Cytonn
ASSET MANAGERS LIMITED

CYTONN INCOME DRAWDOWN FUND

Have a peaceful retirement, as your benefits work for you

CONTACT US:

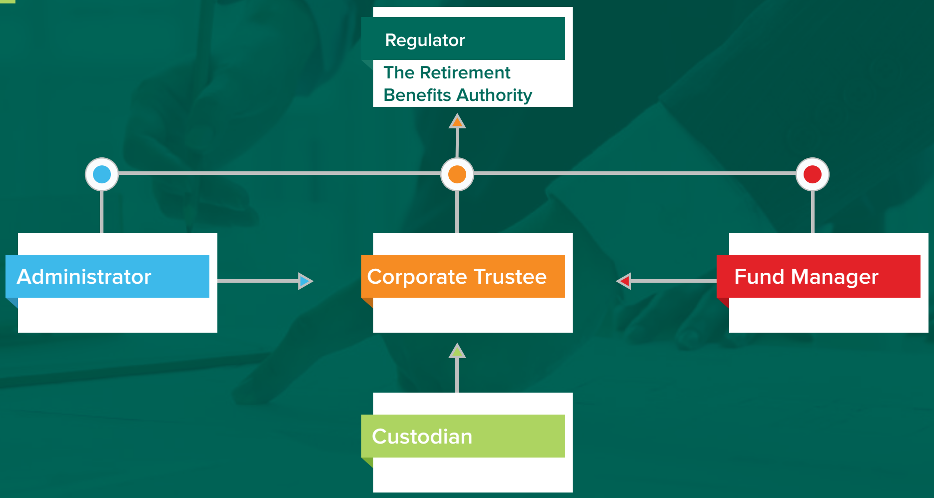
Call: +254 (0) 709 101 000
Email: pensions@cytonn.com

7th Floor, The Chancery,
Valley Road, Nairobi, Kenya

ABOUT THE SCHEME

Cytonn Income Drawdown Fund (CIDDF) provides individuals and members of Retirement Benefits Schemes an option to access their retirement benefits as a regular income through an investment fund upon retirement rather than taking up an annuity.

GOVERNANCE



WHO SHOULD JOIN

- Members who are retiring from Occupational as well as Individual Retirement Benefits Schemes
- Self-employed individuals who would like to have a monthly income for themselves or their parents

INCOME DRAWDOWN VS ANNUITY

- An Annuity- This is an insurance contract where in return for a lump sum of money (e.g. your fund fredit or accumulated contributions plus interest), the Insurance Company/Approved Issuer will give you a periodic income either monthly, quarterly, half-yearly or yearly
- An Income Drawdown- In an income drawdown fund, you transfer your fund credit or accumulated contributions plus interest to the Fund and receive periodic payments. Once you make a withdrawal from the Fund, the remaining balance continues to accrue interest

	Income Drawdown Fund	Annuity
Flexibility	Income draw down is widely considered more flexible than an annuity. With an income drawdown, you choose the amount to be withdrawn and the frequency. You can also change the amount you drawdown regularly to suit your needs.	An annuity provides certainty in retirement, but lacks the flexibility that an income drawdown can provide. Once you purchase an annuity there's no turning back.

	Income Drawdown Fund	Annuity
Longevity	With an income drawdown, your balance is reinvested and thus becomes vulnerable to market performance and as such there are no guarantees the income you draw will be stable for an extended period of time.	Annuities, on the other hand, can be used to guarantee an income for various periods. A lifetime annuity is used to provide a regular income for life, and will continue paying out no matter how long you live.
Inheritance	Should you die before age 75, any beneficiaries you nominate can inherit whatever money is left in your income drawdown without having to pay tax.	The type of annuity you purchase will determine whether it continues to pay out after you die. If you purchase a single-life annuity it will only pay an income to you, the sole beneficiary, and after you die all remaining funds will be kept by the insurer.

WHY CYTONN INCOME DRAWDOWN?

- This fund has a minimum investment of Kshs. 5,000,000 and a minimum drawdown period of 10 years
- Tax Exemption: A member wishing to transfer their accrued benefits into this fund at retirement can do so tax-free
- Flexibility: The CIDDF provides flexibility in terms of;
  - Depending on their needs, members choose how much they wish to be withdrawing and the frequency, i.e, monthly, quarterly, semi-annually or annually. In addition, one has an option of reviewing their withdrawals regularly
  - Secondly, after the drawdown period, one can continue with the income drawdown arrangement purchase an annuity if they so desire
- Return on Investment: Compounding of the investment income leads to accelerated growth of the fund
- Upon death of the individual Member who is receiving benefits from the fund, the nominated beneficiary of the deceased Member shall at their discretion, exercise any of the following options:
  - Receive the balance of the Fund Credit as a lump-sum; or
  - Leave the Fund Credit in the income drawdown fund for the remainder of the tenure

HOW DO I JOIN?

Members Join by signing an application form → Cytonn Asset Managers Ltd confirms the periodic drawdown amount → Members transfer the cash lump sum to the drawdown fund → Members shall receive annual statements reflecting payouts plus interest earned on the residual amounts

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