



TREE OF LIFE
FOUNDATION

Donor-advised Fund

SOUTH AFRICAN DONORS

*“With time, your
contribution could grow and
bear ever-increasing fruit.”*



Introducing the Tree of Life Donor-advised Fund

During Tree of Life's first nine years of existence, from 2007 to 2015, we focused exclusively on managing our own capital in such a way that we could maximize its impact. At the same time, we became aware of a need among donors to be able to do the same.

More specifically, these donors:

- 01 Demand the same level of professionalism and excellence that they experience from entities managing their private money.
- 02 Have a desire to make a long-term difference, and want grant-making to be balanced with impact investment that addresses poverty through increased economic activity.
- 03 Feel strongly about excellence in stewardship, and want their giving to be wise, impactful and sustainable.

To address this need, the Tree of Life Foundation launched a donor-advised fund platform in 2016 to empower donors with a new mechanism through which to have an impact in South Africa.

This structure allows donors to move funds earmarked for giving off their balance sheet and into a charitable structure, without incurring the cost of setting up legal structures. With donor-advised funds, donors retain flexibility regarding:

01

The charities and causes that should ultimately benefit from the donation.

02

The timing of distributions to these charities.

03

How donations should be invested until distributed to charities.

The Tree of Life Donor-advised Fund provides donors with almost all the benefits of forming their own charitable foundation, **without the effort, complexity and cost of doing so.**

Index

01	What is a donor-advised fund?	3
02	Key information	4
03	Distributions to charities	5
04	Platform fees and charges	5
05	Tree of Life Donor-advised Fund portfolios	6
06	Opening a Tree of Life Donor-advised Fund	7
07	About the Tree of Life Foundation	8

What is a donor-advised fund?

A donor-advised fund platform acts as an umbrella charity that receives donations, which can then be channelled to multiple other charities either immediately or over time. With a donor-advised fund, the decision to donate and the decision as to who should benefit are separate. The donor can donate now and leave the decision as to the ultimate beneficiaries for later.

One of the main benefits of transferring money or assets to such a platform is that the investment grows tax-free. This means that returns are not eroded by tax, as would have been the case otherwise. This tax saving increases the benefits ultimately distributed.

Donor-advised fund platforms offer significant benefits of scale as the overheads of running a foundation are pooled, which reduces costs and allows a larger portion of donations to flow through to the ultimate beneficiaries. They also offer improved governance, as charities have to undergo essential vetting before any funds are granted. This provides the donor with comfort that the charities listed meet certain minimum standards, without the donor having to conduct due diligence.

Donor-advised funds are well established in jurisdictions such as the United States, where contributions to such a fund are often tax-deductible. Apart from cash, a platform of this kind can also receive financial instruments such as shares, collective investments and property as donations.

02 Key information

The Tree of Life Foundation provides a trusted, tax-efficient platform for structured charitable giving and the expert handling of complex asset donations. Through our donor-advised fund, we enable families and financial advisors to grow charitable contributions for sustainable, long-term impact while minimizing administrative overhead. The Tree of Life Donor-advised Fund caters to both foreign and South African donations.

Since its formation in 2007, Tree of Life has built up a long-term track record of investing donor capital to generate returns that provide funding to ministries and charities. Since FY22, Tree of Life and its clients have distributed over R331 million to more than 140 charities across South Africa. Of this, more than R117 million was distributed in the 2026 financial year alone.

R331m+

Distributed over the last five years (FY22 to FY26)

R117m+

Distributed in FY26

140+

Charities supported across South Africa

Investment options

Tree of Life's Donor-advised Fund is unique in the investment options it provides, including private equity and impact investment opportunities.

Donors are able to select one or more of the following pooled portfolios, in which their donations will be invested until distribution:

Short-term portfolio

An enhanced cash portfolio suited to immediate liquidity needs.

Medium-term portfolio

A growth portfolio made up of listed equity, collective investment schemes, and hedge funds.

Long-term portfolio

This portfolio targets maximum long-term capital growth and includes select private equity opportunities for patient capital.

Impact portfolio

This portfolio prioritizes impact outcomes over financial returns, allowing your capital to support mission-aligned economic activity.

03 Distributions to charities

The ultimate beneficiary of a donor's donor-advised fund must be a registered charity (Public Benefit Organization) that is approved by the platform.

