

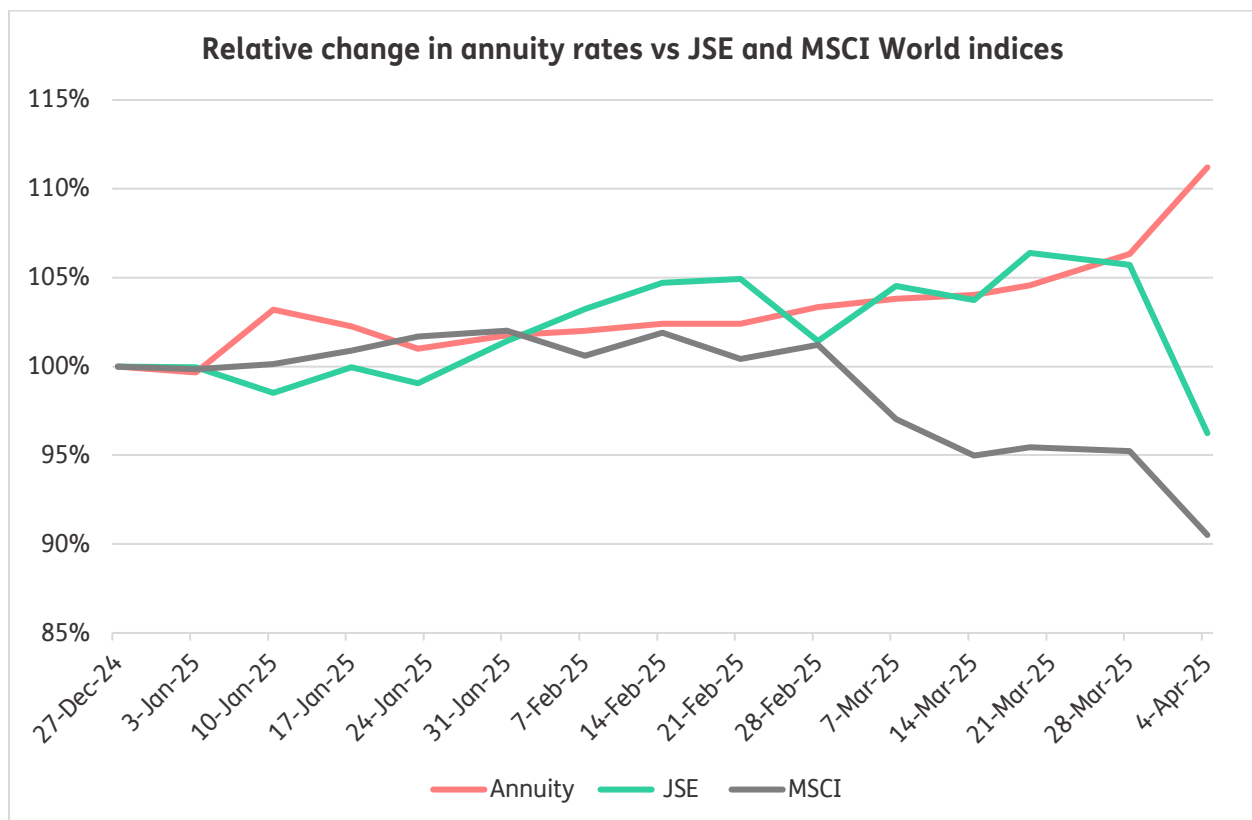
LIFE ANNUITY RATES UP 11% THIS YEAR AMIDST TRUMP AND GNU CHAOS

9 April 2025

Amidst the massive turmoil in local and global investment markets in the last week, there is good news for pensioners: life annuity rates are up 11% this year.

This allows pensioners to lock in the peace-of-mind of a guaranteed income for life, rather than riding the emotional and financial roller-coaster of some of the most volatile investment conditions seen this millennium.

By comparison, since the beginning of this year, the JSE equity index is down 4% and the MSCI World equity index down 10% in Rand terms (even allowing for the fall in the Rand against the dollar).



Source: Just SA

In current market conditions, any pensioner drawing income of between 5% and 10% of their assets each year is likely to be able to guarantee that level of income for life in a life annuity. Based on research carried out by Just SA, this is about 35% of pensioners managing their assets in a living annuity.

It is well documented that most SA pensioners have not saved enough to cover their essential expenses and maintain their lifestyle in retirement. If they are managing their assets in a living annuity, they don't have the luxury to reduce the income they draw from their retirement savings in adverse market conditions. So, whilst investment markets may bounce back over time, pensioners will have less assets remaining to benefit from the recovery.

South African pensioners cannot afford to risk their financial security in volatile markets impacted by Trump's blustery America-first agenda, or the ideological differences being fought in the GNU. Current conditions provide a good opportunity to secure income guaranteed for life which is sufficient to cover their essential expenditure.

Need more information?

Please let us know if you would like to discuss the above in more detail, or contact us to request a quote:

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