



# Bona Life

— see ahead of time —

Introducing

## **Motswako Hybrid Pension**

from Bona Life Insurance



# Introduction



## Motswako Hybrid Pension

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*"Maximize Stability, Embrace Flexibility."*

Introducing a groundbreaking innovation and the first of its kind in the Botswana market - **Motswako Hybrid Pension**

As pioneers in financial solutions, Bona Life has uniquely crafted this financial product, which seamlessly combines the strengths of the Conventional Annuity and Living Annuity into a single, powerful solution.

Designed for retirees who value both security and flexibility, the **Motswako Hybrid Pension** empowers you to take control of your financial future while enjoying the benefits of steady growth and financial stability. With this product, you truly experience the best of both worlds.



# Why you should choose Motswako Hybrid Pension

*"Empower Your Retirement - Guaranteed Income with Freedom to Grow."*

Motswako Hybrid Pension stands out as a versatile and comprehensive retirement solution, offering several key advantages that make it an attractive choice for retirees. Here's why you should Choose Motswako Hybrid Pension:

Why?	Description	Why You Should Choose It
<b>Balanced Approach to Income &amp; Flexibility</b>	Motswako Hybrid Pension combines the guaranteed income of a conventional annuity with the flexibility of a living annuity. This means you can enjoy a stable, predictable income while retaining the ability to adjust withdrawals based on your changing needs.	If you want the security of knowing you'll receive a steady income throughout your retirement, but also want the flexibility to manage your finances as life changes, Motswako Hybrid Pension offers the best of both worlds.
<b>Investment Control with Security</b>	Unlike traditional annuities, which often offer limited investment choices, Motswako Hybrid Pension allows you to have control over your investment strategy within the living annuity portion, while also securing a guaranteed income stream.	This product is ideal if you want to take advantage of potential market growth while ensuring that your basic income needs are covered, reducing the risk of outliving your savings.
<b>Inflation Protection</b>	The growth potential from the living annuity component can help your income keep pace with inflation, something that's often a concern with fixed, conventional annuities.	Protecting your purchasing power is crucial in retirement, and Motswako Hybrid Pension provides a mechanism to help ensure your income remains relevant in the face of rising costs.
<b>Legacy Planning</b>	Motswako Hybrid Pension allows you to leave a legacy by passing on any remaining balance from the living annuity portion to your heirs, while ensuring that you have a secure income during your lifetime.	If leaving an inheritance is important to you, but you don't want to compromise on your own financial security, Motswako Hybrid Pension provides a balanced solution.
<b>Comprehensive Retirement Solution</b>	Motswako Hybrid Pension offers a comprehensive solution by integrating the best features of conventional and living annuities, tailored to meet diverse retirement needs.	This product is perfect for those seeking a well-rounded retirement plan that addresses income stability, investment growth, and flexibility, all in one package.
<b>Pioneering Innovation</b>	As the first of its kind in the Botswana market, Motswako Hybrid Pension represents cutting-edge financial planning, offering a unique solution not available through traditional annuity products.	By choosing Motswako Hybrid Pension, you're opting for a product that reflects the latest advancements in retirement planning, ensuring you benefit from a forward-thinking approach to your financial security.

In summary, Motswako Hybrid Pension offers the dual advantages of security and flexibility, making it a compelling choice for retirees who want to enjoy the stability of a guaranteed income while still having the ability to manage their investments and adapt to changing financial needs. This innovative product is designed to help you achieve a financially secure and fulfilling retirement.

# Motswako Hybrid Pension tackle some of the most prevalent risks in Retirement

*“Where Security and Growth Converge - Tailored for Your Retirement.”*

Motswako Hybrid Pension addresses several common risks in retirement, making it a robust and comprehensive solution for retirees. Here are some of the key risks it mitigates:

Retirement Risk	The Hybrid Solution
Longevity Risk	Motswako Hybrid Pension provides a guaranteed income for life through the conventional annuity portion, ensuring that you won't run out of money, no matter how long you live.
Market Risk	While the living annuity portion allows for potential growth through investments, the conventional annuity component provides a stable, guaranteed income, offering a buffer against market downturns.
Inflation Risk	The growth potential of the living annuity can help your income keep pace with inflation, while the guaranteed income from the conventional annuity offers stability.
Withdrawal Rate Risk	The fixed income from the conventional annuity ensures you have a base level of income, reducing the need to withdraw large amounts from the living annuity, which helps preserve your investment balance.
Sequence of Returns Risk	The guaranteed income from the conventional annuity helps mitigate the impact of early poor returns on your overall portfolio, allowing the living annuity portion time to recover.
Liquidity Risk	While the conventional annuity provides a stable income, the living annuity portion allows for more flexible withdrawals, giving you access to funds in case of unexpected expenses.
Legacy Risk	The living annuity portion of Motswako Hybrid Pension allows for the possibility of passing on any remaining balance to your heirs, providing a way to leave a legacy.

