

# HORIZON

MY RETIREMENT

Introduction	<b>3</b>
Investor Lifecycle	<b>4</b>
Objective of Retirement Plan	<b>5</b>
Ideal Investors	<b>5</b>
Asset Allocation	<b>6</b>
How does the scheme work	<b>8</b>
Underlying Funds of the Plan	<b>10</b>
Benefits to Potential Investors	<b>12</b>
Horizon My Retirement Plan Features	<b>14</b>

# HORIZON

## MY RETIREMENT



### Saving for retirement

is extremely important to maintain or improve our standard of living and the key to a secure retirement is to plan ahead. **Horizon My Retirement** is therefore the ideal scheme to cater for your financial future and to enable you to fulfill your dreams, post retirement.

### Introduction

It is never too early to start: the sooner you start saving for your retirement, the better, because quite simply, the longer your money is invested, the more time it has to grow in value.

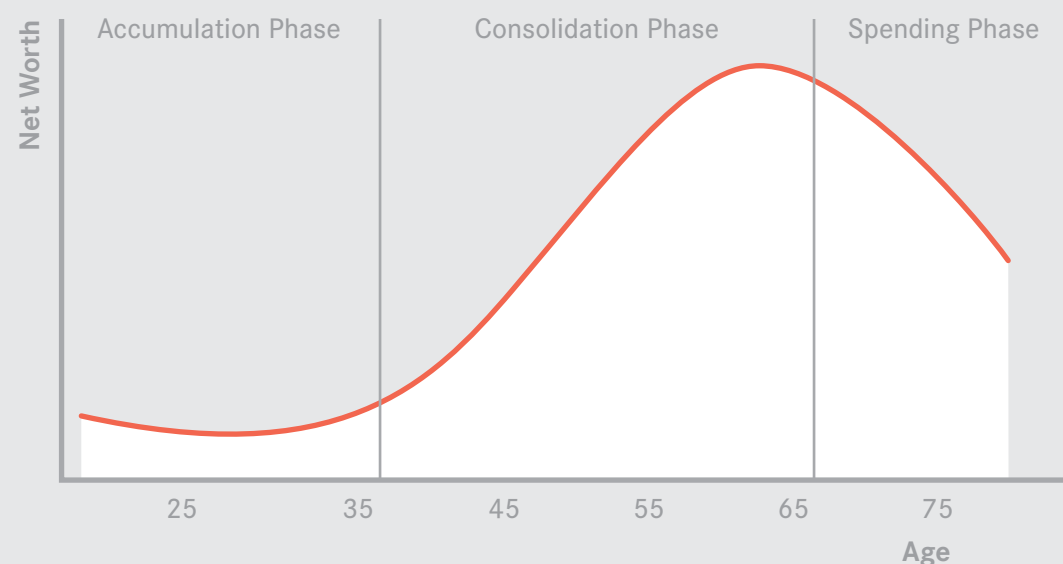
The rationale behind joining a retirement plan is to make sure you have an adequate income stream when you stop working. Therefore, you will need to make some decisions, for e.g. when you want this income to start, how much you want to be paid and how you want it to be paid.

After deciding to save into a plan, the next step is to ensure that you get the best possible return for your savings with the level of risk you are comfortable with. Every person has a different threshold for risk, and only then you can decide how your savings are going to be invested. Different types of investments carry different levels of risk and return. The amount of risk you are willing to take with your money is a personal matter and depends on several other factors.

Consider other savings and investments you may own, how comfortable you are with fluctuations in the value of your investments, your current age and how much longer you will be working before retirement. The longer your time horizon from an investment standpoint, the better you are positioned to accept some market ups and downs in exchange for higher return expectations.

Investing for retirement is for the long term, and diversification is a crucial element in any long-term investment strategy. Diversifying, or investing your retirement assets across different asset classes, is one of the best strategies to employ in seeking to reduce the overall risk associated with investing.

## Investor Lifecycle



The traditional theory of lifecycle tells us that each individual experiences various lifecycle stages, in which the investment needs are different. First, there is the accumulation phase, when the individual is able to invest in relatively higher risk assets and follow an aggressive investment strategy, designed to achieve maximum longer term growth. Second, comes the consolidation phase, whereby the individual has more resources to devote to investment, but may want to take a less risky approach. The third phase is the spending phase during which the individual is no longer working and is living on the income and capital accumulated in the first two phases.

