

CORPORATE PROFILE



# WHO WE ARE

As South Africa's leading independent financial services provider, Fedgroup has carved a niche for ourselves by doing things differently.

**F**edgroup's steep growth trajectory has in no way diminished our steadfast commitment to seemingly old-fashioned values of honesty, integrity and dignity. These priorities are supported by our development and use of class-leading technologies to streamline our ability to service our clients as quickly and efficiently as possible.

Our unique approach allows us to put people before profit and take care of our staff members to ensure that they in turn take care of our valuable clients, who span the spectrum from high-net-worth individuals to some of the most economically vulnerable members of our society.

Fedgroup has noted a growing distrust in the financial services industry because of the proliferation of products that are deliberately complex, which does not serve the purpose of assisting clients in making informed decisions.

We have therefore invested in making our products and services as easy to understand as possible. In addition, our investment in smart technology means that our clients can expect reliable and predictable service levels at all times.

**“ Our commitment to innovation means that we continue to introduce new, exciting wealth creation products to the local market. We remain committed to grow the business through these advances, without ever losing the personal touch. ”**

# COMPANY STRUCTURE

## Fedgroup Financial Holdings Pty Ltd

Fedgroup Management Pty Ltd

Fedgroup Life Limited

Fedgroup Financial Services Pty Ltd

Fedgroup Trust Administrators Pty Ltd

Fedgroup Employee Benefits Pty Ltd

Fedgroup Participation Bond Managers Pty Ltd

Fedgroup Asset Management Pty Ltd

## Our offerings

### **Wealth**

Beneficiary Care

Impact Farming

Group Retirement Savings

Retirement Unclaimed Funds

Commercial Property Finance

### **Life**

Life Cover

Funeral Cover

Disability Cover

Education Cover

Critical Illness Cover

### **Future**

Wills

Trusts

Estate Planning

Settlement Trusts

Estate Administration

# PRODUCT OVERVIEW

## WEALTH

### **Secured Investment**

Our Secured Investment is backed up by participation bonds, making it a secure, interest-bearing investment. The risk profile is conservative, which makes Secured Investments popular with individuals of all ages – and especially retirees. Pension funds, trusts, fund managers, charities and schools can also benefit. Secured Investments are FSB-approved and registered collective investment schemes. Fedgroup has offered this product to our clients for the last 30 years, combining high interest returns with capital security.

### **Impact Farming**

Fedgroup's innovative Impact Farming concept allows investors to own a stake in groundbreaking farming ventures without the usual barriers to entry that exist in this space. This model does not require investor equity or the massive financial commitment that usually accompany investments into agricultural undertakings. Instead, investors own the individual revenue-generating assets that provide an income that is both competitive and sustainable.

### **Commercial Property Finance**

Through our innovative finance structure, Fedgroup facilitates the ownership of commercial property for business owners or investors who wish to diversify their portfolios to include a slice of the lucrative commercial property market. Fedgroup provides prospective property owners with loans of up to 75% of the property value. We are confident that we can structure a loan to meet your requirements. Because time is important, the turnaround time to provide prospective property owners with a loan decision is 48 hours.

# PRODUCT OVERVIEW

## **Beneficiary Care**

Fedgroup continues to be a leader in the beneficiary fund space. Beneficiary Care presents us with the opportunity to make a lasting difference in the lives of some of the country's most vulnerable individuals, which is why it is often referred to as the emotional anchor of our business. As such, all decisions made around the product are taken with care in mind. Beneficiary Care is built on three pillars: simplicity, responsiveness and value. Our fee structure is transparent and contains no hidden fees or sub-minimums as one often finds in the industry. We have developed our bespoke administration management system in-house to improve our responsiveness. This single-view system provides our administrators with all the relevant information regarding our beneficiaries in real time, to massively improve turnaround times and ensuring that there are no delays in effecting payment. Our value proposition flows from our commitment to providing real and lasting care. As such, we do not merely see our clients as numbers on a screen, and numerous services are built into the product. These include financial literacy training, social worker assistance and partner discounts. Fedgroup also has no fund size minimums, as we believe that those with small contributions are just as likely, if not more so, to need financial care and assistance.

