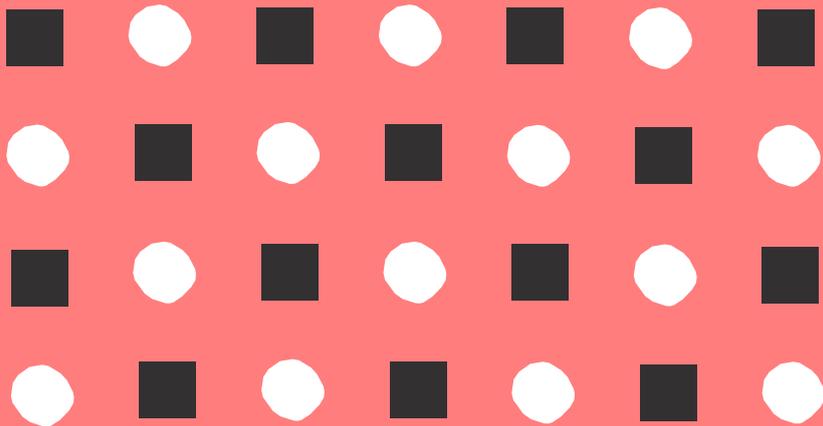


JUST LIFETIME INCOME

Product Brochure



JUST.

RETHINK RETIREMENT



Your retirement needs and how this product helps

When you reach retirement you can divide your financial needs into three categories:

Need	Retirement option
Basic lifetime needs	A monthly income for life for yourself and your spouse, which grows with inflation, to replace part of your monthly salary and enable you to pay regular expenses.
Lifetime aspirations	A pool of assets to provide flexible income for irregular expenses and tax planning, or to leave to beneficiaries if you pass away.
Immediate needs	An immediate sum of money to clear debt and cover once-off expenses.

Each need is best served by a different product, designed specifically to meet that need.

Just Lifetime Income (JuLI) has been designed to meet the basic lifetime needs – to provide the maximum guaranteed income for life for yourself, your spouse and your beneficiaries whilst they remain dependent on you: income that will increase each year.

JuLI provides regular income in retirement to replace part of your salary

During your working career, you received a monthly income (or salary) from which you paid your essential expenses like food, medical, accommodation, water, electricity, telephone, transport and insurance, and other regular expenses like education of dependants, clothing, entertainment and donations.

Each year, you received an increase that will have helped you to keep up with inflation – in good years perhaps a little more than inflation, and in bad years a little less.

When you get to retirement your expenses continue and so does inflation. To cover those expenses, you need a regular income that is guaranteed to continue for the rest of your life.

JuLI is the retirement option that is designed to be closest to a salary – it converts your retirement savings into a regular income for the rest of your life:

- It provides a guaranteed income that will be paid for the rest of your life, no matter how long you live or what happens to investment markets.
- You can choose to target increases at inflation or a percentage of inflation.
- This income is taxed in the same way that a salary is taxed.

You can also choose death benefit options that continue to provide monthly income to your dependants after you pass away:

- A guaranteed income to your spouse for the rest of his/her life.
- A guaranteed income to your dependants for a period of time that you would expect them to rely on your income.

JuLI increase options

The increases you will receive from JuLI are linked to an investment portfolio managed by one of South Africa's leading asset managers. You can choose one of three popular increase options:

JuLI HiGro provides the highest increases. These target inflation when the average long-term investment return (after asset management fees) is 4% p.a. above inflation.

JuLI StableGro provides increases that target inflation when the average long-term investment return (after asset management fees) is 6% p.a. above inflation.

JuLI HiYield provides increases that target 70% of inflation when the average long-term investment return (after asset management fees) is 6% p.a. above inflation.

These three increase options provide identical value for money over your life expectancy. The higher the increase option you choose, the lower your starting income. There is an example in Appendix 1 which shows you how this works.

Alternatively, your financial adviser can help you customise an increase profile to meet your needs.

Investment options

You can choose the investment portfolio to which your increases will be linked. All the portfolios have a similar asset allocation: about 70% in growth assets (like equities) and 30% in more conservative assets (like fixed interest bonds and cash). Just smoothes investment returns over six years to make the increases more stable from year to year.

The fact sheets of the various JuLI investment portfolios and increase options are available on our website.

These provide details of:

- the increase track records (after all fees);
- the increase formula which links JuLI increases to the investment performance of the portfolio;
- all the fees and charges.

