

EFFECTS OF OUTPERFORMING

What This Means for You

Example: ACCUMULATION PHASE

Client has present funds of \$100,000.00 and is able to invest \$10,000.00 per annum with an annual compound return of 8% p.a. over a period of 20 years.

Additional Performance p.a.	Funds in 20 Years	Additional Value Added
0%	\$923,720.00	\$0.00
1.00%	\$1,072,040.00	\$148,320.00
2.00%	\$1,245,500.00	\$321,780.00
3.00%	\$1,448,260.00	\$524,540.00

Example: PENSION PHASE - Retirement

Client has present funds of \$600,000.00 and is going to draw out 7% p.a. in income with the income indexed at 2% p.a. and the lump sum earning 7% p.a. compounded over the long term.

Additional Performance p.a.	Year	Income Paid	Remaining Balance	Additional Value
0%	26	1414178	11907	\$0.00
0.50%	29	1629274	23421	\$226,610.00
1.00%	34	2017420	3460	\$594,795.00
1.50%	42	2724213	64476	\$1,362,605.00

Note:

Figures exclude the possibility of additional performance over the long term through using boutique fund managers that outperform, rebalancing the portfolio, the effect of small and micro-cap companies and value style fund managers.