



FOR PROFESSIONALS  
SINCE 1941

INVESTMENTS

A guide to  
blending the  
PPS Living  
Annuity with  
Lifetime Income  
For PPS members

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RETHINK RETIREMENT

## PPS Living Annuity with Lifetime Income

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The PPS Living Annuity with Lifetime Income incorporates the benefits of a life annuity (where the risk of running out of funds due to poor investment performance or living longer is not borne by the policyholder) into a living annuity. The Lifetime Income portfolio is provided and underwritten by Just SA who ensures the payment of a monthly lifetime income into your living annuity for the rest of your life.

**"The Life Income portfolio provides an income stream into the living annuity for the rest of your client's life."**

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Electing the Lifetime Income portfolio option provides an income stream into the living annuity for the rest of your client's life, thereby affording flexibility and control within their living annuity.



# Features of the PPS Living Annuity and the Lifetime Income portfolio

Available in one solution:

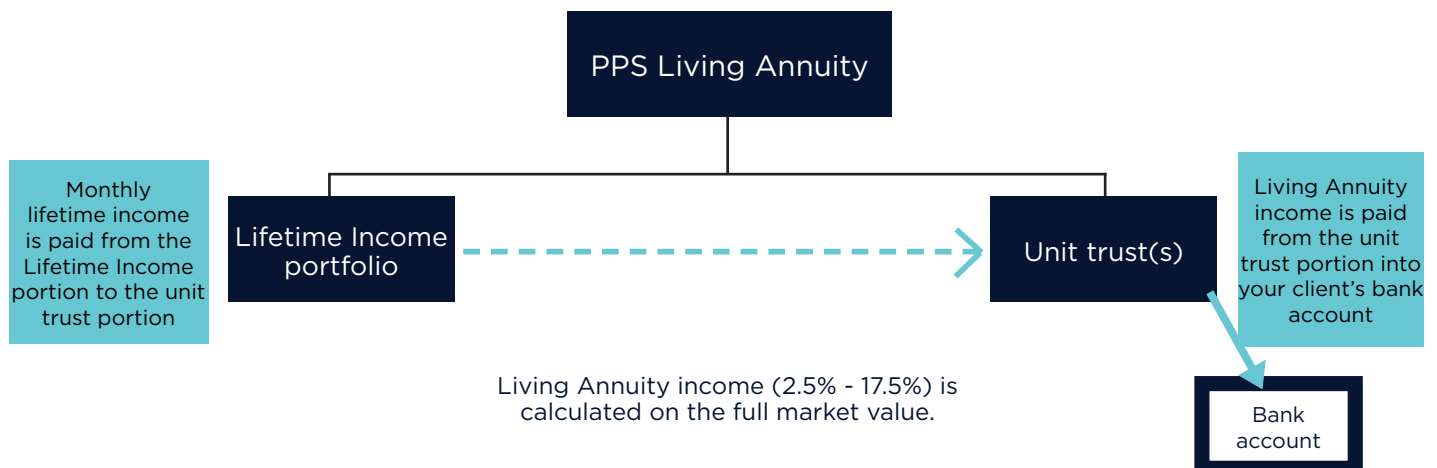
PPS Living Annuity	Lifetime Income portfolio provided by Just Retirement Life (Pty) Ltd
Flexibility to select a drawdown each year (within regulatory limits).	Secure, lifetime income paid into the living annuity.
Discretion over how the balance of the assets is invested.	Increases target inflation and are linked to the performance of the PPS Balanced Index Tracker Fund and / or the PPS Managed Fund.
Any “unused” Lifetime Income builds up in the living annuity in a tax-efficient manner.	Income payments cannot reduce, no matter what happens in investment markets.
Qualifying PPS members earn product-based profit-share allocations on the whole living annuity value.	Benefit from risk pooling, as PPS members are not penalised for their greater longevity risk.

## For you, as the adviser:

You can earn ongoing advice fees seen the whole living annuity value, including the Lifetime Income portfolio value(s).

