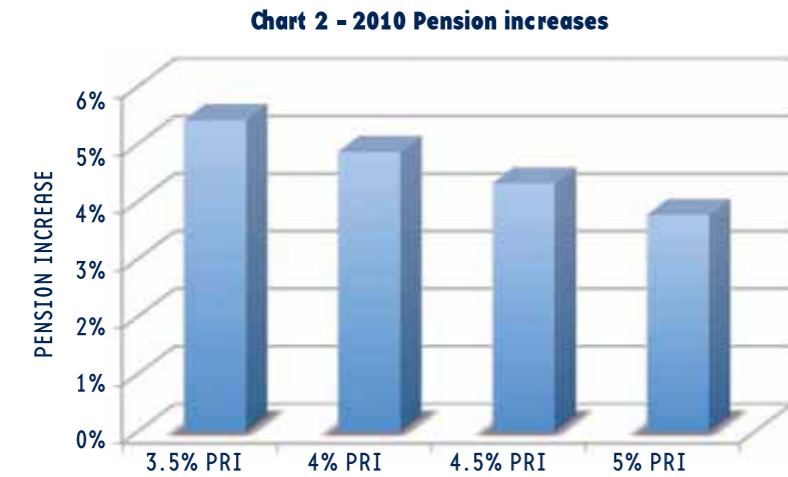


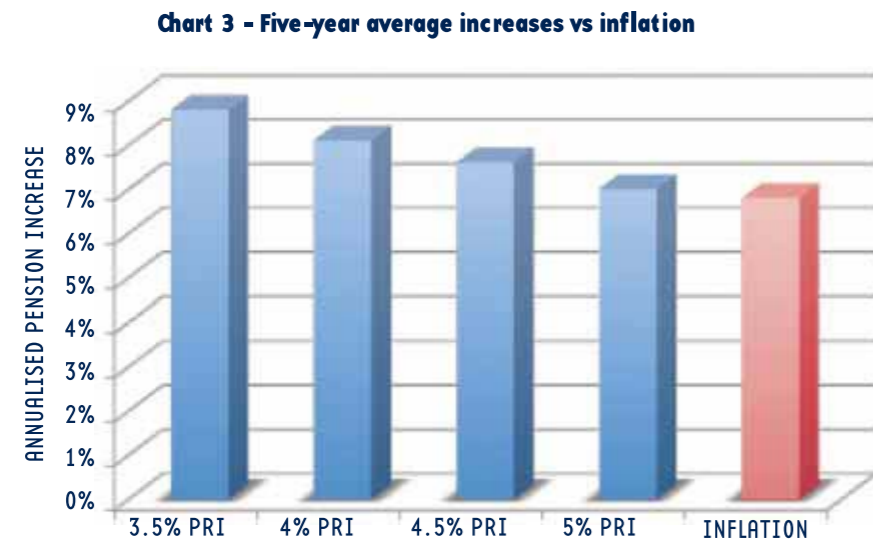
## PENSION INCREASES

Chart 2 provides the implied pension increases for 2010 per post-retirement interest rate category.



## INFLATION CONSIDERED

This product does not guarantee that pension increases will meet inflation every year. However, Metropolitan still aims to reduce the impact of inflation on our annuitants over the long-term. The graph below shows that when measured over a five-year period, pension increases have exceeded inflation for all PRI categories of 5.0% and lower.



## WORLD-CLASS SERVICE

We place a strong focus on customer service. Responsiveness, respect, efficiency and responsibility underlie our world-class client service offering and getting back to basics is how we get it right.

## CONTACT DETAILS

For quotations Email: [EBannuities@metropolitan.co.za](mailto:EBannuities@metropolitan.co.za) or call +27 21 917 3010

### DISCLAIMER

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*Protecting your Assets*

Metropolitan Life Limited is an authorised Financial Services Provider.

June 2010

## GOLDEN GROWTH WITH-PROFIT ANNUITY



Together we can **METROPOLITAN**  
EMPLOYEE BENEFITS



Metropolitan Life Limited is an authorised Financial Services Provider.



## WORLD-CLASS EMPLOYEE BENEFITS

Metropolitan Employee Benefits is committed to creating prosperity for Africa's people by offering affordable financial solutions that create financial security.

With over 110 years of financial services experience, we guarantee clients rock solid financial security. Our annuity products assist our clients in meeting the financial challenges of retirement.

Annuity products are agreements between an insurer and a policyholder, according to which the insurer makes regular payments to the policyholder throughout the life of the policyholder.

## GOLDEN GROWTH WITH-PROFIT ANNUITY

Your investment in Metropolitan's Golden Growth With-Profit Annuity gives you the peace of mind that you will receive a regular income for the rest of your life as well as the opportunity to participate in investment and mortality profits via an annual pension increase.

**Objective:** The key objective of this product is to provide a minimum guaranteed pension for life, while aiming to:

- Declare competitive pension increases (compared to similar products in the industry);
- Avoid declaring zero pension increases; and,
- Declare pension increases that keep pace with inflation over the long-term.

Pension increases each year are linked to the performance of a portfolio of assets. Other factors, namely the post-retirement interest rate and smoothing, will affect these increases as well.

**Post-retirement interest rate (PRI):** At retirement, clients may select from a number of PRI categories. You may think of the PRI as the minimum net investment return required to maintain your current level of income.

For example, if you have selected a 4% PRI and the investment profits that year are 10%, then this means that 4% of these profits will need to be used to maintain your current level of income, whilst the remaining 6% can be used to increase your pension. The higher the level of PRI selected, the higher the initial pension, but the lower the allowance for future pension increases, and vice versa.

