

**NOBUNTU**

IT PAYS TO LIVE LONGER.



# THE STATE OF SAVING

What's missing?



**TRUST**



**COSTS**



**SIMPLICITY**



**ACCESS**

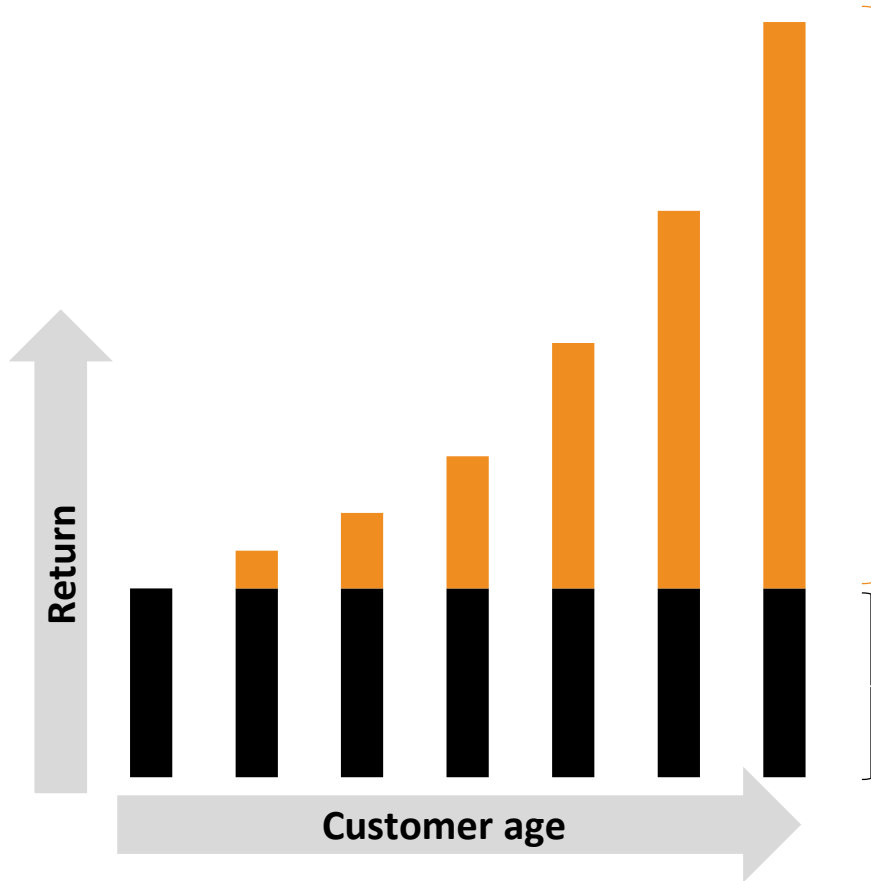
# HOW THE PEOPLE'S FUND WORKS

- 1** People invest **small sums** periodically
- 2** Returns accrue and are distributed on demand once sufficient asset size is reached
- 3** Portion paid to deceased clients family, balance dispersed for the benefit of remaining clients

**SUPERCHARGED MORTALITY PROFITS**

LIVING FOR LONG PAYS WELL

# SUPERCHARGED RETURNS



Customers earn **mortality returns**.

This is when a member passes away and their assets are paid to surviving members. This return increases with age.

Customers earn **withdrawal returns**.

This is the investment retained for benefit of remaining customers on withdrawals to maintain integrity of fund.

Customers earn **market related returns**.

According to the performance of the underlying asset mix.

# IT IS ALL PAID BACK TO CUSTOMERS



## WITHDRAWAL CHARGE

100% of the charge is for the benefit of customers

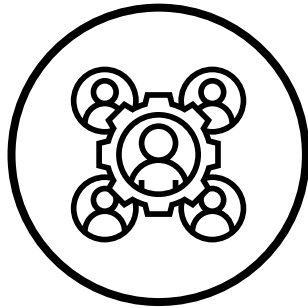


## MORTALITY TRANSFER

Funds are paid to the family with the rest paid to surviving customers

# DISTRIBUTION

**NOBUNTU**  
THE PEOPLE'S FUND



**EMPLOYERS**



**INDIVIDUALS**



# RETAIL VARIATION IN SA



# VARIATION 1

BUY 36 "STAMPS"