In line with the above theory, Horizon My Retirement Plan has been structured to offer a mix of asset allocation by default or by investor's choice, based on the life stage and risk preference of the investor.

## Objective of Retirement Plan

The objective of the retirement plan is to provide a financial planning tool for long term financial security for individuals, based on their retirement goals.

The retirement plan assists you in growing and developing a body of wealth through market-linked investments. We help you save systematically and provide you with avenues to invest your savings in funds, on the basis of your risk appetite.

## Ideal Investors

- Investors keen to save for retirement
- Employees looking for a regular savings avenue for retirement
- Self-employed who usually do not have post-retirement benefits accruing to them
- Investors seeking an alternative to traditional retirement savings plans

## Asset Allocation

### Default Portfolio Strategy

Your financial needs are dynamic in nature and keep changing with your life stage and profile. It is therefore vital that your retirement plan adapts to your changing needs. Sustained long term growth coupled with capital preservation being at the core of the Horizon My Retirement Plan's strategy, our default strategies provide you with the right mix of growth and capital preservation as you near retirement age.

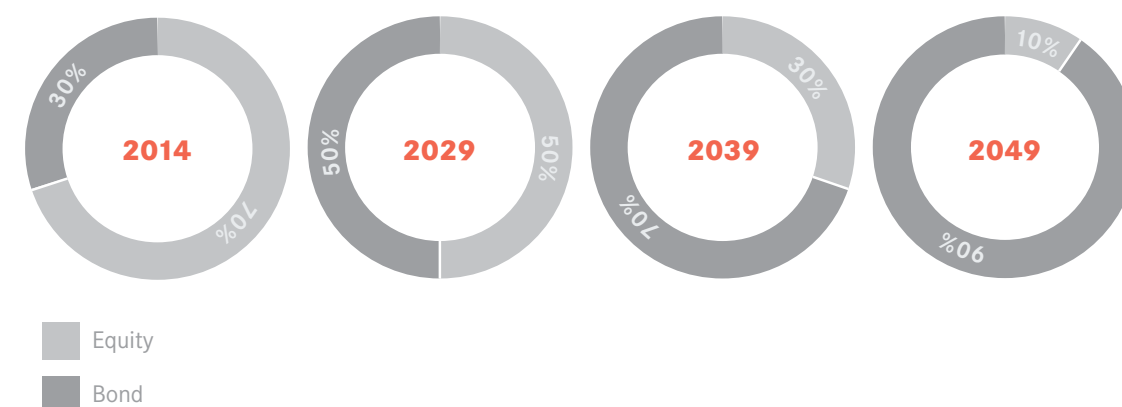
At policy inception, your investments will be allocated to one of our default strategies: Secured Strategy, Conservative Strategy, Moderate Strategy and Aggressive Strategy based on your age. As you move from one age band to another, we will reallocate your funds according to your age. As such, investor portfolios would hold a decreasing proportion of assets in equities (associated with higher risk) and a greater proportion in fixed return investments (associated with lower risk) as an individual ages. This type of plan seeks to limit potential losses from market fluctuations as an individual approaches retirement.

The four default strategies provide access to the major asset classes, regrouped under **Equity** and **Bond**. The different components of equity and bond in the default strategies are as follows:

STRATEGY	AGE BAND	EQUITY (%)	BOND (%)
Aggressive	Less than 40	70	30
Moderate	40+	50	50
Conservative	50+	30	70
Secured	60+	10	90

### Scenario: Asset Allocation

Assuming an investor who is now 25 years of age and plans to retire in 2054 at the age of 65, by using our default asset allocation, his investment will evolve from a rather aggressive strategy to a more secured one as follows:



### Client Choice Allocation

The retirement plan also caters for more sophisticated investors who can take their own investment decisions and for those who think that our default strategies do not suit their needs. In this case, at inception, the investors will have the choice not to adhere to our default strategies but instead choose their own asset allocation.



Although the retirement plan remains open-ended (i.e. you can stop and / or withdraw from the plan at any time during your lifetime in the product), it works in two phases:

1. The first phase is **the investment phase**, wherein you contribute monthly amounts to your portfolio and accumulate savings for your retirement.
2. The second phase is the **benefits recoupment phase**, wherein you reap the returns of your lifetime savings to enjoy your retirement.