## **Group Retirement Savings**

Our Group Retirement Savings secures the retirement and group risk needs of smaller companies. The plans are well structured and cost effective, and aim to maximise the final payout for employees. Our pension and provident umbrella funds are defined contribution retirement funds that are registered with the Registrar of Pension Funds and approved by the South African Revenue Service. An employer may participate in either the pension or the provident umbrella fund arrangements.

## **Retirement Unclaimed Funds**

We establish unclaimed benefit funds to receive benefits due to fund members that could not be paid or traced within 24 months of the date on which it became legally due and payable. The main purpose of unclaimed benefit funds is to provide a vehicle to safeguard benefits and to trace members or beneficiaries in an effective and efficient manner, ensuring that the benefits get to those for whom they were intended.

# PRODUCT OVERVIEW

## LIFE

### **Life Cover**

We offer Life Cover as a standalone product or as part of our award-winning group risk cover. There are two categories of cover: Defined Cover and Flexible Cover. All benefits are offered with Defined Cover, which ensures that employees enjoy a core level of cover. Life and capital disability cover are also offered with Flexible Cover, which allows employees to voluntarily extend their benefits at their own cost. Fedgroup's commitment to putting people first has been recognised by the industry, as was evidenced with a second consecutive Golden Arrow in the Group Life/Risk Products category at the PMR.africa awards in 2017. These awards are not open for entries and are instead the result of a national survey involving brokers and financial advisors, and are highly coveted in the industry due to their impartiality. We also won a Bronze Arrow in 2014 and a Silver Arrow in 2015 at the same awards.

### **Funeral Cover**

Our funeral cover requires no medical underwriting and funeral claims are usually paid within 48 hours. There is no waiting period on either natural or unnatural causes of death, which ensures family members can focus on making funeral arrangements with the financial support they need.

### **Critical Illness Cover**

Our critical illness cover employs an objective and fair system to assess a critical illness, based on medical impairment definitions and daily living. The impact that an illness, (or a combination of illnesses) may have on the daily life of a member is also considered if a claim does not qualify against a specified illness. We do not rate according to the severity of a critical illness. If an employee meets the clear, simple definitions, we will pay the full benefit. We will also pay out on multiple claims for unrelated illnesses, as the benefit doesn't fall away after an initial claim is made.

### **Disability Cover**

If an employee's injury or illness renders him or her permanently and totally incapable of performing the material and substantial duties of his or her own or any other occupation, our disability income cover can come to the rescue. It pays members a monthly income if they become injured or ill to such an extent that they're temporarily or permanently prevented from doing their job, until they recover, reach retirement age or pass away.

# PRODUCT OVERVIEW

## **Education Cover**

In the event of an employee's untimely death, Fedgroup's education trust cover will pay a lump-sum amount into trust to safeguard the educational future of employees' children. Unlike an indemnity benefit that does not have a defined benefit amount, Fedgroup's education trust cover defines the benefit amount as a percentage of a parent's annual salary.

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**In 2019, Fedgroup won three Diamond Arrows in all three financial services categories at the coveted PMR.africa awards.**

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# PRODUCT OVERVIEW

## Future

### **Wills**

The consultation for a will goes beyond the mere completion of an application form. Our wills drafters are trained to identify potential pitfalls and alert the broker and client. We offer a comprehensive will advisory and drafting service ensuring that the provisions of your will are linked to your overall estate planning needs.

### **Trusts**

Fedgroup specialises in both testamentary trusts and inter vivos trusts. Our trust experts are able to advise on the best way forward to safeguard assets.

