CORPORATE SELECTION SUITE OF UMBRELLA FUNDS

The importance of preservation and planning...
For a financially wrinkle-free retirement.

LIBERTY

Many people underestimate how long they will live after they retire. As medical research improves, so does your life expectancy.

Retirement Age	Life Expectancy	
	Male	Female
55	*24 years*	*29 years*
60	*20 years*	*23 years*
65	*16 years*	*19 years*

Plan Your Journey: Reach Your Goal One Step At A Time

Long-term saving is a marathon, not a sprint! When it comes to saving for retirement, a rough rule of thumb says that after working 10 years, you need to have saved **2x** your annual salary.

5 years = **1 x** salary	25 years = **6 x** salary
10 years = **2 x** salary	30 years = **7 x** salary
15 years = **3 x** salary	35 years = **10 x** salary
20 years = **4 x** salary	40 years = **12 x** salary

Think of your retirement investments in the same way as planting a tree. In the beginning, your tree is tiny, and it stays tiny for a very long time. But after many years, you will have a beautiful, massive tree in your garden, where your grandchildren can play, where you can sit peacefully, and you will be so glad you planted that tree all those years ago.

And the more compound interest you earn, the bigger that tree will become!
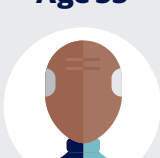
Understanding compound interest

Compounding occurs when the returns on an investment are not spent but reinvested to generate even better returns. Compounding can be a very powerful tool to create wealth over time. All you need is patience and discipline. The table below shows the amount of money you could possibly save for retirement. As you might notice; the younger you start saving = the more time your money can grow = the more you would have saved at retirement.

Assumptions:

Rate of return is 5% per year

Age 65 — Retire at age 65

R — Initial investment is R0

Save per month	R500	R1 000	R1 500	R2 000
Annual savings	R6 000	R12 000	R18 000	R24 000
Start saving:	Amount at retirement:	Amount at retirement:	Amount at retirement:	Amount at retirement:
Age 25	R 741 000	R 1 483 000	R 2 224 000	R2 965 000
Age 35	R408 000	R815 000	R1 223 000	R1 631 000
Age 45	R203 000	R406 000	R609 000	R812 000
Age 55	R77 000	R154 000	R232 000	R309 000

"Money makes money. And the money that makes money makes more money."
– Benjamin Franklin

The moral of the story is: Leave your savings to grow and grow in the portfolio best suited to your needs … for the sake of your future happiness, and that enormous old tree!

Kind regards,

Roger Spence
Principal Executive Officer