



BRINGING LIFE TO INVESTMENTS

Life-Pooled Portfolios | Living Annuities | Endowments



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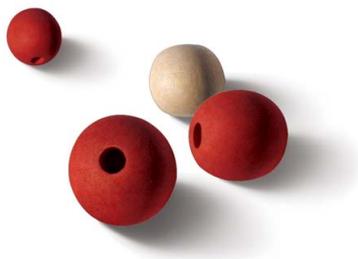
ABOUT 27FOUR LIFE

27four Life Limited is an investment-linked life company within the 27four group, registered as a Long-Term Insurer and governed by the Long-Term Insurance Act. Our purpose, is to offer a range of products to institutional and retail investors, with a strong focus on the principles of Treating Customers Fairly.

This is achieved through the provision of investment platform services to regulated financial services businesses such as asset managers, fiduciary managers and asset consultants who want to introduce investment portfolios to the market without incurring the costs and difficulties of establishing and managing a regulated vehicle.

Such entities can gain easy access to markets by establishing and distributing their own range of investment life products. By making use of the 27four Life Platform, they can have peace of mind and focus on what is most important to them, looking after and managing client assets.

- *Quick, easy and efficient set-up of portfolio/s*
- *Hassle free subscription process for clients*
- *Branded product documentation*
- *Ongoing support*
- *No set requirement to tie up capital for capital adequacy purposes*
- *Regulation 28 compliance and reporting*
- *Flexible administration options*
- *Online access to portfolio, valuation and statements*



WHAT WE CAN DO FOR YOU

1 LIFE-POOLED PORTFOLIOS / WHITE LABELING

Underwrite appropriately licensed third parties who wish to offer policies to their clients. Typical white label clients are asset managers, fiduciary managers, asset consultants, employee benefit consultants and financial advisors.

2 FUND POLICIES

Allow retirement funds and medical schemes to invest into life-pooled portfolios, managed by a variety of appointed asset managers.

3 LIVING ANNUITY POLICIES

Provide an income to individuals in retirement. The retiree is able to choose their own level of income and investment options.

4 SEAMLESS TRANSITION

A service to retirement funds whereby 27four Life facilitates the retirement of fund members into a 27four Living Annuity policy in such a way that the member does not have to disinvest and can remain invested in the same portfolio pre- and post-retirement.

5 ENDOWMENT POLICIES

Allow high net worth individuals and corporates to invest into life-pooled portfolios or collective investment schemes through a tax-efficient policy for 5 years or more.

1 LIFE-POOLED PORTFOLIOS / WHITE LABELING

What is White Labeling and how does it work?

White labeling has become increasingly popular as the barriers to entry within financial services have increased. Regulatory and cost pressures have made setting up a portfolio an expensive, long and difficult exercise. 27four Life allows you to establish and distribute your own branded life products to the market. In other words, you can sell fund policies, endowments and living annuities which are issued via the 27four Life license in the name of your business e.g. "XYZ Balanced Fund" or "XYZ Living Annuity". The underlying investment portfolio is referred to as a life-pooled portfolio which is a unitised portfolio of assets, into which multiple policyholders can choose to invest. Policyholders own a policy linked to the assets in the portfolio. The life-pooled portfolio(s) can either be structured to hold direct investments in underlying instruments, or to hold units in underlying portfolios, or to hold a combination of both.

2 FUND POLICIES

What is a Fund Policy and who is it best suited to?