JuLI death benefits

JuLI's death benefits are designed to continue paying a monthly income to your spouse and dependants to enable them to cover their regular expenses after you pass away. You may choose one or both of these death benefits.

Minimum payment period

The full JuLI income will be paid for the minimum payment period, regardless of when you, your spouse or dependants pass away.

You could consider setting this as the length of time until your last dependant reaches the age of 18 or 21.

If there is no spouse's income (see below), the remaining payments can be converted into a lump sum paid to your named dependants.

Spouse's income

50% to 100% of the full monthly income will be paid for the remainder of your spouse's life, after you pass away. It is likely that some of the household expenses will reduce: for example, food, medical, transport and insurances. Your spouse and dependants may continue living in the family home, or may move to smaller accommodation.

Families who do this budgeting exercise typically find the household expenses will reduce to:

- 50% to 65%, for a spouse with no other dependants, or where the dependants' needs are already covered by the minimum payment period;
- 65% to 75%, for a spouse with one or two dependants;
- 75% to 90%, for a spouse with more than two dependants.

The higher the level of death benefit you add (longer minimum payment periods or higher spouse's income), the lower the income that will be paid whilst you are alive.

JuLI optional features

Underwriting at retirement to improve your starting income

Just would like to pay you the highest monthly income possible. Some people will live shorter lives, because:

- they have had lower incomes, with less access to health care and nutritional food; and/or
- they have had lifestyles which exposed them to health risks, such as underground work, smoking, drinking or high body mass; and/or
- they have a life-shortening illness.

Underwriting at retirement is a 20-minute confidential phone call by a trained professional to establish whether your personal circumstances qualify you for a higher income payment that is guaranteed for life.

Underwriting is optional, but it is always worth doing. Just will never reduce your income based on this information.

A level initial period to ease you into your retirement lifestyle

Some people reach retirement needing a little extra income in the first few years before settling into a lower-cost retirement lifestyle.

You may choose a level initial period of three or five years. Your income will be slightly higher at the beginning and stay level during this period, and then start to increase with the increase option you have chosen.

Be aware that if inflation is 5% p.a., you will only be able to buy:

- 85% of what you bought at retirement, after three years of level income.
- 75% of what you bought at retirement, after five years of level income.

What if JuLI is not enough to meet your essential expenses?

If the monthly income from JuLI is not enough to meet your essential household expenses, there are a few important things to consider:

- Would it be appropriate to increase your income from JuLI by changing the increase or death benefit option you have chosen?
- Do you qualify for the State Old Age Grant to supplement your income? You can access information on this at www.sassa.gov.za/index.php/social-grants/grants-for-older-persons
- Do you have income from other savings that you can use to cover part of your regular expenses? You can, for example, buy JuLI from these savings as well – this is sometimes called a voluntary purchase annuity.
- Is it possible to reduce some of your regular expenses?
- If you are considering alternative products that provide flexibility to draw higher income from your retirement savings, is that income sustainable for life? (See Appendix 2 for a comparison between JuLI and living annuities for providing sustainable income for life.)

What if JuLI is more than enough to meet your essential expenses?

If the monthly income from JuLI is more than enough to meet your essential household expenses, there are other important things to consider:

- Would it be appropriate to change the increase or death benefit option you have chosen to increase the security of your future retirement income?
- Have you considered potential future frail care costs?
- Would it be appropriate to split your retirement savings and invest:
 - ⊗ a portion in JuLI to secure a guaranteed monthly income for life to cover your essential household expenses, and
 - ⊗ a portion in a living annuity to provide flexible income for irregular expenses and tax planning, or to leave to beneficiaries if you pass away?
- Would it be appropriate to access JuLI as an investment portfolio in a living annuity to have the convenience of managing your retirement assets in a single retirement solution?

You can find out more about this in a booklet called *"Your Retirement Journey"* at www.justsa.co.za.

How to invest in JuLI

If you would like to invest in JuLI, there are three ways to do this:

1. Contact a financial adviser who is authorised to provide advice on JuLI. The financial adviser can do a full financial needs analysis, taking account of all your assets and liabilities, and provide comprehensive advice on your financial and tax position, and how this product could help you. For a list of financial advisers accredited to provide advice on Just's products, contact us at info@justsa.co.za
2. If you are a member of a pension fund, provident fund or retirement annuity fund that has appointed Just as a default annuity provider, the Fund's retirement benefit counselling process could guide you to the option which trustees have approved as being appropriate for its members. They should also be able to provide you with a JuLI quotation.
3. If you are confident that you have a good understanding of your financial needs and tax position, and sufficient information to make an informed choice that JuLI meets your needs, you can contact us at info@justsa.co.za or on **087 238 2690**. As part of this process, we will require you to sign a disclaimer saying that you have chosen to proceed without advice.

