IN FOR THE LONG HAUL

The benefits of long-term saving - a case study

HANSARD

Investing to secure your financial future requires commitment and discipline, where a long-term outlook can be rewarded by achieving your savings and investment goals. Regular savings products from Hansard are designed specifically for clients with a long-term outlook in mind, who are committed to continue to save despite the likelihood of market volatility along the way.

Below is an example of a Hansard client whose contract recently matured - a positive example of how commitment throughout the term of the contract, and regular consultation with their adviser to review fund performance, has paid off.

CUSTOMER PROFILE

Jose was aged 25 when he took out his first regular savings contract. He was keen to boost his existing employment pension and decided to take out a Hansard regular savings contract, saving USD 400 per month for 25 years.

Three years later, he had become a parent and wanted to prepare a nest egg for his first born. He was able to top-up his existing plan by increasing his contributions by a further USD 300 per month for 18 years.

A year later he received a promotion from his employer, giving him surplus income and allowing him to increase his regular savings – he committed to a further USD 500 for 21 years to tie in with the maturity of his base contract.

As you can see from the figures, each contract matured with a positive return - rewarding Jose's long-term outlook and commitment to save throughout the term of his contract.

Base contract

- Started in 1996 – 25-year term
- USD 400 per month
- Total contributions - USD 120,000
- Maturity value - USD 178,000
- ***Maturity value is 48% more than contributions.***

Additional contribution contract 1

- Started in 1999 – 18-year term
- USD 300 per month
- Total contributions - USD 65,000
- Maturity Value - USD 102,000
- ***Maturity value is 57% more than contributions.***

Additional contribution contract 2

- Started in 2000 – 21-year term
- USD 500 per month
- Total contributions - USD 126,000
- Maturity value - USD 409,000
- ***Maturity value is 224% more than contributions.***

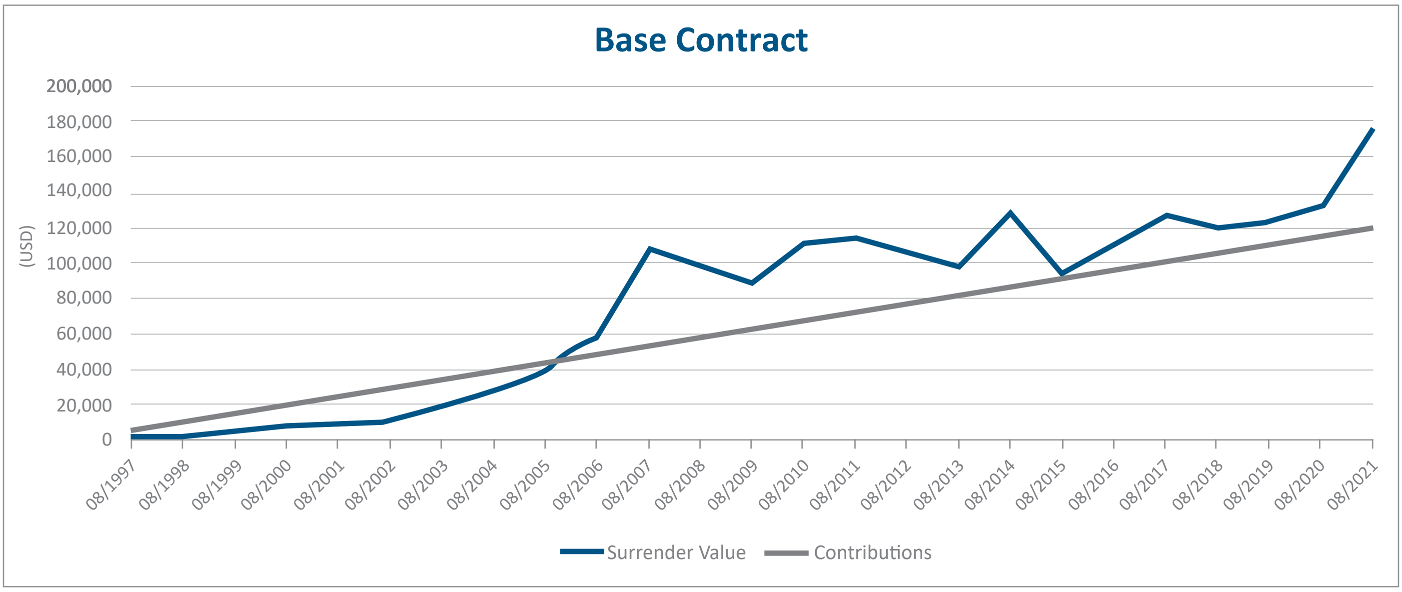
25 Year Term

'Jose' is a fictitious name used in lieu of sharing the personal details of a Hansard client. Monetary figures have been rounded. Other details (i.e., investment term, contributions & savings goals) remain unchanged. This case study is not illustrative or indicative of the performance of any other contract.

TIME *IN* THE MARKETS, NOT *TIMING* THE MARKETS

Your regular contributions take advantage of volatility as they invest at both highs and lows in the market, smoothing out the peaks and troughs in the fund price - more units are purchased when the price falls, and fewer units purchased when the price rises.

The chart below shows how Jose's original base contract (as referenced on page one), fluctuated over the term of his investment. As you can see, the reward for continuing to save, and not surrendering early paid off. If the contract had been cancelled in 2015, for example, when markets significantly dipped, the value would have been over 40% less than the final maturity value (assuming additional contributions had also been made) – which would have been further reduced by penalties incurred for not completing the full term.



The chart above is based on the actual performance of the contract. Contributions were paid on-time and in full for the term and no withdrawals were taken prior to maturity. This is not illustrative or indicative of the performance of any other contract.

LONG-TERM COMMITMENT AND FLEXIBILITY

Maintaining your regular savings is an important part of achieving your initial savings goal, so you should only commit to a regular contribution level that you can continue to make for the full contract term, in order that:

- any loyalty bonus continues to be calculated each month
- projected returns are more likely – subject only to any difference in growth rates used and the investment returns achieved
- bonuses are not forfeited, charges do not increase, and early surrender charges will not apply.

We understand that there may be a number of reasons why you may consider reducing or stopping your regular contributions, or even taking a withdrawal, or surrendering your contract early - for example, affordability, concerns with current performance or simply to fund unexpected expenses.

Whatever the reason, it is important to understand the implications, and where possible, consider any alternative options available to achieve the best outcome.

For full details of the impact of altering the contracted contribution amount or taking money out early, please refer to the product Prospectus.

IMPORTANT NOTES

This document is produced for general information purposes only. Before applying for any product, you should read the product literature.

Hansard:

- uses reasonable efforts to ensure that the information contained in this document is accurate at the date of publication;
- does not offer any minimum return guarantee, therefore the amount you get back from your contract may be lower than the contributions paid;
- does not provide advice on the suitability of any products;
- products are available through independent financial advisors only, on the basis that the independent financial advisor is acting on behalf of the applicant.

Tax consequences will depend on an individual's circumstances and residence, and may change over time. Applicants are advised to seek independent professional advice before applying for any product or if their tax circumstances change during the contract term.

Past performance is not a guide to future performance. Unit prices can go down as well as up. Unit price performance may be affected by movements in exchange rates.

For full details of the product, please refer to the product literature.

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