



***itransact***  
Investment Platform

***iretire***

## Don't let the costs of investing cost you your retirement

Legendary investor and billionaire Warren Buffet believes that index tracking funds make the best retirement sense.

*"The trick is not to try pick the best companies, but to own the performance of the best companies through an index tracking fund. Do it consistently and do it at very low costs"*

Index tracking funds don't try to pick the best companies. They automatically own the performance of all the big companies.

## Why Itransact?

Itransact makes investing simple and easy by offering investors, advisors and employers a wide range of investment products at the lowest possible cost and in one convenient place.



Retirement  
Annuity



Preservation  
Fund



Living & Flexible  
Annuities

## What we offer

Introducing a new breed of low cost retirement products

### ***Pre-retirement***

#### ***Retirement annuity***

Our tax efficient index tracking retirement annuity does not lock you in. You can start, suspend or lower your contributions at any time without penalties.

#### ***Preservation fund***

Our tax efficient index tracking preservation fund is designed to preserve the proceeds of your company-sponsored retirement or pension plans when you change employer or career. You are allowed one partial or full withdrawal before reaching the age of 55.

### ***Post retirement***

#### ***Living annuity***

Our tax efficient index tracking living and flexible annuities allow you to re-invest your retirement savings at very low cost so that your savings last longer into your retirement years. Take control of your investment strategy with flexible annual income settings. Choose from a wide range of risk controlled discretionary and prudentially managed investment portfolios. Our living annuity allows members of other expensive living annuities to transfer their investments to our products.

#### ***Flexible annuity***

Our flexible annuity allows current members of the Itransact retirement annuity and preservation funds to seamlessly convert to an income annuity at retirement. Don't allow your capital to die with you: both our annuities allow your beneficiaries to inherit the residual capital, free of any estate duty, after your death.

## Investment strategy: Choose the best portfolio of index tracking funds to reach your retirement goals

Successful investment requires common sense. History has repeatedly confirmed that the winning investment strategy is to own the performance of local and international listed companies across all the market sectors, and to do so at the lowest possible cost. By being part of them you are guaranteed to automatically share in the full returns these companies generate in the form of dividends and earnings growth.

## What is an index tracking fund?

In South Africa index tracking funds are also called ETFs (Exchange Traded Funds). ETFs are essentially funds that invest in the best performing companies listed on either the Johannesburg Stock Exchange or on other well-known stock exchanges such as the New York, London and Tokyo stock exchanges. Investing in these funds eliminates the risk of individually trying to pick well-performing individual companies, market sectors or fund managers.

## What is an index tracking fund portfolio?

An index tracking fund portfolio allows you to hold all your wealth in a broadly diversified set of index tracking funds (ETFs) which represent all the major asset classes such as domestic and international cash, fixed income, real estate and equity. Index tracking fund portfolios are regularly rebalanced to ensure that costs and market risks are kept as low as possible.

## How safe are index tracking fund retirement products?

Itransact's range of index tracking fund retirement products are governed by the South African Financial Sector Conduct Authority (FSCA) according to the Pension Fund Act (PFA) and the Collective Investment Schemes Act (CISCA) making them one of the safest ways to invest.

## Most fund managers do not consistently beat the market

You may believe that it is possible to always beat the market. Occasionally you will be right, but the odds are heavily stacked against you to do so consistently. Despite the share market's impressive long term growth record, many investment professionals believe that they can outperform it by buying when the market dips and selling when it peaks. This is called active investing. Unlike index funds which passively track the markets without trying to predict where they might end up, active investing requires great skill (and some luck). This comes at much higher cost to investors than passive investing which uses automation and technology to deliver winning results. Global research over many decades has shown that approximately 85% of managers fail to beat the markets over the long term.

## Costs destroy returns

**Every 1% saved on your investment costs, can change your retirement life**

Speak to your financial advisor or visit [www.itransact.co.za](http://www.itransact.co.za) to find out more about our investment products.

**Very few investors truly appreciate the ravaging impact of their costs on their investment returns.**

The South African average for investment costs is 3% per annum. For simplicity sake, if an investment produced a return of 10% per annum before costs, it would mean that after costs, you would only receive a 7% return. That means 30% of your return was lost to costs! Imagine the impact if your costs were higher!

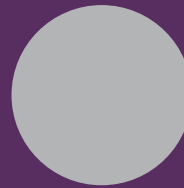


**This is the main reason why only one out of every six South Africans can retire comfortably.**

Consider this example.

**R100 000 invested over 20 years, with a total return of 15% before costs and an average annual inflation rate of 6%**

In an ideal world with 0% costs



You keep **100%** your returns

With 1% costs



You lose almost **17%** of your returns

With 3% costs



You lose almost **40%** of your returns

With 5% costs



You lose almost **60%** of your returns

## Investment minimums and maximums

Retirement annuity | R300 per month | R5000 lump sum

Preservation fund | R5000 lump sum only

Living and flexible annuity | R100 000 lump sum only

## Contact us

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*Itransact is an authorized financial services provider*