### Investment phase

The investment phase covers the period when you start saving for your retirement until your retirement age.

With the Horizon My Retirement Plan, you have the option to either choose from the four default portfolio strategies or your preferred asset allocation, as outlined above, depending on your lifecycle as an investor. Access to the equity and bond asset classes will be possible through our existing ACM Global Equity Fund and ACM Global Bond Fund respectively.

### Benefits recoupment phase

Once you have reached the end of your accumulation phase to enjoy your retirement benefits, you have the option to either:

1. Cash in all your accumulated funds as a lump sum or;
2. Take the money as monthly instalments (by monthly redemptions) for a period of time specified by you or;
3. Receive part of your funds as a lump sum and collect the remaining as monthly instalments.
4. Buy an annuity from an Insurance Company.

Should you decide not to take your whole lump sum immediately, we will automatically shift the whole or remaining amount of the accumulated funds to a very low risk strategy consisting mainly of short term cash instruments.



# HOW DOES THE SCHEME WORK?

## Underlying Funds of the Plan

### ACM Global Equity Fund

#### Fund Objective

The Fund is globally diversified and aims at generating capital appreciation by investing in equity related securities available in the global equity market. The Fund maintains a long term investment view and is constituted primarily of a selection of mutual funds and ETFs.

#### Fund Strategy

ACM Global Equity Fund follows our long established global equity strategy which has consistently delivered risk-adjusted return and outperformed its benchmark.

The strategy is based extensively on fundamental research, in-house valuation systems and seasoned judgement acquired by our professionals. Whilst the objective of the strategy has always been to achieve long-term capital growth via investments globally - through proper diversification - the strategy has always maintained a reasonable level of risk exposure to the investor. Our security selection process seeks to balance both value and growth while catering for a diversified country allocation.

#### Track Record of Strategy

The early identification of long term trends means that the most can be made of investments' return potential. Over the years, thanks to an investment approach that encompasses top down and bottom up analyses, our global equity strategy has consistently produced superior returns in all market cycles. Our long term track record of superior security selection and asset allocation shows that, for at least the last ten years, our global equity strategy has delivered real returns for investors.

### ACM Global Bond Fund

#### Fund Objective

The investment objective of the Fund is to generate capital appreciation by gaining exposure predominantly to convertible and non-convertible bonds/debentures of companies and governments and fixed income securities available in the Global bond market. The Fund maintains a long term investment view.

#### Fund Strategy

ACM Global Bond Fund follows our long established global bond strategy which has consistently delivered risk-adjusted return and outperformed its benchmark.

The strategy seeks to identify macro-economic conditions that may lead to value opportunities in interest rates, currencies as well as sovereign credit markets. Our belief is that applying a fundamental, research-driven approach worldwide provides the best potential for solid, risk-adjusted, long-term returns.