Regardless of which route you follow to request a quote, you will need the following information:

- Full name (of self and spouse, if applicable)
- Identity number
- Telephone number

And you will need to choose:

- an increase option and investment portfolio;
- a minimum payment period;
- a spouse's income percentage; and
- a time that will be convenient to you to receive a call, if you choose underwriting.

APPENDIX 1

JuLI HiGro, StableGro and HiYield provide identical value for money

This table demonstrates the experience of a male age 63 or a female age 68 investing R1m in each of these three options in 2009. Both of them are expected to live for 20 years and so receive the same income from JuLI.

	JuLI HiGro	JuLI StableGro	JuLI HiYield
Starting annual income in 2009	R60,000	R73,000	R84,000
Average annual increase over 10 years to 2019	9,0%	7,0%	5,5%
Annual income in 2019	R138,000	R140,000	R140,000
Future increases if future annual investment returns are 10% p.a.	6,0%	4,4%	2,9%
Annual income in 2028, using this assumption	R233,000	R206,000	R181,000
Total payments over 20-year life expectancy	R2,700,000	R2,700,000	R2,700,000

These three increase options provide identical value for money over their 20-year life expectancies, with each paying R2,7m on these assumptions about future returns.

- JuLI HiGro starts at the lowest income, but grows fastest over the expected payment period of 20 years. After 20 years, this provides the highest income.
- JuLI HiYield starts at the highest income, but grows slowest over the payment period. After 20 years, this provides the lowest income.
- The income is approximately equal after 10 years, half way through the expected payment period.

This is not an illustration of future benefits.

- These amounts are consistent with each other: none are adjusted to remove the effect of inflation.
- Past investment performance is not necessarily a good guide to future returns.
- The assumption on future investment returns is simply a round number assumption and is not an illustration of expected future returns. However, if the investment return is 10% p.a., this will be the approximate increase on each option.

APPENDIX 2

Sustainable income for life: comparing JuLI with living annuities

The alternative – a living annuity

When you reach retirement, you have accumulated retirement savings which need to sustain you for the rest of your life. If you try to manage this yourself, or with the help of an adviser, you need to manage two unknown risks in deciding how much of your money to draw each year:

- what will happen to investment markets;
- how long you and your spouse will live.

If you rely only on your own funds (as is the case when you choose a living annuity), you need to be certain that you can make these funds last your lifetime, or else you will need to turn to your children or the State Old Age Grant to meet your expenses later in life. This may force you to:

- be conservative in choosing a long-term investment strategy, and
- allow for the possibility of living to the age of 100 (there is a 10% probability that a male age 60 will survive to 95, or that a female age 60 will survive to 100).

This reduces the amount you are able to draw from your retirement savings each year if you want to be confident of sustaining your income for life.

JuLI

On the other hand, when you invest in JuLI:

- You join together with a large number of retired people and you share those risks with each other and with Just, the insurer. On average, this large group of people will live to an age of between 85 and 90. Some people will die before this and about 10% will live to age 100 or beyond, but the pool of money will be sufficient to ensure that everyone will receive a guaranteed income for their full life.
- Just has a clear view of how long the money will be invested on average and is able to set a long-term investment strategy and smooth investment returns over time.
- Just takes a transparent disclosed fee for its services each year – it does not make profit or loss from people living a little longer or shorter than average.

For these reasons, “Just community” Lifetime Income investors benefit from receiving a higher level of income from their retirement savings, which is guaranteed to last their whole lifetime.

APPENDIX 2 Sustainable income for life: comparing JuLI with living annuities

Continued

This table shows the level of annual income that is regarded as sustainable for life, and targeted to grow with inflation, in JuLI HiGro and a living annuity, expressed as a percentage of the purchase amount or assets at each age. This income is taxed at your marginal tax rate.

For example, in the year after retirement, a male age 65 with retirement savings of R1,000,000 could expect to receive:

- 8,0% of this (R80,000) from JuLI HiGro, guaranteed for life; or
- 5,5% of this (R55,000) from the living annuity, with a 90% probability of sustaining this level of drawings for life.