GET A **MINIMUM** OF R50 EVERY MONTH



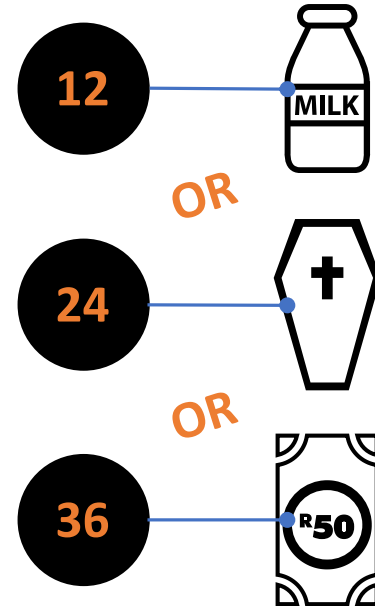
FOR THE  
**REST OF**  
**YOUR LIFE**

# VARIATION 1 - INCENTIVES

## MONTHLY COMPETITION

**WIN**  
YOUR SHARE OF  
**R20 000**  
EVERY MONTH

## MILESTONE OFFER EXAMPLES



# DRIVE CUSTOMER BEHAVIOUR

**NOBUNTU**



FLEXIBLE



EASY TO  
UNDERSTAND



AFFORDABLE



EASY TO  
ACCESS



TRUSTWORTHY