Donors will be encouraged to select from pre-approved charities, but new charities can be added after due diligence is performed.



Reporting

Donors are provided with a quarterly statement to keep track of their donor-advised fund and investment performance and can also do so via the online donor portal.

04 Platform fees and charges

There is no initial fee on donations received, except the TrustBridge and bank charges incurred on transfers from abroad. To fund the cost of providing the service, the platform levies an asset-based recurring platform charge as well as an investment management charge that varies according to the portfolio.

Platform and administration

0.45% per annum, funding compliance, trustee oversight, reporting and administration.

Investment management fees

Varies depending on portfolio. Refer to Section 5.

Grant fee

1% with a minimum of R500, levied when money is actually distributed to charities.

Adding a charity

A fee may be levied when a charity outside the approved list is added, to cover the cost of vetting.

It is important to note that as all fees are internal to Tree of Life, fees do not leave the charitable space and can be viewed as a charitable contribution to Tree of Life.

05 Tree of Life Donor-advised Fund portfolios

Donors are able to select one or more of the following pooled portfolios, in which their donations will be invested until distribution.

These are internal portfolios, available only for funds donated to Tree of Life, not available to the public.

ATTRIBUTE	SHORT-TERM PORTFOLIO	MEDIUM-TERM PORTFOLIO	LONG-TERM PORTFOLIO	IMPACT PORTFOLIO
Description	An enhanced cash portfolio.	A listed equity and hedge fund portfolio.	A return-focused private equity portfolio, with positive impact as secondary consideration. Avoids investments considered to be harmful or incompatible with our worldview.	An impact-focused private equity portfolio. Avoids investments considered to be financially unsustainable.
Asset types	Cash, money market and income collective investment schemes.	Listed instruments, collective investment schemes and hedge fund collective investment schemes.	Private equity, but may hold listed instruments if there is a compelling reason. Will from time to time hold cash while looking for suitable opportunities.	Private equity, with a demonstrable positive impact. Will from time to time hold cash while looking for suitable opportunities.
Relative risk	Lowest of the four portfolios.	Lower than private equity portfolios. Primary risk factor: exposure to South African equity markets.	Higher than medium-term portfolio, due to concentrated nature of the portfolio and inherent illiquidity of private equity investments.	Highest of the four portfolios, due to concentrated nature of portfolio and nature of impact investments.
Liquidity	Withdrawal on 7 days' notice.	In exceptional cases large withdrawals may be delayed by up to 60 days because of notice periods applicable to hedge fund withdrawals.	No guaranteed liquidity. Aims to make liquidity of 2.5% of NAV available each year. Liquidity can also be provided on a liquidity event, such as the sale of an underlying asset, or based on new inflows.	No guaranteed liquidity. Liquidity can be provided only on a liquidity event in the portfolio or based on new inflows.
Financial benchmark	STeFI – the South African Short-term Fixed Interest Index.	South African Consumer Price Index + 3%.	South African Consumer Price Index + 5%.	Return of capital.
Investment Management Fee	0.25% p.a.	0.75% p.a. plus 20% of performance exceeding CPI+3%.	2% p.a. plus 20% of performance exceeding CPI+5%.	2% p.a.
Suitable for	Donors who are either risk averse or expect to make grants in the near future.	Donors who would like their donated funds to grow before being distributed to an approved charity, while accepting the risks associated with significant equity exposure.	Risk-tolerant donors who would like their donated funds to grow aggressively and have a positive impact before being distributed to an approved charity. Donors should aim to leave the funds invested for several years.	Highly risk-tolerant donors who are willing to trade investment returns for intentional positive impact from the investment. Donors should aim to leave the funds invested for several years.

Opening a Tree of Life Donor-advised Fund

Contributing to the Tree of Life Donor-advised Fund is as simple as completing a digital form. However, for more complex structures, the team is available to discuss the ideal setup for your requirements. The steps for opening and contributing to your donor-advised fund are outlined below.

01

Contact us or complete the application

If you are ready to open your donor-advised fund, you can do so via [this link](#).

Donors wishing to donate assets other than cash are encouraged to make contact before contributing, so that we can determine how the assets should be handled. Donors can contact us by completing our [contact form](#) or sending an email to donate@tol.org.za.

