









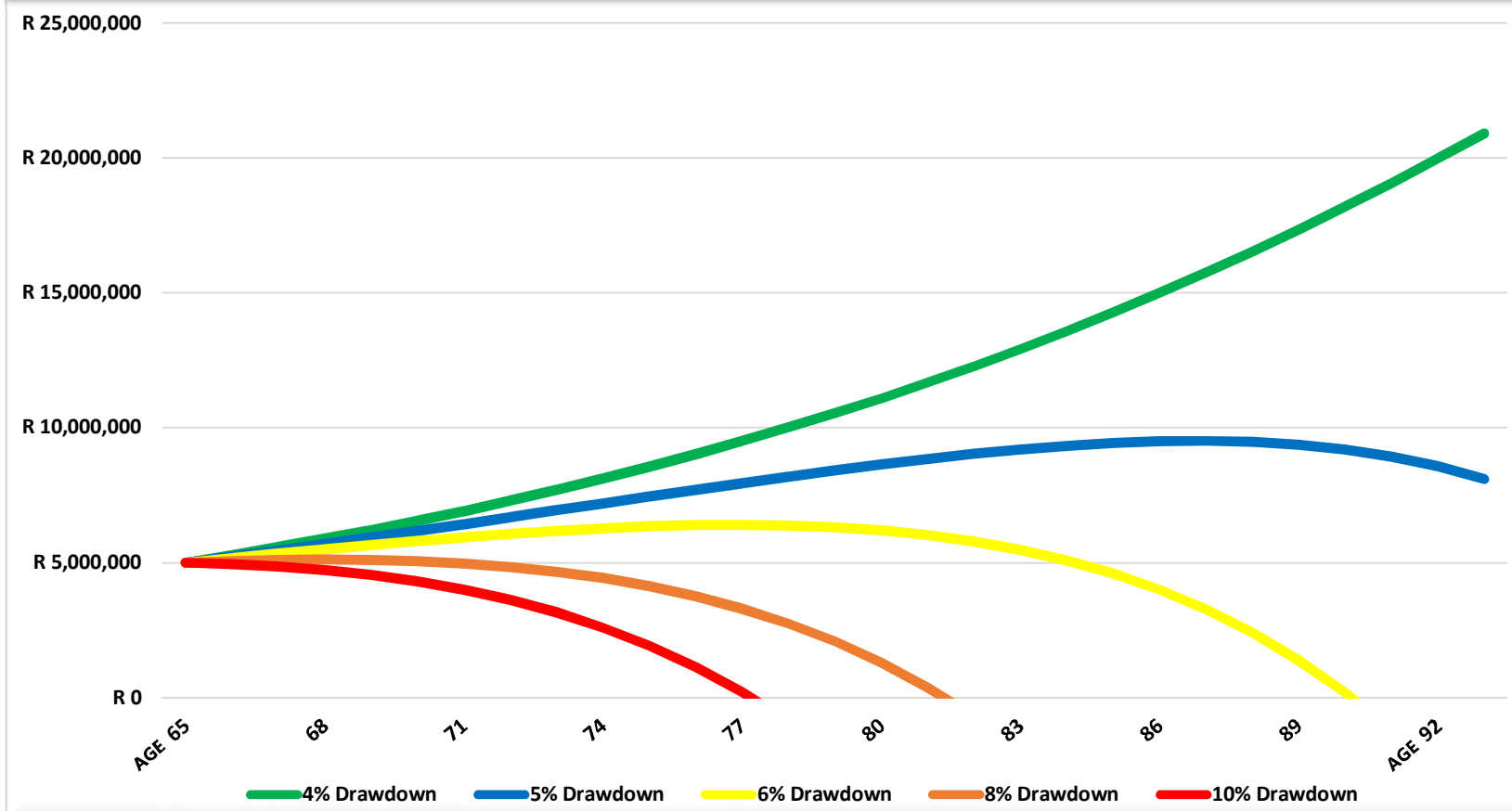
## MARKET PERFORMANCE

COUNTRY	MAY%	YTD %
 South Africa	-0.42%	7.10%
 Brazil	-4.12%	4.12%
 Russia	-6.57%	-15.8%
 India	4.10%	7.95%
 China	4.25%	7.91%
 USA	0.33%	6.31%
 UK	3.88%	6.27%
 Germany	1.42%	9.88%

## MARKET COMMENTARY

This month saw the Chinese markets close the month up 4.25%, despite a downgrade to A1 by Moody's. This was due to better than expected Purchasing Managers Index (PMI) data and increased investor optimism. The Indian markets closed the month up 4.10%, despite lower than expected GDP growth. The increase was largely due to increased net capital inflows and investors being optimistic on India's growth. The recent bombing in Manchester did little to hamper the UK markets as they closed the month up 3.88%, aided by UK blue chip companies nearing close to record high share prices. The Brazilian markets didn't fair to well this month closing the month down -4.12%, after presidential interference in a corruption investigation. JSE had a relatively flat month but ended the month down -0.42% following a retreat in Financials and Naspers share price.

## RETIREMENT CAPITAL LONGEVITY AT VARIOUS DRAWDOWN RATES



### ASSUMPTIONS:

- Retirement starts at age 65
- R 5 million initial capital amount at retirement
- Initial capital amount invested to earn a return of CPI+4% per annum (10%)
- Annual retirement income need (living expenses) increases by 6% every year.

### VERDICT:

- **DANGER ZONE:** More than 6% annual drawdown of capital (e.g. at a 10% drawdown, R 5 million is reduced to zero at age 77).
- **SAFE ZONE:** 6% (or less) annual drawdown of capital
- **IDEAL ZONE:** 4% annual drawdown of capital
- If you want to outlive your capital – ensure that your annual drawdown of capital is less than 5% (**green** and **blue** lines).