# INTERNATIONAL SUPPORT AND RECOGNITION



**THE WORLD BANK**

WB Informal Pensions Workshop in Benin

**BILL & MELINDA GATES foundation**

Awarded a grant from DFS Lab Gates Foundation



SA press already covering in anticipation



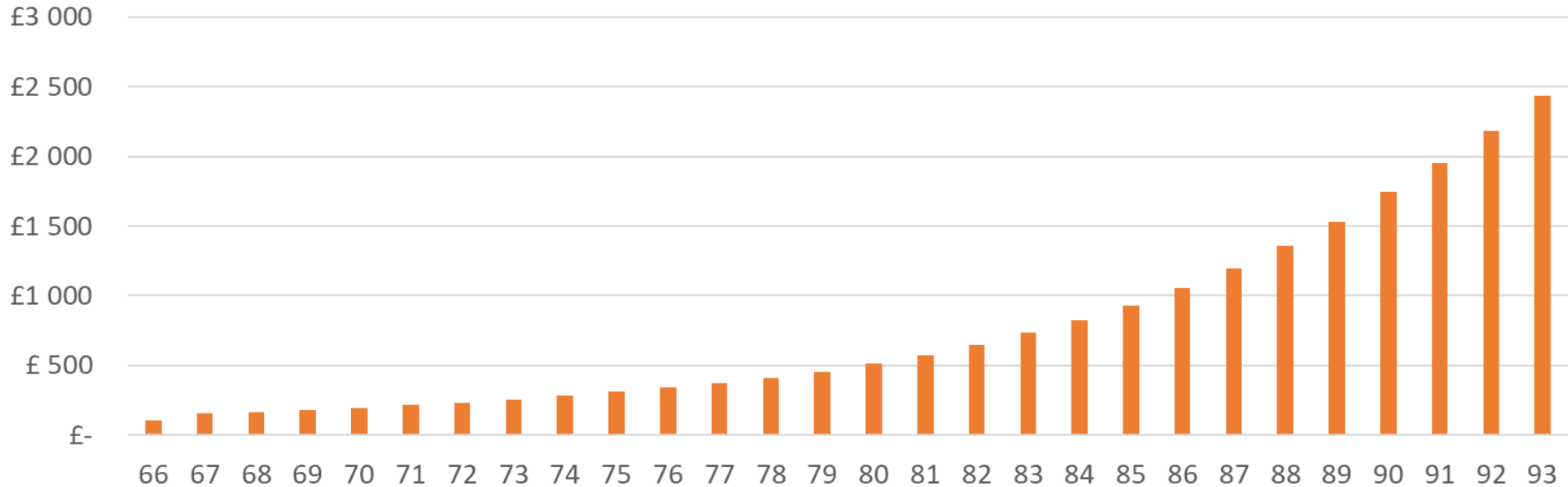
**NOBUNTU**

# DEVELOPED WORLD?



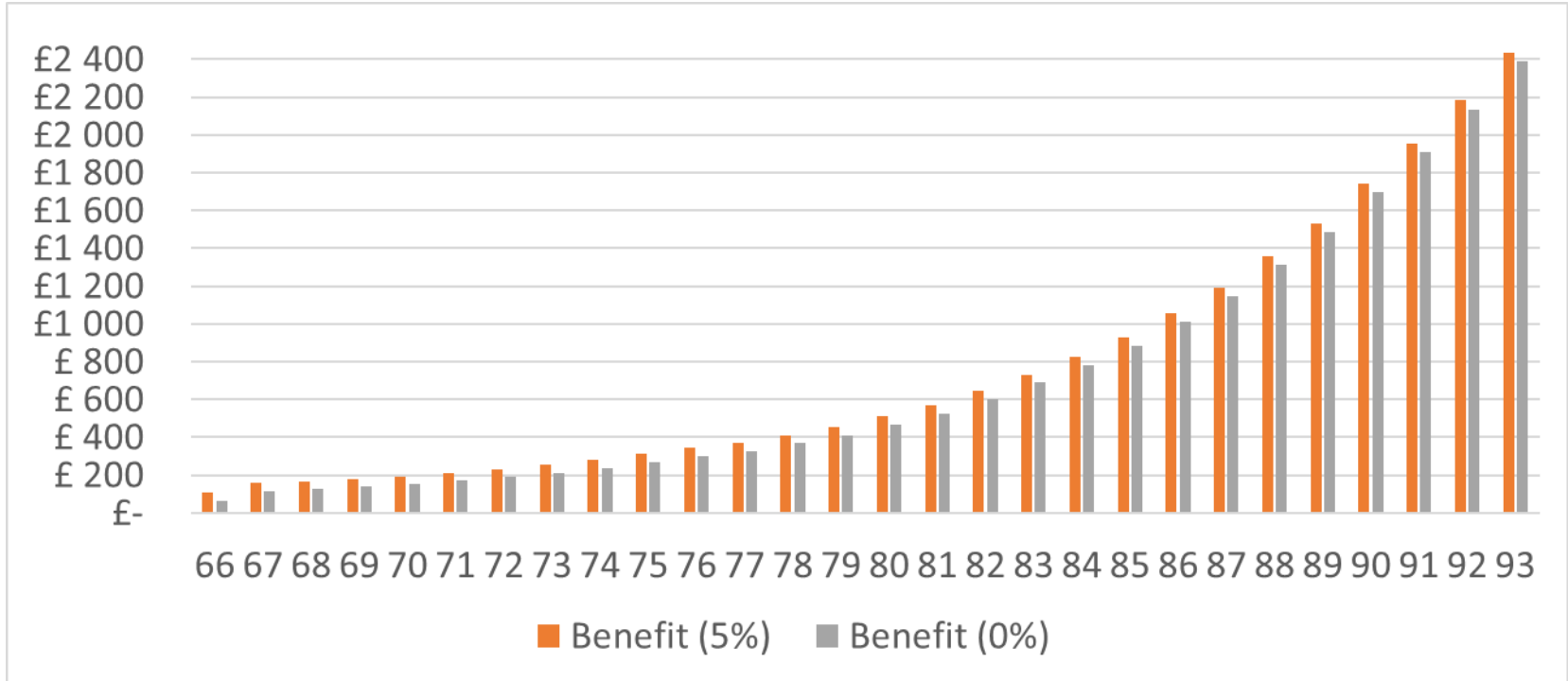
# RETURN PROFILE

Customer monthly benefit payment

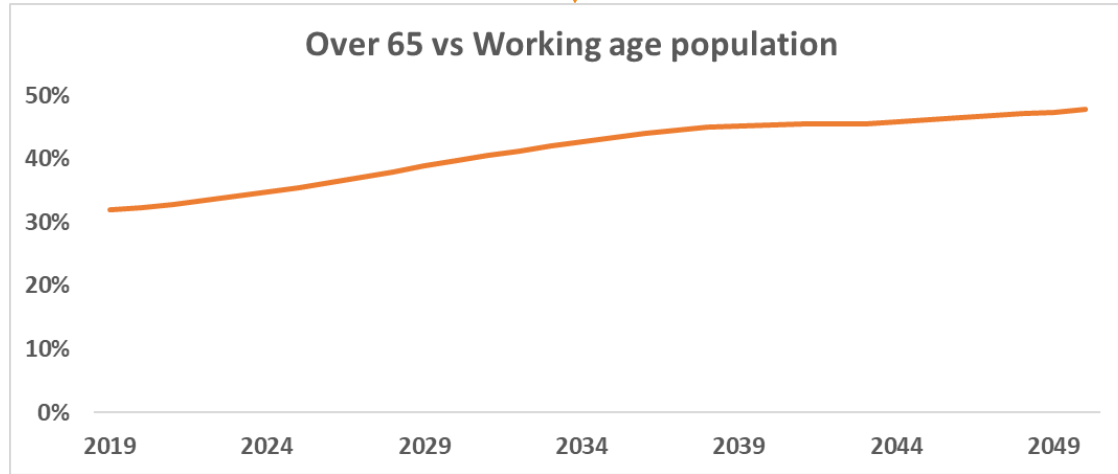


- 0% NET investment return
