

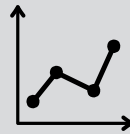
SELECT INCOME PORTFOLIO

An investment in alternative assets is an investment in the real economy - the assets are real; the jockeys are real and the numbers are real.

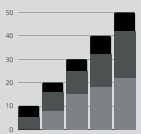
Why invest in alternative assets?



Slow Economic Growth.
The unemployment rate, corruption and COVID are major contributing factors in low GDP Growth. Low corporate investment triggered by policy uncertainty, results in less job creation and a slow economy.



Alternative assets are not correlated to market volatility due to the lack of market sentiment. Alternative asset performance is based on company performance and not market sentiment due to supply and demand.



Due to the diversification of the alternative asset classes the standard deviation is reduced, resulting in lower volatility of the portfolio.



Investment risk is mitigated by investing in a minimum of 10 companies in 10 different sectors. This is possible with a Category 2 investment license.

Terms and conditions:

Minimum investment: R 250 000

Yield: Flat 11% yield per annum paid quarterly + 0,5% additional increase with every annual anniversary

Investment term: 5 years

Notice period after lock-in term: two calendar month

Diversification factor: Investment is diversified over more than 10 companies in 10 different sectors

Switch ability: The client has the option to pursue a revolutionary income to growth switch once in the lifetime of the investment

The boost: A boost of up to 6.49% vests if invested in the growth option for 5 years. If the investment is withdrawn after year 4 the boost is up to 3.25%. If the investment is withdrawn after year 3 the boost is up to 1.62%. If the investment is withdrawn before 3 years the boost will be forfeited. The boost is not a guarantee and is based on investment performance.

Penalties: 10% for the first year of the investment followed by 5% from year 2 till full maturity of the investment.

***No yields are payable from withdrawal instruction.**

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Costing

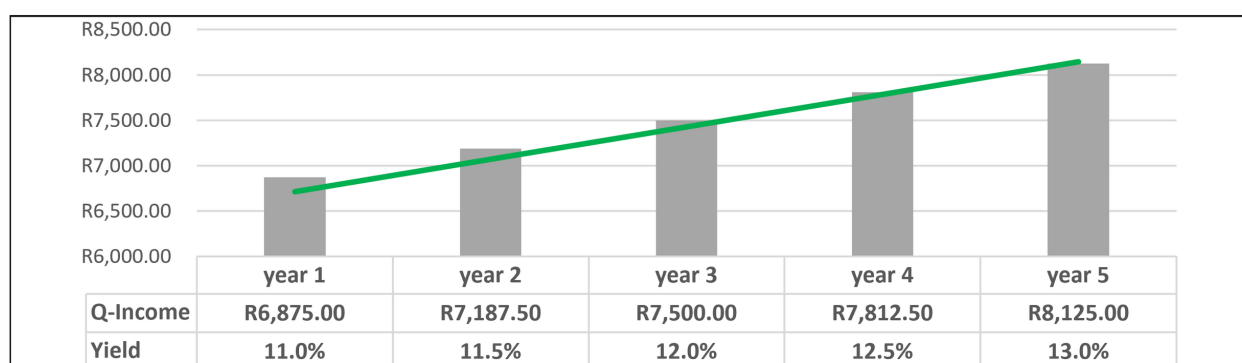
To offset the costs of the investment, a hurdle rate is set. Meaning that the product provider does not reach the set hurdle rate, no costs may be deducted from the investors' investment.

The Hurdle Rate is the yield allocated to the client. Any costs, admin fees, performance fees, and broker fees are paid from the yield received above the hurdle rate.

This ensures that the client is set as first priority and the fund performance needs to be driven by the investment managers to be able to offset any costs incurred on the investment.

Practical Examples:

Investment amount R 250 000 lump sum.



Yield is paid quarterly, in February, May, August, and November. If R 250 000 is invested, the illustration can show the expected payout.

Fixed Income fund has the revolutionary option to switch to the Select Growth portfolio. Please ask your financial advisor for more details regarding the Optimate Select Portfolio.

The Fixed Income Portfolio triggers income tax. Income tax is calculated as per the brackets illustrated by the Income Tax Act. Tax triggered is payable to SARS and is the responsibility of the client.

Once "the switch" is implemented the product switches to an income investment, where income is paid out to the client on a quarterly basis.

nReachⁿ

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