 / 7 / 7 / 489
- Income tax ref. no. 12 / 1 / 12 / 462

Contact details

- Website
www.rfsol.com.na/benchmark
- Telephone
+ 264 61 446 000

Administered by



Retirement Fund Solutions

Managed by Namibians. Trusted by Namibians.

Please note:

The Trustees have designed this living annuity in such a way that the inherent risks of a living annuity are managed, but neither the Trustees, nor the Benchmark Retirement Fund nor Retirement Fund Solutions provide any guarantees in respect of the investments, investment returns or monthly income of this product.

Investment manager fees apply.

May 2019