- 1000 people join at retirement
- ONS 2015 mortality data

# RETURN PROFILE

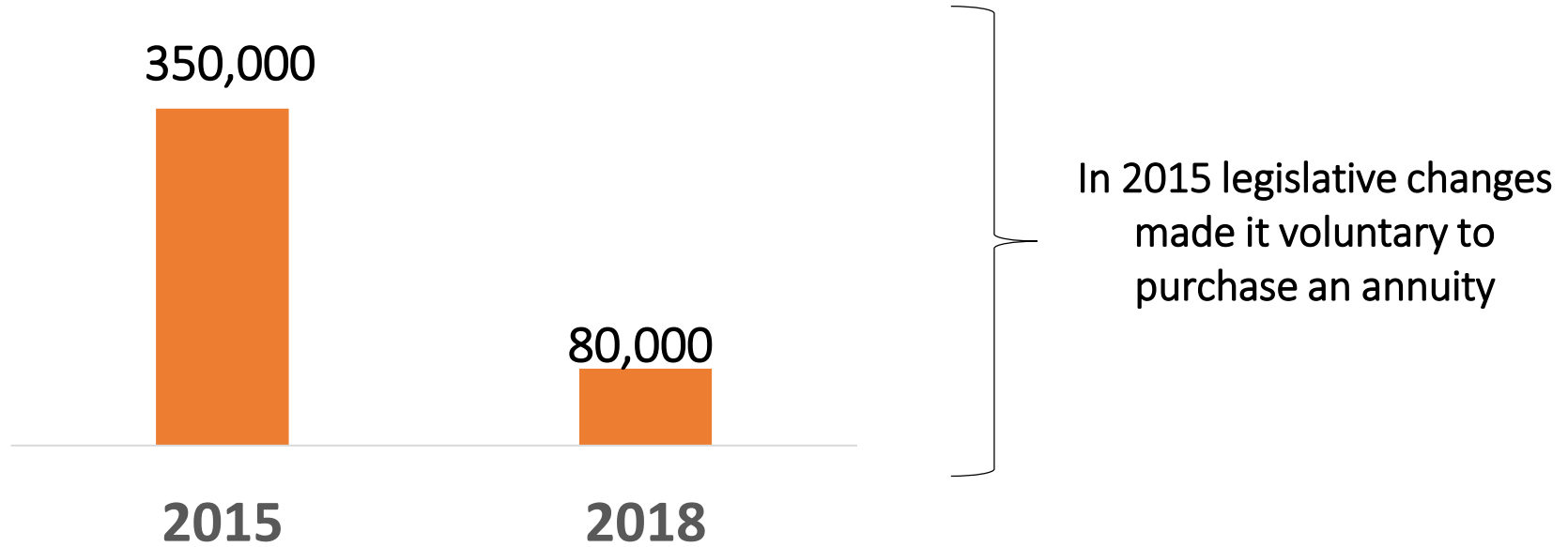


# AN AGING UK POPULATION



- Elderly with unmet care needs has doubled to 1.4m (past 5 years)
- This is a growing market on two fronts:
  1. More people at retirement age over the coming decades
  2. State provision is declining
- The above is broadly similar for most developed markets