By addressing these risks, Motswako Hybrid Pension offers a balanced approach to retirement planning, combining security with flexibility to help you achieve a stable and fulfilling retirement.

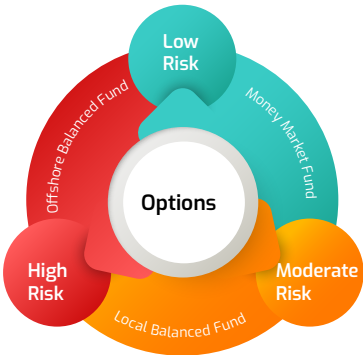
# How are funds Invested for your Benefit

*“Unlock the Power of Choice and Certainty.”*

In Motswako Hybrid Pension, funds are invested through a strategic combination of two distinct components: the Conventional Annuity portion and the Living Annuity portion. Here's how the funds are managed and invested in this hybrid approach:

Annuity Type	Investment Strategy	Objective	Investment Characteristics
Conventional Annuity Portion	The funds in this component are allocated to a portfolio designed to provide stable, guaranteed income. This typically involves low-risk investments such as government bonds, high-quality corporate bonds, or other fixed-income securities.	To ensure a reliable and predictable income stream for the annuitant, protecting against market fluctuations and ensuring financial security throughout retirement.	The focus is on capital preservation with a fixed payout structure that guarantees income for life or a specified period.
Living Annuity Portion	Funds in this component are invested in a range of asset classes according to the retiree's preferences and risk tolerance. This can include equities, real estate, mutual funds, or other investment vehicles.	To offer growth potential and flexibility in managing investments. The retiree can adjust the investment choices based on changing financial goals and market conditions.	The focus is on maximizing growth and allowing the retiree to benefit from market performance, with the option to modify the investment strategy as needed.

Below is the current assets classes available for retirees:



# Benefits of Choosing **Motswako Hybrid Pension** over Conventional & Living Annuities

*"Your Financial Future, Simplified—The Hybrid Annuity Advantage."*

Motswako Hybrid Pension offers a unique approach to retirement planning by combining the strengths of both immediate/conventional annuities and living annuities into one comprehensive product. This innovative solution provides retirees with a balanced mix of security and flexibility, addressing common retirement risks while offering opportunities for growth. Below are the key advantages that set Motswako Hybrid Pension apart from traditional annuity options.

Benefit	Hybrid Annuity	Conventional Annuity	Living Annuity
➤ <b>Balanced Security and Flexibility</b>	Combines the guaranteed income of a conventional annuity with the flexibility of a living annuity. This means you receive a stable, predictable income while also having the option to adjust your withdrawals and manage your investments.	Offers fixed payments with no flexibility to adjust income or manage investments.	Provides flexibility in withdrawals and investment management but lacks the guaranteed income security of a conventional annuity.
➤ <b>Control Over Investments</b>	Allows you to control the investment of your funds in the living annuity portion, offering potential for higher returns and growth.	Typically has no investment control, with fixed payments determined at the outset.	Offers full investment control but comes with the risk of outliving your savings if investments underperform.
➤ <b>Inflation Protection</b>	By combining the stable income of a conventional annuity with the growth potential of a living annuity, it offers a better chance of keeping pace with inflation.	Fixed payments may lose purchasing power over time due to inflation.	Potential for growth can offset inflation, but there's no guarantee of consistent income.
➤ <b>Longevity Risk Management</b>	Mitigates the risk of outliving your savings by providing a guaranteed income stream (from the conventional portion) while still allowing access to your remaining capital (from the living annuity portion).	Provides lifetime income but without access to capital once annuitized.	Offers access to capital, but there's a risk of depleting your funds if withdrawals are not managed carefully.
➤ <b>Legacy Planning</b>	Balances the ability to leave an inheritance with the need for secure income. The living annuity portion can be passed on to beneficiaries, while the conventional annuity ensures you won't outlive your funds.	Usually ceases payments upon death, often with little or no inheritance left for beneficiaries except for the guaranteed period income.	Allows you to leave the remaining balance to your heirs, but the lack of guaranteed income can pose risks during your lifetime.