02

Select from the investment options

The donor selects one or more of the four pooled portfolios in which the donation is invested until it is distributed. Each portfolio has its own fees and liquidity rules to keep in mind.

03

Recommend grants

The donor advises on the charity, the amount and the timing of each grant. Tree of Life attends to the vetting, compliance and payment, and provides a quarterly statement together with access to the online donor portal.

Tax benefits of a donor-advised fund

The following potential tax benefits apply to any South African donor-advised fund:

- **Reduced Capital Gains Tax** (no CGT on transfers of appreciated assets to a DAF account)
- **Reduced Estate Duty**
- **Donations Tax does not apply** to contributions of funds or assets to your DAF account
- **Tax-free growth** on investments in a DAF account, enabling larger grants to charities

How Section 18A and ordinary accounts differ

	SECTION 18A ACCOUNT	ORDINARY ACCOUNT
Tax deduction	Up to 10% of taxable income each year.	None. A later grant to a section 18A PBO provides no deduction either.
Who may benefit	Section 18A approved PBOs only. Most churches are excluded.	Any approved PBO in South Africa, churches included.
Grant timing	At least 50% within 12 months of the end of the tax year in which it was received.	No deadline.
Growth on capital	All proceeds, including investment income, must be distributed every five years.	Can compound in the account indefinitely.
Portfolios available	Short-term only.	All four, from short-term to impact.

A section 18A donation gives you a potential deduction now, but it narrows the range of charities that can receive the funds, has fewer investment options and limits how long funds may be held before they must be distributed. Most of our donors choose to forgo the deduction and keep the flexibility to decide who benefits, and when. Donors are urged to obtain professional tax advice.

07 About the Tree of Life Foundation

The Tree of Life Foundation was established in South Africa in 2007 as a charity with a Christian worldview and is registered as a tax-exempt Public Benefit Organization.

It is a founding member of the TrustBridge Global Network, enabling international charitable giving into South Africa. We aspire to exercise excellent stewardship in the management of capital, and Tree of Life is focused on sustainable giving, with investments and its own distribution policy managed accordingly.

History

Tree of Life was launched in 2007 when two businessmen made equity stakes in their businesses available to the Foundation. For the first nine years of its existence the team focused on investing the returns generated from these businesses wisely, and was blessed to experience rapid growth. During this period, no external donations were solicited or received.

As the balance sheet continued to grow through various investments, the trustees adopted a progressive distribution policy in 2014, which in essence calls for a percentage of net asset value to be distributed to charities every year. Towards 2015, the idea of offering our investment expertise to others also wishing to participate in the sphere of donor capital began to grow, and a project was launched to establish a donor-advised fund platform. This culminated in the launch of the Tree of Life Donor-advised Fund in 2016.

Governance

Between them, the trustees of the Tree of Life Foundation have ample investment management, governance, and general management expertise. They include a practising actuary (and founder of an actuarial firm), a leading investment manager (and co-owner of an asset management business), and a former CEO of various listed and unlisted companies.

Collective Christian Capital

We feel strongly that donors sharing a Christian worldview can collectively achieve strategic objectives by pooling their capital.

While financial markets offer this functionality through banks, asset managers and similar institutions, comparable platforms for Christian donor capital are not readily available in many countries. We believe that the decision to make our structures and opportunities available to external donors, through an internal donor-advised fund platform, will enable the collective allocation of Christian capital and increase its impact.

Our objectives

01

To invest capital wisely and generate good returns, but in such a way that the impact is greater than merely economic benefits.

02

To establish a sizable endowment fund, so that charities can be funded on a sustainable basis through investment returns.

03

To create a platform for collective Christian capital thereby facilitating funding for sizable projects that would typically be too large for individual donors.

“

When we sold the business, we felt we needed to be better stewards of what had been entrusted to us. I wasn't looking to 'do some good', I wanted our giving to be part of a coherent legacy, for our family and for Kingdom purposes, long after we're gone. The DAF gave us a way to make a decisive, irrevocable act of generosity while retaining the flexibility to direct grants over time as needs and opportunities become clear. The administration is handled. The question of how much to give has largely been settled. The work now is discernment.

ANDRÉ HAASBROEK | DAF CLIENT



TREE OF LIFE
FOUNDATION

Join us in **growing** the positive impact
of donor capital in South Africa.

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