In both cases, the income is targeted to grow with inflation each year on consistent assumptions.

Similarly, in the year after retirement, a female age 60 with retirement savings of R1,000,000 could expect to receive:

- 5,5% of this (R55,000) from JuLI HiGro, guaranteed for life; or
- 4,5% of this (R45,000) from the living annuity, with a 90% probability of sustaining this level of drawings for life.

In both cases, the income is targeted to grow with inflation each year on consistent assumptions.

Age	Just Lifetime Income ¹		Living annuity ²	
	Males	Females	Males	Females
55	6,0%	4,5%	4,5%	4,0%
60	6,5%	5,5%	5,0%	4,5%
65	8,0%	6,5%	5,5%	5,0%
70	9,5%	8,0%	5,5%	5,0%
75	12,0%	10,0%	6,0%	5,5%
80	15,5%	12,5%	7,0%	6,0%
85	20,0%	16,5%	8,0%	7,0%

¹ The Just Lifetime Income rates are for JuLI HiGro, using mortality and investment return assumptions consistent with the rates calculated for the living annuity.

² The maximum sustainable living annuity drawdown rates published for consultation by the Financial Sector Conduct Authority on 7/11/2018 in their Draft Conduct Standard for Living Annuities in a Default Annuity Strategy.

- Retirement experts from insurance companies and asset managers produced this table using a model which showed that, if individuals withdraw income at these rates, they have a 90% chance of being able to sustain their income for at least as long as their average life expectancy i.e. their income will keep up with inflation until their expected death.
- The maximum sustainable living annuity drawdown rates shown above assume 60% of the assets invested in growth assets (like equity and property), and 40% in conservative assets (like fixed interest bonds and cash), but your actual investment strategy may vary by age, drawdown rate or known short-term income needs. If your investment strategy has a smaller allocation to growth assets, you may need to consider a lower drawdown rate.

Both sets of rates use consistent investment return assumptions of 11-12% on equities, 8-9% on fixed interest, 5-6% on cash and 5-6% inflation.

APPENDIX 2 Sustainable income for life: comparing JuLI with living annuities

Continued

Other guaranteed life annuities

JuLI is a type of guaranteed life annuity known as a with-profit annuity, where increases target inflation or a percentage of inflation.

Other types of guaranteed life annuities are available:

- Inflation-linked annuities, where increases are guaranteed to be in line with inflation each year.
- Fixed escalation annuities, where income is guaranteed to increase by a fixed amount each year. These do not provide good protection against a significant increase in future inflation.

These other guaranteed life annuities generally provide a lower starting income than JuLI. The main reasons for this are:

- insurers have a limited investment opportunity set to match these types of guarantees; and
- insurers have to hold more capital for these guarantees.

Who is Just?

- A retirement income specialist with unique capabilities:
 - ⊗ to link annual increases in income transparently to a range of investment portfolios provided by leading SA asset managers
 - ⊗ to provide higher annual income to those with life-shortening circumstances (socio-economic, lifestyle and health).
- A South African life insurer, regulated by the Prudential Authority of the South African Reserve Bank and the Financial Sector Conduct Authority.
- A wholly owned subsidiary of Just Group Plc, a UK-listed financial services group, with a very strong credit rating of A on the international scale.

Scope of this brochure

- It provides information on Just Lifetime Income (JuLI), a monthly income for your retirement that is appropriate for covering your regular monthly expenses.
- It should be read together with the product fact sheets, which provide more detail on how increases are calculated and track record of increases.
- Comparisons to other product types focus exclusively on their relative merits in providing a monthly income to meet regular monthly expenses.

Disclaimer

This brochure does not provide:

- advice
- benefit illustrations
- comprehensive information on other products
- comprehensive information on the taxation of lump sums and income from retirement arrangements.

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The past performance of an investment portfolio is not an indication of the future performance of the investment portfolio. Investment markets can go down. In the case of JuLI, if markets go down, your income will not decrease, but future annual increases may be less than anticipated.

Additional information about Just and our products can be obtained from Just and from our website: www.justsa.co.za

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RETHINK RETIREMENT

If you would like further information on securing a fair retirement, please contact us at info@justsa.co.za

www.justsa.co.za

Just Retirement Life (South Africa) Limited is a regulated life insurance company and an authorised Financial Services Provider.