Benefit	Hybrid Annuity	Conventional Annuity	Living Annuity
↳ <b>Customization and Personalization</b>	Offers a more tailored retirement solution by blending the features of both annuity types to meet individual needs for both security and flexibility.	Provides predictable income but limited customization options.	Highly customizable but requires careful management to avoid financial risk.
↳ <b>Comprehensive Retirement Solution</b>	Delivers a comprehensive retirement strategy by integrating the best elements of both conventional and living annuities, ensuring a balance of stable income, growth potential, and investment control.	Focuses on income stability but lacks growth potential.	Focuses on growth and flexibility but can be risky without a guaranteed income.

In summary, Motswako Hybrid Pension offers a unique blend of security, flexibility, and control that neither conventional nor living annuities provide on their own. It's designed to offer the best of both worlds, making it a versatile and comprehensive solution for retirement planning.

# Motswako Hybrid Pension

## Frequently Asked Question (FAQs)

### 1. What is Motswako Hybrid Pension?

• Motswako Hybrid Pension is a retirement financial product that combines the features of both immediate/conventional annuities and living annuities. It offers a blend of guaranteed income and investment growth potential, providing retirees with both security and flexibility.

### 2. How does Motswako Hybrid Pension work?

• Motswako Hybrid Pension splits your retirement funds into two portions: one portion is invested in a conventional annuity that provides a stable, guaranteed income for life, while the other portion is invested in a living annuity that allows for growth and flexibility through market-based investments.

### 3. What are the main benefits of Motswako Hybrid Pension?

• Motswako Hybrid Pension offers several advantages, including:

- **Guaranteed Income:** Ensures a steady income stream for life, protecting against longevity risk.
- **Investment Flexibility:** Allows for potential growth through market investments, which can help combat inflation.
- **Balanced Risk:** Combines the security of a conventional annuity with the growth potential of a living annuity.
- **Control:** Offers the ability to adjust investments and withdrawal rates based on your financial needs.

### 4. How is the income from Motswako Hybrid Pension structured?

• The income from Motswako Hybrid Pension is divided into two streams:

- **Fixed Income:** Provided by the conventional annuity portion, this income is guaranteed and consistent, ensuring financial stability.
- **Variable Income:** Derived from the living annuity portion, this income can fluctuate based on investment performance, offering the potential for increased payouts over time.

### 5. Can I access my funds if needed?

• Yes, the living annuity portion of Motswako Hybrid Pension allows for more flexible withdrawals, giving you access to funds in case of unexpected expenses or changing financial needs. However, it's important to manage withdrawals carefully to ensure the sustainability of your investments.

### 6. How does Motswako Hybrid Pension protect against inflation?

• The living annuity portion of Motswako Hybrid Pension is invested in assets that have the potential for growth, which can help your income keep pace with inflation over time, preserving your purchasing power.

### 7. What happens to the remaining balance if I pass away?

• Any remaining balance in the living annuity portion can be passed on to your beneficiaries, allowing you to leave a financial legacy. The conventional annuity portion, however, typically does not provide a balance to be passed on after death, as it is structured to provide income for life. The guaranteed period is passed to the beneficiaries on Conventional Annuity.



**8. Is Motswako Hybrid Pension suitable for everyone?**

- Motswako Hybrid Pension is particularly well-suited for retirees who seek a balance between guaranteed income and investment growth potential. However, individual financial goals, risk tolerance, and retirement needs should be considered when choosing this product.

**9. How do I decide the right allocation between the conventional and living annuity portions?**

- The allocation depends on your financial goals, risk tolerance, and need for income security versus growth. A financial advisor can help you determine the appropriate balance to meet your retirement objectives.

**10. Are there any fees associated with Motswako Hybrid Pension?**

- Yes, there are fees associated with both the conventional and living annuity portions, including management fees, administrative fees, and possibly advisory fees. It's important to understand these costs and how they may impact your overall returns.

**11. Can I make changes to my investment strategy within Motswako Hybrid Pension?**

- Yes, within the living annuity portion, you have the flexibility to adjust your investment strategy based on market conditions or changes in your financial situation. The conventional annuity portion, however, provides a fixed income that cannot be altered.

**12. How does Motswako Hybrid Pension compare to traditional annuities?**

- Motswako Hybrid Pension offers the combined benefits of both traditional immediate/conventional annuities and living annuities, making it a more versatile option for retirees who want both security and flexibility. Traditional annuities typically offer either guaranteed income without growth potential (conventional) or growth potential without guaranteed income (living), whereas Motswako Hybrid Pension provides both.

**13. How do I purchase a Hybrid Annuity?**

- You can purchase a Hybrid Annuity through your financial advisor or directly from Bona Life. They will guide you through the process, help you choose the right allocation, and explain the terms and conditions of the product.