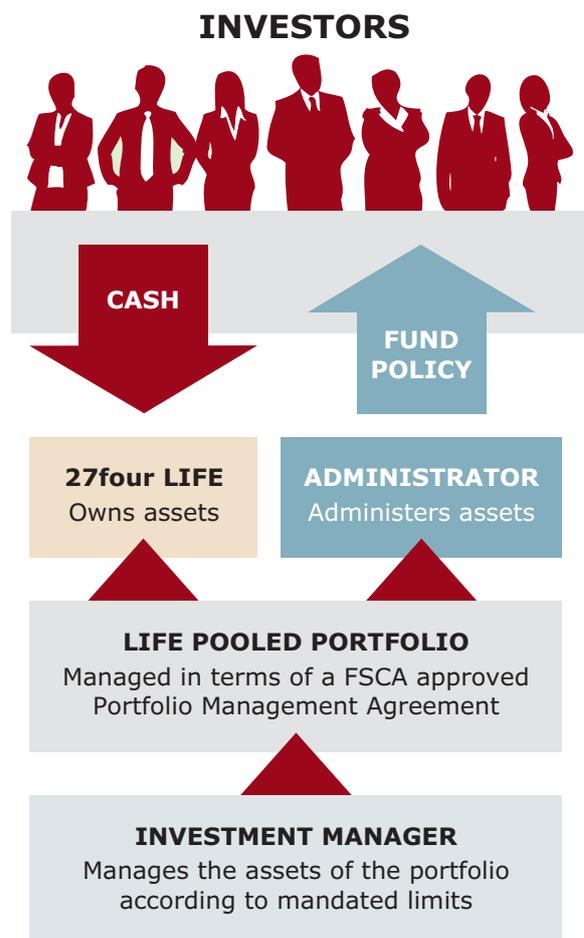
It is a policy issued to retirement funds and medical schemes (or any tax-exempt investor) which allows them to invest into life-pooled portfolios.

Key features

- You will make an initial contribution at the start of the policy. After this, you can make unlimited ad-hoc contributions.
- There is no minimum contribution amount.
- Withdrawals can be made at any time without cost and there is no minimum withdrawal amount.
- Fund policies do not distribute income.
- Should an investor wish to transfer an existing fund policy from another life company to 27four Life, a scrip transfer can be facilitated. In this case 27four Life will issue the investor with a new fund policy on receipt of the scrip transfer.

Reporting

- You will receive a policy document at the start of the policy.



- You will receive daily valuation reports reflecting the unit prices of your investments and monthly statements.
- Each time an investment or redemption is processed you will receive a detailed transaction report.
- We will provide you with Regulation 28 compliance certificates and quarterly SARB reports which will confirm that your investment holdings are compliant.

Investment options

You will be able to invest in a range of life-pooled portfolios **available on the 27four Life Platform**.

Tax

Fund policies are tax-exempt as they are only issued to tax-exempt institutions.

Fees

The fee you pay will depend on the portfolio/s you select to invest in.

3 LIVING ANNUITY POLICIES

What is a Living Annuity Policy and who is it best suited to?

It is an investment-linked annuity policy designed to provide retirees with a flexible income during retirement. Best suited to retirees who do not want to purchase a guaranteed or a with-profits annuity.

Key features

- You can purchase this policy with proceeds from a retirement benefit or with proceeds from another living annuity.
- You can choose a level of income that suits you at the start of the policy, provided that it falls between 2.5% and 17.5% of your investment, as stipulated by South African law.
- You can also choose whether you want your income to be paid monthly, quarterly, bi-annually or annually.
- Your income can be paid either as a Rand amount or as a percentage of your investment at the start of each year.
- You can revise your income annually on the anniversary date of your policy.
- Your income is not guaranteed for life and is dependent on the value of your investment. This will fluctuate based on the performance of the underlying investments.

Investment options

You will be able to invest in a range of life-pooled portfolios and approved collective investment schemes **available on the 27four Life Platform.**

Tax

Tax will be deducted by 27four Life and paid directly to SARS. The tax paid will be based on either a tax directive provided by you or on the current PAYE tax tables.

Fees

- You will pay an on-going policy fee which depends on the size of your investment.
- Investments can be switched at any time without incurring any fees.
- Should you wish to transfer your living annuity to another provider, we will not impose any fees or penalties.



4 SEAMLESS TRANSITION

What is Seamless Transition and who is it best suited to?