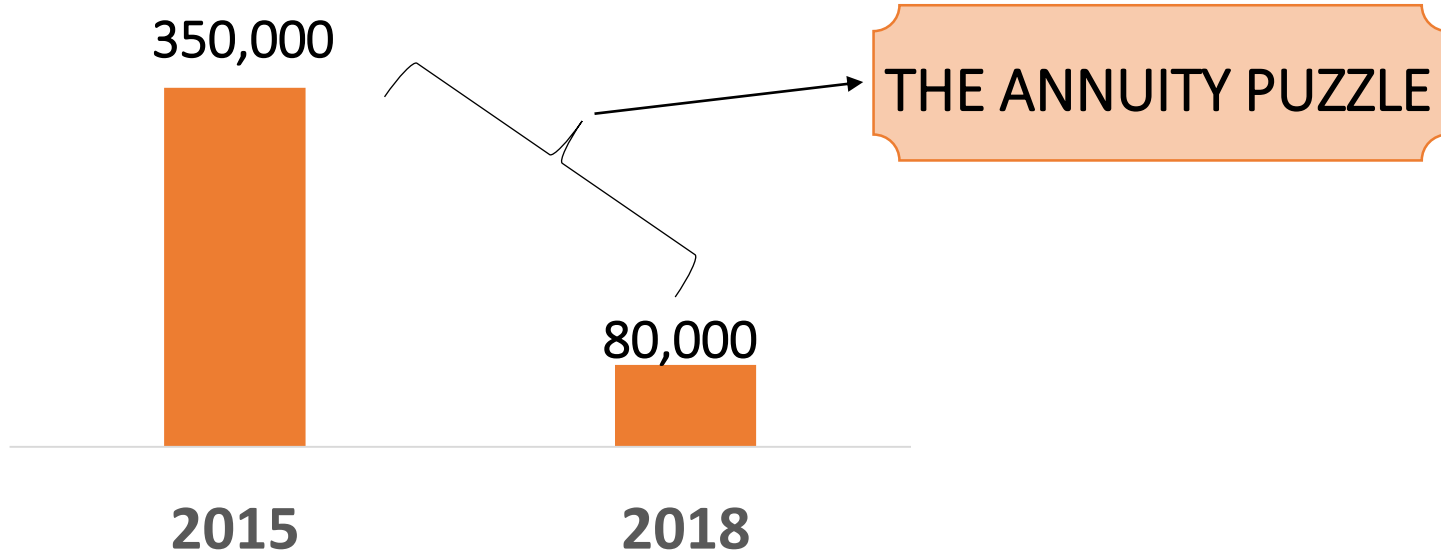
# UK RETIREES OPTING FOR AN ANNUITY



**£33trn UK pensions gap by 2050**

(World economic forum)

# UK RETIREES OPTING FOR AN ANNUITY



# THE ANNUITY PUZZLE



Leaving an inheritance (loss averse)

Shopping for one is scary and complicated

Seen as a gamble (mental accounting bias)

Fear that insurer will go bust

Fear of rising HC costs

# THE ANNUITY PUZZLE



## Leaving an inheritance (loss averse)

- Portion of a portfolio of assets (not “all or nothing”)
- Bundled with life insurance as a natural rider (positive selection effect)

# THE ANNUITY PUZZLE



**Shopping for one is scary and complicated**

- **Tontines are extremely simple and “natural”**
- **Fairness is readily understood compared to annuities with the actuarial layer**

# THE ANNUITY PUZZLE



**Seen as a gamble (mental accounting bias)**

- **Turns the gamble around. Live for longer to get more**
- **Portion of savings required so it is not “all or nothing”**

# THE ANNUITY PUZZLE



**Fear that insurer will go bust**

- **Peer-to-peer**
- **Possibility for technology to solve this:  
blockchain and smart contracts**

# THE ANNUITY PUZZLE



**Fear of rising HC costs**

**- Payment profile increases over time**

# NOBUNTU INTERNATIONAL



Aging populations and annuity puzzle a **global problem**



**Systems** and **product market tested** in South Africa



**Seeking partners** who have distribution and licensing capabilities