### **Estate Planning**

Estate planning is the continuous process through which one accumulates assets and manages financial affairs in order to increase, preserve and protect those assets for the maximum benefit during one's lifetime and to provide for the continued use thereof after death. Our estate planning service is aimed at the high-net worth individual. The first 40-minute exploratory consultation is free of charge and any subsequent consultations are offered at an hourly rate.

### **Estate Administration**

Fedgroup acts as executor and administrator of deceased estates to relieve the stress and burden that an untimely death places on family members and beneficiaries of the estate. Our professional administrators add a personal touch of care and compassion in the consultation with heirs, even to the extent of consulting with the family at their home.

### **Settlement Trusts**

Recipients of lump sum payments from the Road Accident Fund or a medical malpractice settlement require a suitable financial instrument to manage their financial payout. To ensure the benefits received meet their intended social mandate, a Settlement Trust is often the preferred option selected by advocates and attorneys to administer settlement payouts and manage the preservation of these assets. Our unique and proprietary Settlement Trust offering has been designed from the ground up to tackle this specific issue. The Fedgroup Settlement Trust will assist claimants or their guardians and beneficiaries in ensuring that they derive meaningful benefit that will provide a future income.

# INDUSTRY RECOGNITION

**In 2019, Fedgroup won three Diamond Arrows in all three financial services categories at the coveted PMR.africa awards.**

PMR.africa awards are highly sought after in the industry because they cannot be entered into. They are based purely on the replies of industry experts to a set list of questions. These experts include brokers, intermediaries and financial advisors.

Fedgroup was named the best financial services provider in the country in the Group Life/Risk Products, the Group Pension and Provident Fund and in the Investment Products subcategories. Fedgroup has won consecutive PMR.africa awards for the last six years, improving on the score from previous years at each subsequent event.

# GOVERNANCE AND COMPLIANCE

## **Governance**

Fedgroup is governed and regulated by two primary external parties, the Financial Sector Conduct Authority (FSCA) and independent auditors. There are also extensive internal measures to ensure the security of clients' money. Fedgroup carries sufficient professional indemnity, fidelity insurance and directors' and officers' liability cover.

The board of directors regularly reviews the mix of skills and experience of the administrators in order to assess the effectiveness of the administration offered. Fedgroup has an internal audit, risk and compliance committee that independently reports to the board of directors.

## **Internal Compliance Officer**

**Email:** [compliance@fedgroup.co.za](mailto:compliance@fedgroup.co.za)

## **Compliance**

Fedgroup's complaints resolution policy complies with the Financial Advisory and Intermediary Services Act (FAIS). This allows clients to contact the compliance officer and management team directly.

In addition, Fedgroup uses the services of a company of external compliance specialists that reports independently to the Audit and Risk Committee.

# CONTACT US

## **FEDGROUP WESTERN CAPE**

Physical Address:

Fedgroup Place, 2nd Floor, Willie van Schoor Avenue,  
Bellville, 7530

Postal Address:

PO Box 4660, Tygervalley, 7536

## **FEDGROUP KWA-ZULU NATAL**

Physical Address:

First Floor, Liberty Life Building, 21 Aurora Dr, Durban, 4301

Postal Address:

PO Box 50258, Musgrave, 4062

## **FEDGROUP EASTERN CAPE**

Physical Address:

Fedgroup House, 65 Pickering Street, Newton Park,  
Port Elizabeth, 6045

Postal Address:

PO Box 7242, Newton Park, Port Elizabeth, 6055

**Tel:**

011 305 2300

**Email:**

[info@fedgroup.co.za](mailto:info@fedgroup.co.za)

**Physical address:**

89 Bute Lane, Sandown, Sandton, 2196

**Postal address:**

PO Box 782823, Sandton, 2146

**Visit our website:**

[www.fedgroup.co.za](http://www.fedgroup.co.za)

**Gauteng:**

011 305 2300

**Western Cape:**

021 949 2100

**KwaZulu-Natal:**

(031) 535 7264

**Eastern Cape:**

041 365 6525



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YEARS

OF INDEPENDENT  
FINANCIAL THINKING