

# Tax free savings accounts

for individual investors



## A MARKET DISRUPTOR

**27four Investment Managers (Pty) Ltd** is an independent multi-manager that caters for the unique and differing investment needs of retirement funds and corporations as well as individuals. The firm is widely recognised for unseating South Africa's corporate giants through the provision of innovative solutions that are relevant, for identifying unique sources of return and for challenging outdated market norms.

Our disruptive approach to revolutionising the South African asset management industry is best illustrated by our pioneering efforts to create long-term sustainable solutions that are designed to respond to the dynamic needs of our clients. The strength of our investment team and process is evidenced by the numerous accolades we have been awarded both in South Africa and on the continent, which include a total of 6 Raging Bull awards as well as 4 Morningstar awards.



### In summary:

Tax free savings vehicles came into being on 1 March 2015. These allow individuals to make investments into certain investment vehicles where the investment returns generated will not be taxed.



**NO CAPITAL GAINS TAX**



**NO DIVIDEND TAX**



**NO INCOME TAX**

GROW YOUR SAVINGS IN A UNIT TRUST THAT MEETS YOUR OBJECTIVES

TAX FREE

**FROM AS LITTLE AS R500 PER MONTH ►**

### So, what is saving all about?

Saving is all about delaying consumption – what I can save today, I can spend tomorrow and people save for their retirement so that one day when they no longer have an income from working, they can rely on the money they have saved to live off. But saving is about more than just that...

The money that is saved by people today can be used by companies or government to invest in increasing production, creating jobs, building infrastructure etc. That is why when you save you earn an investment return on the money that you save/invest. The investment return on your money is what you get paid for lending that money to others through the banking system and these savings fuel the economy and drive economic growth. Government has been very concerned about the low savings rate in South Africa and this is why National Treasury in looking for ways to get South Africans to save more and has thus introduced "Tax Free Savings" as an incentive.

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### What restrictions apply?

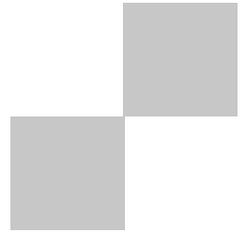
Only individuals can invest in tax free savings vehicles and there is a limit on how much you can contribute:

- R2 500 per month
- R30 000 in a year
- R500 000 in a lifetime

Any contributions in excess of these limits will be subject to regular taxes that would apply. You can withdraw money at any point but the money withdrawn cannot be reallocated as a part of the R30 000 annual contribution cap.

## