

LIVING ANNUITY POLICY APPLICATION FOR INCOME CHANGE

IMPORTANT INFORMATION

Complete all relevant sections of this form and submit it to retirement@prescient.co.za or fax to 021 700 3700.

You may only complete this form if you would like to make a change to your income levels on your existing living annuity. Please note that you may only implement a change in your income levels once a year on the anniversary of your investment.

Please ensure that all sections of this form are completed in full. Any amendments made to the form must be initialed by the applicant.

PROVIDE YOUR PERSONAL DETAILS

Policy Number

Full Name

ID or Passport Number (if Foreign National)

Telephone Number Cell

Email Address

PROVIDE DETAILS OF YOUR NEW INCOME

Would you like to change your income percentage / Rand amount?

- Yes I would like to change my income percentage / Rand amount
- No I want my income to remain the same

New Income:

New income percentage (between 2.5% and 17.5%)* % **OR** New income Rand amount R

* **Please Note:** The income percentage selected is applied to the current investment value to calculate the Rand amount of income payable.

** **Please Note:** The new income Rand amount specified above is subject to the regulated 2.5% minimum and 17.5% maximum of your investment value.

Would you like to change the frequency of your income payments?

- Yes I would like to change my income frequency
- No I want my income frequency to remain the same

Income Frequency: Monthly in Arrears Quarterly in Advance Bi-annually in Advance Annually in Advance

Your completed income change form must reach our offices by the 15th of the month in order for your income change to be implemented.

The Rand value of income paid will remain constant throughout the year, notwithstanding fluctuations in the value of your policy.

Tax Details:

Please Note: Unless a tax directive from SARS is attached, the minimum tax according to PAYE will be deducted on income payments.

Should you require a different rate to be deducted, please specify: %

Please attach the tax directive.

RISKS

A living annuity allows you to set your income level subject to constraints imposed by the authorities from time to time and allows you to select a wide range of investments in respect of the capital that will generate the annuity. The level of income you select is not guaranteed for the rest of your life. The level of income you select may be too high and may not be sustainable if:

- you live longer than expected with the result that the capital is significantly depleted before your death; or
- the return on the capital is lower than that required to provide a sustainable income for life.

It is your responsibility (in consultation with your financial advisor) to ensure that the income that you select is at a level that would be sustainable for the rest of your life. You need to carefully manage your income drawdown relative to the investment return on the capital in order to achieve this. The table below can be used as a guide.

Years before your income will start to reduce

		Investment return per annum before inflation and after all fees				
		2.50%	5.00%	7.50%	10.00%	12.50%
Annual Income Rate selected at Inception	2.50%	21	30	50+	50+	50+
	5.00%	11	14	19	33	50+
	7.50%	6	8	10	13	22
	10.00%	4	5	6	7	9
	12.50%	2	3	3	4	5
	15.00%	1	1	2	2	2
	17.50%	1	1	1	1	1

It is important to note that the table above assumes that you will adjust your percentage income selected over time to maintain the same amount of real income (i.e. allowing for inflation of 6% per annum). Once the number of years in the table above has been reached, your income will diminish rapidly in the subsequent years.

Please ensure that your financial advisor has explained both the advantages and the risks of the living annuity and compared these against conventional annuities (where the insurer carries the full investment risk and the risk of you living longer than expected). The table is a general guideline and should be considered taking into account each annuitant's financial situation and all other sources of income. It is an indicative guideline only, to assist you in making informed decisions in respect of your annuity.

SIGNATURE

Investor / Mandate Intermediary

Signature	
Full Name	
Signed at	
Date	