The Default Retirement Fund Regulations requires retirement funds to establish an annuity strategy that is appropriate for Fund members when they retire. Historically pre- and post-retirement was generally viewed separately, which often created uncertainty for retirees, leaving them in a sub-optimal financial position and exposing them to higher fees in the retail market.

27four Life aims to alleviate this problem by working directly with retirement funds to develop customised solutions which will allow members to remain invested in the same life-pooled portfolio pre- and post-retirement, thus facilitating a seamless transition into retirement.

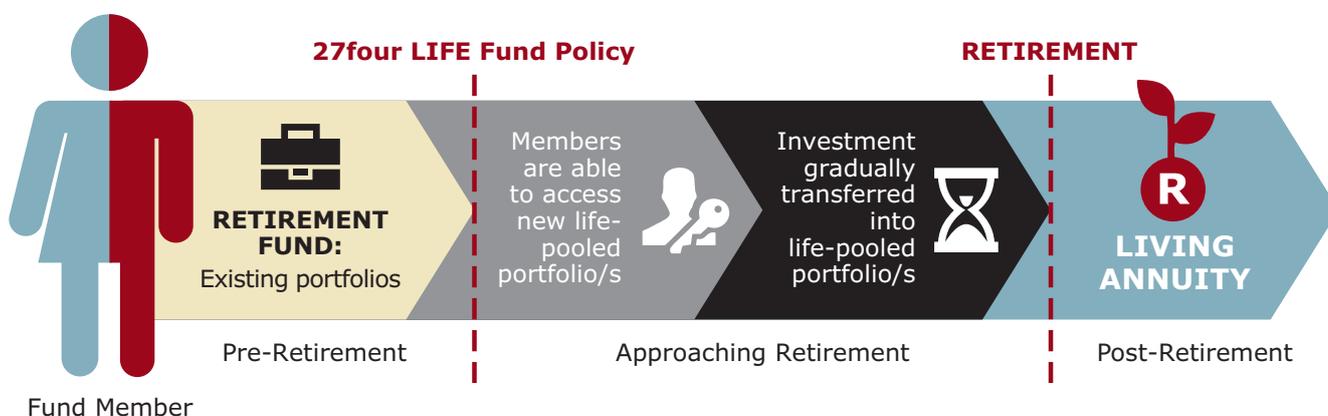
How does it work?

- In the run-up to retirement, Seamless Transition will steer members into a living annuity by placing their investments into a life-pooled portfolio at a suitable level of market aggression.
- This will become the default option for all members, providing them with a smooth retirement without exposure to the higher fees of the retail post-retirement market.
- Members are not locked into the service and are free to take cash on retirement if they wish.
- 27four Life will issue the Fund with a Fund Policy, through which members will be able to access a new life-pooled portfolio.
- Their investment will be gradually transferred into this life-pooled portfolio in the years leading up to retirement.
- When they retire, 27four Life will issue Fund members with a living annuity policy, and their investments will remain in the same life-pooled portfolio at the same cost.

Fees

Fees will be negotiated based on the complexity of the solution, the investment portfolios and the number of members electing the option.

How it works:



5 ENDOWMENT POLICIES

What is an Endowment Policy and who is it best suited to?

It is an investment-linked, long-term savings policy designed to provide you with a tax-efficient way to save. It is best suited to high net worth individuals (with marginal tax rates higher than 30%) who are comfortable with a 5 year investment term and are looking to save or create liquidity in their estate.

Key features

- You can purchase this policy with a lump sum contribution and / or regular contributions by debit order. Additional lump sum contributions can be made after the policy has been purchased.
- A 5 year restriction period applies at the start of the policy, during which you will be unable to access your money aside from one withdrawal limited to the lesser of:
 - Your contributions during the restriction period plus 5% compound interest per annum.
 - The market value of your investment account less fees and charges.
- After a restriction period withdrawal, any remaining balance over R2 500 must stay invested until the restriction period ends.
- After the restriction period you are able to withdraw freely either in lump sums or recurring payments.
- If your contributions in any policy year are greater than 120% of the higher of either of the two previous policy years, the restriction period will be reset.
- You must appoint at least one natural person as the life assured and the policy will end upon the death of the last life assured.
- You can nominate beneficiaries for both ownership and proceeds. Beneficiaries will be paid immediately on the death of the last life assured, thus saving on executor's fees.