#### Track Record of Strategy

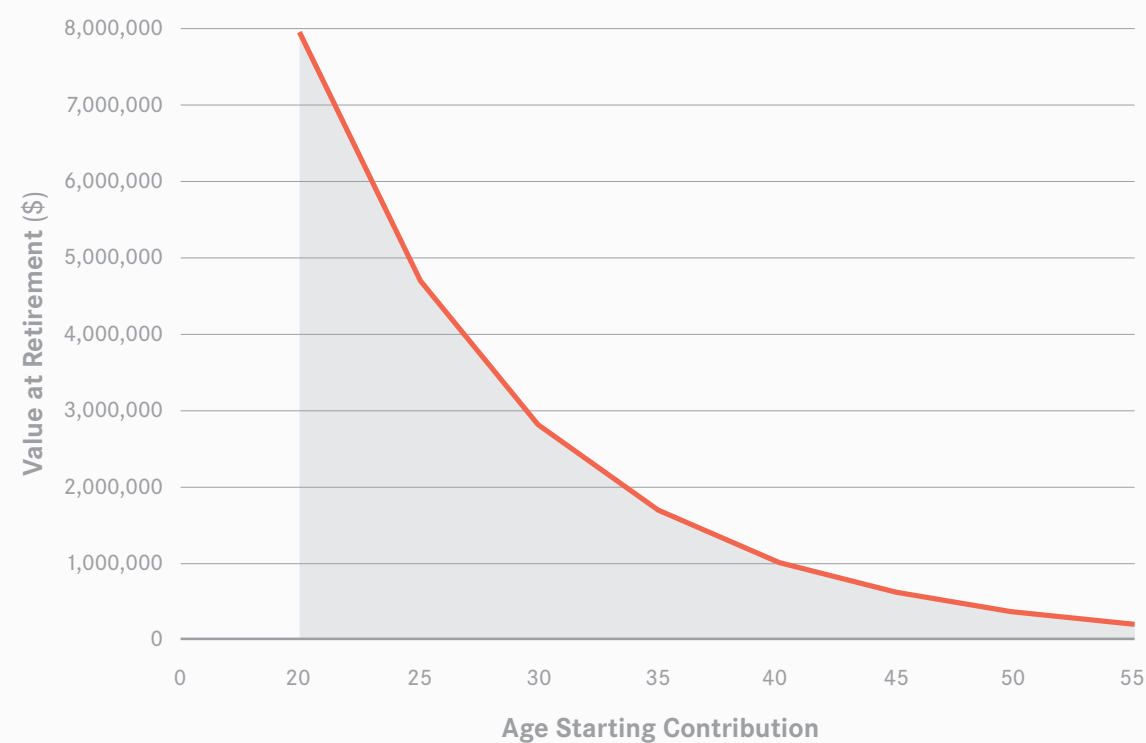
The strategy is run independently of its benchmark, allowing us to hold investments that we believe have the best potential to maximize risk-adjusted returns. It is a high alpha seeking strategy that invests globally and includes allocation to both developed and emerging markets. Our dynamic approach to this strategy has a proven track record over the past ten years.

## Benefits to potential investors

- Option to choose a unique and personalised lifecycle-based portfolio strategy to create an ideal balance between Equity and Bond, either through the default portfolio or through the client-choice portfolio strategy.
- Flexibility to increase your investment through top-ups.
- Switch facilities
  - Unique auto-switch facility as you cross different age brackets
  - Based upon market strategies and the client's own preferences, he/she may switch the initial allocation to any other allocation he/she may wish
- Flexibility to choose your retirement age.
- Option to cash accumulated funds as lump sum or as monthly installments at retirement
- Tax benefits - The underlying funds to which the client is exposed are resident companies in Mauritius where capital gains are not taxable. In this respect, any gain realized on investments held by the client will not be liable to tax in Mauritius.

**Scenario:** The below illustration assumes several scenarios with an investor entering the plan at different ages. The chart clearly shows that the earlier an investor enters the plan, the bigger the value of savings at retirement.

Retirement age	65 years
Contribution Amount	USD 1,000
Annuity frequency	Monthly
Chosen Strategy	Default





# HORIZON MY RETIREMENT PLAN FEATURES

## Minimum Investment

Minimum investment:  
Monthly Contribution of USD 1,000

You may raise your monthly contribution at any time with a minimum of USD 100. In addition, during the investment phase, the client may top up his/her contributions by a lump sum amount which shall be invested according to the strategy prevailing at time of the top up.

## Switching between Strategies/Funds

Switching consists of one of the following 2 options:

1. Shift among the Secured, Conservative, Moderate, and Aggressive strategy in the default portfolio strategy
2. Shift your existing holdings from one fund to another fund

## Limit for switching among funds

Minimum Switching Amount:  
50% of Accumulated Contributions

Maximum Switching Amount:  
Total Accumulated Contributions

## Charges

You have the right to two (2) free switches per year. However, the unused free switches cannot be carried forward to the next year and any additional switch for the year will be charged USD 100.

Should the switch relate to the strategies, the charge shall be deducted on the next contribution received. For switching among funds, the charge shall be deducted from the fund value switched.

## Withdrawal of funds

The Horizon My Retirement Plan is an open-ended plan which allows partial or full redemption of your holdings before maturity.

