

Conventional Life Annuity vs. Living Life Annuity

Feature	Conventional Life Annuity	Living Life Annuity
Annuity Instalment	Level or increasing instalment.	May be from 2,5% to 17,5% of the fund value – may only be adjusted once per year on fund anniversary date.
Flexibility	May normally not be transferred to a living life annuity.	<ul style="list-style-type: none"> • Underlying asset composition may be changed by switching between funds and/or portfolios. • May be transferred to conventional annuity at any time.
Investment Risk	No risk for investor. Instalments are guaranteed for the life time of the annuitant(s).	The balance of the fund depends on the return achieved on the underlying assets, as also on the size of the annuity instalment. Poor investment performance and/or a too high instalment level may deplete the fund over time.
Guarantees	Instalments are guaranteed and is at least payable until the expiry of the guaranteed term (if selected).	Portion of investment capital may be guaranteed by selecting underlying investment funds that offer guaranteed options.
Situation At Death Of Annuitant	Instalment ceases at death of last surviving annuitant, unless within guaranteed period.	Balance of fund is transferred to nominated beneficiaries, who may proceed with life annuity or fund may be paid out over 5 years to nominated beneficiaries.