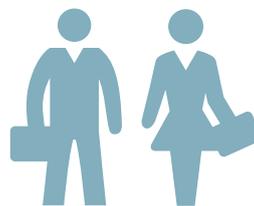
Investment options

You will be able to invest in a range of life-pooled portfolios and approved collective investment schemes **available on the 27four Life Platform.**

Tax

- Income tax will be levied at a rate of 30% and capital gains tax will be levied at a rate of 12% (30% income tax rate x 40% inclusion rate).
- All tax will be recovered from the policy by 27four Life and paid directly to SARS every 6 months.

TAX BENEFITS



INDIVIDUALS
with marginal tax rates >30% (E.G. 45%)

Income tax rate: **45%**
Effective CGT rate: **18%**

When investing in an endowment:

Income tax rate: **30%** ↓ **15%**
Effective CGT rate: **12%** ↓ **6%**

TRUSTS with 45% tax rates & natural persons as beneficiaries

Income tax rate: **45%**
Effective CGT rate: **36%**

When investing in an endowment:

Income tax rate: **30%** ↓ **15%**
Effective CGT rate: **12%** ↓ **24%**

Fees

- You will pay an on-going policy fee which depends on the size of your investment.
- Investments can be switched at any time without incurring any fees.

ADMINISTRATION

27four Life have an outsourcing administration arrangement with Prescient Fund Services as the default provider of administration services. Under this arrangement the following services are provided by Prescient Fund Services:

Policy Administration	Unit holder administration which accounts for the liabilities / client record keeping
	Periodic reporting to the SARB
	Web Portal Access - a branded web portal which can be embedded into any website. Allows clients to log on, view their product balances and switch investments online. Financial advisors and consultants can view their client accounts, generate quotes and draw reports.
Portfolio Administration	Daily unitisation and pricing of portfolio assets
	Compliance monitoring and reporting - Regulation 28

- 3rd parties have the option to appoint a fund administrator of their choice for the provision of Portfolio Administration services.

GOVERNANCE AND COMPLIANCE

Regulated by	Financial Sector Conduct Authority and the Prudential Authority
Internal Auditor	Mazars
External Auditor	SizweNtsalubaGobodo
Actuary	Milliman
Custodians	Standard Bank, Rand Merchant Bank, BNY Mellon
Membership	Association for Savings and Investment South Africa

BOARD OF DIRECTORS

Chad Potter	Executive	Executive within the 27four group
Goolam Modak	Independent Non-Executive	Senior Lecturer and Head of the College of Accounting at the University of Cape Town
Zane Meyer	Independent Non-Executive	Director at Faure & Faure
Ryan Kruger	Independent Non-Executive	Head of the Department of Finance and Tax at the University of Cape Town

CONTACT US

To find out more on 27four Life's white labeling services or to request a fee quotation, please contact us.

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DISCLOSURES

27four Life Limited (Reg. No: 2004/014436/06) is a registered long-term insurer (Licence No: 10/10/1/238). The company is an investment-linked life company within the 27four group licensed to sell business where the policyholder liabilities are directly linked to the policyholder assets. 27four Life Limited is not permitted to sell risk business, where risk is taken onto the insurer's balance sheet. All the policies discussed in this document are underwritten by 27four Life Limited. The assets in the policies will be kept separate from other assets and liabilities underwritten by 27four Life Limited. The benefits offered under the policies will be linked to the investment returns achieved. Neither the investment returns nor the benefits offered are guaranteed. The current investment options available to investors are selected Collective Investment Schemes in Securities (CISs) and selected life-pooled portfolios underwritten by 27four Life Limited. The value of units may go down as well as up and past performance is not necessarily a guide to the future.

This guide has been compiled to provide factual information on the products offered and does not constitute advice.