## Overview of the basic structure

### PPS Living Annuity with Lifetime Income



## Why blend?

The following are benefits of including the Lifetime Income portfolio inside the PPS Living Annuity:

- Securing essential expenses with Lifetime Income provides a safety net below which the client's income (into the living annuity) will never drop.
- Allows for a more aggressive investment strategy to be adopted on the non-Lifetime Income assets.
- The combination improves the sustainability of the living annuity.
- Allows optimal balance between income security, flexibility and capital legacy.
- More Just Lifetime Income portfolios can be purchased, as required.
- Living annuity can still be transferred<sup>1</sup>.

<sup>1</sup> Provided the receiving living annuity policy provider is willing and able to accept the transfer of all the Lifetime Income policies within the living annuity policy.

## PPS Investments Secure Site tools

Log in to the PPS Investments Secure Site (<https://portal.ppsisecure.co.za/>), go to *Tools & Calculators*, click on the required tool.

- PPS Investments offers the **Living Annuity with Lifetime Income Tool** that can be used for your clients who wish to purchase or switch into a Just Lifetime Income portfolio and helps to determine:
  - how much to allocate to the Lifetime Income portfolio, and/or
  - how much monthly drawdown they can sustainably take.
- PPS Investments offers the **Sustainable Drawdown Tool** that can be used for clients who hold a Lifetime Income portfolio, or have a valid lifetime income quote from Just SA. It helps clients who are reviewing their living annuity drawdown.
- Just SA provides the **JustBlend Tool** that can be accessed when doing a quote on the Just SA's website. You can also access the tool via the PPS Investments Secure Site at [www.ppsisecure.co.za](http://www.ppsisecure.co.za). Speak to your Investment Specialist to register for tool access.



## How to blend

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- Just SA has developed JustBlend, a web-based tool for advisers.
- JustBlend allows you to do blend comparisons and generate a quote immediately.
- To blend, basic client information and assumptions are required:
  - Name, date of birth, sex.
  - Total living annuity amount.
  - Assumed level of advice and administration fees.
  - Required living annuity drawdown rate.
  - Assumed level of future returns.
- Projections show the impact of different blend percentages on income and capital over time.
- Helps you and your client to decide how much to put into the Lifetime Income portfolio.

## Access to the JustBlend tool

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- You need to be registered with Just SA to access the JustBlend tool. If you are not registered, contact your Investment Specialist or send the request to [bdquery@pps.co.za](mailto:bdquery@pps.co.za)



## How do I get a quote?

- You can request a quote for the Just Lifetime Income portion directly in JustBlend once you've settled on the parameters.
- You may also need to provide:
  - The percentage (or amount) to switch into the Just Lifetime Income portfolio.
  - Whether to add a Spouse's Income or Minimum Payment Period.
  - Increase option.
  - Investment portfolio(s) to be linked to Lifetime Income portfolio: PPS Balanced Index Tracker Fund and/or the PPS Managed Fund<sup>2</sup>
- Underwriting is optional and can improve the annuity rate (not reduce it). This is a 20-minute phone call to your client, for which we will need your client's number and a convenient time to call.

<sup>2</sup> If both investment portfolios are selected, two Lifetime Income portfolios will be created, as only one investment portfolio can be used within a single Lifetime Income portfolio.

## Supplement your record of advice

- JustBlend produces a summarised report that can be included in your record of advice.

The report shows:

- The input and investment assumptions used to blend.
- Blend percentage chosen (i.e. how much will switch into the Just Lifetime Income portfolio).
- Projected outcome for the scenario, in terms of income and capital.
- The Just Lifetime Income annuity rate.



# ABOUT PPS INVESTMENTS

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At PPS Investments, we offer a suite of flexible investment solutions for pre-retirement, post-retirement and wealth creation. We create opportunities for optimal diversification through our fund range that caters to various risk appetites and time horizons. Our offering is geared to meet the investment needs of PPS members, their families and other discerning investors, too.

We're part of PPS, a holistic financial services company specialising in bespoke financial solutions exclusively to graduate professionals.





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## GET IN TOUCH

For more information  
visit [www.pps.co.za/invest](http://www.pps.co.za/invest)  
or contact your Investment Specialist  
on [bdquery@pps.co.za](mailto:bdquery@pps.co.za)

For more information on Just SA,  
visit [www.justsa.co.za](http://www.justsa.co.za)

### Disclaimer

\*Qualifying members share in the profits of PPS

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