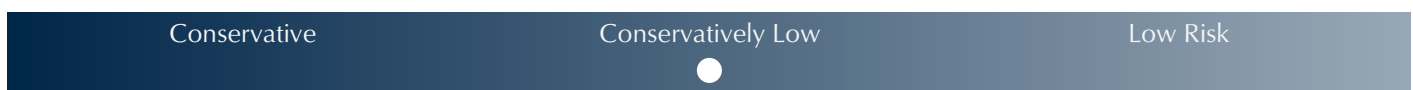


Investment Portfolio Profile

This portfolio offers investors direct access to bond instruments within their Investment Solutions Living Annuity. This ensures that investors receive a known series of interest payments and, hence, a known return. In the case of inflation-linked bonds, a return linked to inflation (headline CPI). This enables them to lock in a fixed return for a portion of their investment, while the remainder of their assets can be used to enhance overall returns. This only applies if the bond is held to maturity.

Risk Meter

Risk refers to the predictability or volatility of returns over a five-year period. Risk refers to the predictability or volatility of returns over a five-year period.



What is a Bond?

A bond is a loan issued by a borrower to a lender. In return for a lump sum payment by the lender to the borrower, the lender receives a series of interest payments (called coupons) and a final maturity payment (equal to the nominal amount held). Bonds are usually issued by governments, municipalities and large companies or institutions.

Before choosing a bond, an investor needs to consider the following factors:

- Term of the bond (this varies from a few months to 30 years) – the bond ends on the maturity date/s, when the borrower pays the nominal amount to the lender.
- Coupon rate (or rate of interest payable on the bond) – coupons are generally quoted as an annual percentage but payable bi-annually. Most bonds have a fixed rate of coupon payable e.g. 10% p.a. However, a new type of bond known as an inflation-linked bond, has coupons linked to the rate of inflation, as measured by growth in the Consumer Price Index.
- Yield (or yield to maturity) – The total return that will be achieved by holding the bond until the maturity date. This takes into account the amount paid for the bond, the coupons payable and the maturity payment.
- Issuer of the bond – the more secure the issuer the lower the return will be; or the “riskier” the issuer, the higher the return payable. Bonds issued by governments are regarded as the most secure bonds available because there is usually a very low default risk.

Portfolio Details

Investment Solutions offers investors five bonds from which to choose. These vary in duration from one to 11 years and include four fixed-coupon and one inflation-linked bond. More bonds may be made available at a later stage. All bonds chosen have adequate levels of liquidity.

Name of Bond	Bond Type	Term (Years)	Maturity Date	Coupon Rate Per Annum
R195	Fixed coupon	0-1 year	28 February 2008	10%
R196	Fixed coupon	0-2 years	28 february 2009	10%
R153	Fixed coupon	6-8-years	31 August 2009/10/11	13%
R189	Inflation-linked	10-years	31 March 2013	6.25% (adjusted for inflation)
R201	Fixed coupon	11-years	21 December 2014	8.75%

Note: The above coupon rate per annum is NOT the effective return an investor will receive. This is due to the effect of any capital gain or loss in the bond. The actual return if a bond is held to maturity is the yield to maturity.

The price of each bond and its yield to maturity is available daily from Investment Solutions or via www.investmentsolutions.co.za.

Availability

The Secure Income Provider is available to investors with the Investment Solutions Living Annuity, Secured Living Annuity and the Fedsure Variable Income Annuity, administered by Investment Solutions.

A maximum of 80% of the annuitant's total portfolio may be invested in the Secure Income Provider (and other "non-liquid" portfolios such as the Investment Solutions Global Resilient and the Orbis Global Portfolios). The annuity income (of 5% to 20% of capital) is payable from the remaining portfolios (other than those mentioned above).

Minimum Investment Size

The minimum amount that can be invested in any one bond is R1 million.

Liquidity

Generally, bonds can be purchased and sold within three working days. In the event that no buyer or seller can be found for the bonds concerned, this might take longer. All instructions need to be given to Investment Solutions on the standard application or switch forms by the latest 10h30 am to take effect.

Interest Payments

All interest payments will be automatically invested in the Investment Solutions Banker Portfolio (a money market portfolio). If a client wishes this to be invested in another available portfolio, Investment Solutions should be advised in writing.

For further information contact your financial adviser or the client interaction centre on 0860-001-750.