**Smoothing:** We recognise the importance of stability when it comes to annuity products. Hence, because financial markets are unpredictable, we protect you from market volatility by holding back a portion of investment profits in the good years and giving back a portion in the bad years. In this way, we are able to provide the stability of steady growth.

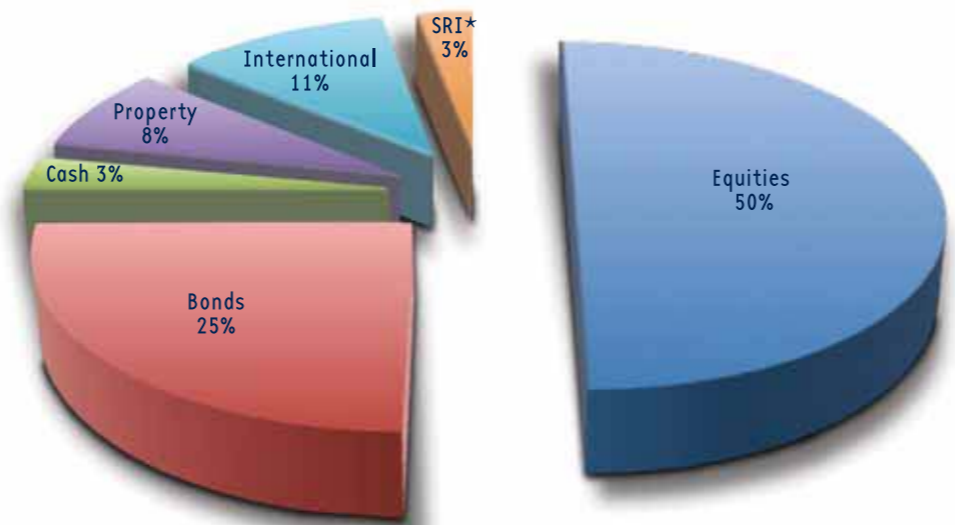
**Annual increases:** These are linked to the performance of assets invested according to a traditional balanced fund mandate, smoothed by calculating the weighted average return experienced over the preceding six years. This value is then adjusted to allow for the mortality experience of the portfolio and the selected PRI.

**Risk profile:** The product's risk profile can be classified as moderate. Future increases are not guaranteed but linked to the performance of the assets. Therefore, pensioners take on a level of market risk.

**Our guarantee:** Our guarantee is that your pension will never decrease. Furthermore, each time an increase is awarded, the new higher amount is guaranteed for the rest of your life.

**Our investment policy:** Our aim is to provide you with as high an annual increase as possible, without subjecting you to undue risk. We achieve both these goals by investing in a balanced fund mandate with exposure to different local and international asset classes.

Asset Allocation



\*SRI= Socially Responsible Investments



## INVESTMENT DETAILS

**Fees:** An initial administration fee of 1% is applied plus a once-off fee of R159 during 2010, increasing by CPI every year. An ongoing per member fee of R47.30 p.m. during the 2010, increasing by CPI every year. An annual fee of 1% plus 0.05% for every 0.5% increase in PRI above 2.5%. (This fee includes the capital charge, expense charge and asset management fee.)

**Investment medium:** Policy of insurance

**Minimum investment:** R250 000

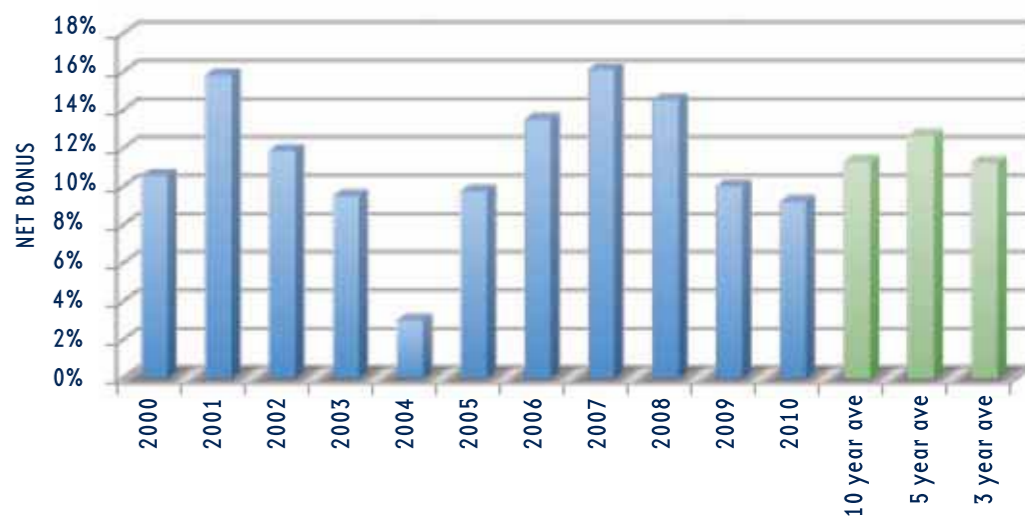
**Maximum post-retirement interest rate:** 5%

## BONUS HISTORY

Chart 1 below shows the history and averages of the net bonus declarations.

A net bonus of 9.20% has been declared for increases effective 1 January to 31 December 2010.

Chart 1 - Bonus history\*



\*Bonuses for 2000-2008 are based on the closed bonus series. The new bonus series was opened in 2008.