## Limits on withdrawals

Minimum Withdrawal Amount:  
20% of Accumulated Contributions

Maximum Withdrawal Amount:  
Total Accumulated Contributions

## Fees

Please refer to section "Fees payable in Horizon My Retirement Plan"

## Fees applicable in Horizon My Retirement plan

The following charges apply for the plan:

TYPE OF CHARGE	CHARGE DETAILS		DESCRIPTION
Entry Fee	Monthly contribution and any top up: 2.0%		The shown percentage is deducted from your contribution before we make any investment in the underlying funds
Management Fee (MF) of the underlying Funds	Fund Name	Annual Rate	The MF is deducted on a monthly basis from the Fund Value before calculation of the Net Asset Value
	Global Equity Fund	1.5%	
	Global Bond Fund	1.0%	
Administration Charge (AC)	0.35% - 0.50%		For the continuous administration of the client’s investments, the shown percentage is deducted from the client’s contribution before we make any investment in the underlying funds
Exit Fee	The following fee structure applies for both partial and full withdrawal:  1 <sup>st</sup> year      -      3.0% 2 <sup>nd</sup> year     -      2.5% 3 <sup>rd</sup> year     -      2.0% 4 <sup>th</sup> year     -      1.5% 5 <sup>th</sup> year     -      1.0%  No fees apply after the 5 <sup>th</sup> year		The Exit Fee is a percentage of the Fund Value we hold back, on partial/full withdrawal from the plan
Switch	2 free switches per year USD 100 for any additional switch		-

AfrAsia Capital Management Ltd reserves the right to revise the above charges at any time during the term of your investments in the Horizon My Retirement Plan. Only the management fee will apply during the benefits recoupment phase.

### Risk Factors

The contribution paid in the Horizon My Retirement Plan is subject to investment risks associated with capital markets such as market risk, economic risk and interest risk among others. Investing in international markets may involve additional risk, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Therefore, the price of your underlying funds may go up or down at any time and the funds do not offer a guaranteed or assured return. In addition, past performance does not necessarily indicate the future performance of the funds.

## Summary Features

Principal terms:

NAME OF PLAN	HORIZON MY RETIREMENT PLAN
Name of Underlying Funds	ACM Global Equity Fund and ACM Global Bond Fund
Type of Funds	Retail CIS, Open-ended fund
Legal Form	Limited liability company with GBC 1 status
Currency	USD
Investment Manager	AfrAsia Capital Management Ltd
Administrator	NWT (Mauritius) Limited
Custodian	AfrAsia Bank Limited
Auditor of Underlying Funds	Comprehensive Financial Services
Dividend Policy	The Funds have no intention to declare any dividends.
Valuation and Dealing	Last business day of each month
Liquidity	Units may be purchased or redeemed on every Dealing Day at the Net Asset Value per share.
Minimum Investment	USD 1,000

## Disclaimer

Proudly brought to you by AfrAsia Capital Management Ltd.

Horizon My Retirement Plan (the “HRP”) is not a pension plan, a Retirement Benefits Scheme or any other type of pension schemes (including products of a similar nature) and, consequently, does not fall within the purview of the Financial Services Act, the Insurance Act, the Employees Superannuation Fund Act or the Private Pension Scheme Act 2012. Subscription to a HRP constitutes essentially of investment in collective investment schemes (“CIS”) duly authorised by the Financial Services Commission (the “FSC”). The HRP is targeted to investors sharing similar investment profile and horizon as those of the CIS. Horizon My Retirement Plan cannot accept portability values from private pension schemes.

For your information, the FSC does not vouch for its financial soundness or the correctness of any statements made or opinions expressed with regard to the HRP. Investors should seek professional financial advice regarding the appropriateness of investing in the HRP given their specific investment objectives and financial situations and should understand that future expectations may not be realized. Past performance is not a guide to future performance. In particular events, the HRP may be suspended for dealing.

AfrAsia Capital Management Ltd is regulated by the Financial Services Commission. Please refer to the following website: [www.myfuture.mu](http://www.myfuture.mu) for more information.





AfrAsia Bank Limited  
Bowen Square, 10 Dr Ferrière Street, Port Louis, Mauritius  
Tel (230) 208 5500 | Fax (230) 213 8850  
[afrasia@afrasiabank.com](mailto:afrasia@afrasiabank.com) | [www.afrasiabank.com](http://www.afrasiabank.com)  
Mauritius – South Africa – Zimbabwe