**14. What should I consider before choosing Motswako Hybrid Pension?**

- Before choosing Motswako Hybrid Pension, consider your retirement goals, income needs, risk tolerance, and the level of flexibility you desire. It's also important to review the fees, potential returns, and any guarantees offered by the product. Consulting with a financial advisor is recommended to ensure this product aligns with your retirement plan.

# How to apply for Motswako Hybrid Pension

Applying for Motswako Hybrid Pension is a straightforward process designed to ensure you receive the right guidance and support at every step. Follow these steps to secure your retirement with Motswako Hybrid Pension:

01

## Consult with an Annuity Broker

Motswako Hybrid Pension is primarily distributed through professional intermediaries. Start by reaching out to a licensed retirement intermediary. They will provide you with detailed information, answer your questions, and help you determine if Motswako Hybrid Pension aligns with your retirement goals.

02

## Assessment of Your Retirement Needs

Your broker will work with you to assess your financial situation, retirement objectives, and risk tolerance. This assessment is crucial in determining the appropriate allocation between the conventional and living annuity portions of Motswako Hybrid Pension.

03

## Personalized Plan Development

Based on your assessment, your broker will develop a personalized Hybrid Annuity plan tailored to your specific needs. This plan will outline the proposed investment strategy, income projections, and any associated fees.

04

## Application Submission

Once you're satisfied with your personalized plan, your broker will assist you in completing the necessary application forms. Ensure that all required documents, such as identification, proof of funds, and any other relevant paperwork, are submitted along with your application.

05

## Review and Approval

Your application will be reviewed by Bona Life, to ensure that all information is accurate and complete. Once approved, you will receive confirmation of your Hybrid Annuity plan, including details on how your funds will be invested and when your income payments will begin.

06

## Receive Your Hybrid Annuity Policy

After approval, you will receive your Hybrid Annuity policy document. This document will include all the terms and conditions of your annuity, including the income schedule, investment allocations, and any guarantees.

07

## Ongoing Support and Management

Your broker will continue to provide support and monitor your Hybrid Annuity to ensure it remains aligned with your financial goals. You will receive regular updates on your investment performance and have the opportunity to make adjustments if necessary.

# Glossary

- ➔ **Asset Allocation**  
The distribution of investments across different asset classes, such as stocks, bonds, and cash, to balance risk and return based on the policyholder's goals and risk tolerance.
- ➔ **Beneficiary**  
A person or entity nominated by the policyholder to receive benefits from the annuity, usually in the event of the policyholder's death.
- ➔ **Charges**  
The various fees associated with an annuity product, which may include administration fees, asset management fees, and initial premium charges.
- ➔ **Commission**  
The fee paid to an intermediary (e.g., an insurance broker) for facilitating the sale of an insurance product. This fee is typically a percentage of the policy premium.
- ➔ **Drawdown**  
The amount of income a policyholder chooses to withdraw from their Living Annuity annually. This is typically expressed as a percentage of the policy's investment value.
- ➔ **Fund Management Fee**  
A fee charged for the management of investments in the annuity's underlying funds. It is usually calculated as a percentage of the assets under management.
- ➔ **Fund Switching**  
The process of moving investments from one portfolio or fund to another. In a Living Annuity, policyholders may have the option to switch between different funds based on their investment preferences.
- ➔ **Guaranteed Period**  
The period during which the annuity payments are guaranteed to continue, even if the annuitant passes away. If the annuitant dies during the guarantee period, payments may continue to a nominated beneficiary.
- ➔ **Inflation Protection**  
A feature that adjusts annuity payments in line with inflation to preserve the purchasing power of the policyholder's income over time.
- ➔ **Investment Risk**  
The potential for financial loss due to fluctuations in the value of investments. In Living Annuities, the policyholder assumes the investment risk, while in Conventional Annuities, the insurer takes on the risk.
- ➔ **Longevity Risk**  
The risk of outliving your retirement savings. In a Conventional Annuity, this risk is transferred to the insurance company, while in a Living Annuity, the policyholder retains this risk.
- ➔ **Lump Sum**  
A single payment made, usually from a pension or retirement fund, which can be used to purchase an annuity.
- ➔ **Market-Linked Investment**  
An investment whose returns are tied to the performance of underlying financial markets. In a market-linked annuity, the value of the policyholder's funds may fluctuate based on market performance.
- ➔ **Policyholder**  
The individual who owns the insurance policy and receives the benefits under the terms of the annuity contract.
- ➔ **Single Premium**  
A one-time lump sum payment made by the policyholder to purchase an annuity.
- ➔ **Waiver of Pre-existing Conditions**  
A clause in an insurance policy where the insurer agrees to overlook pre-existing health conditions when providing coverage, usually after a specified waiting period.



# Bona Life

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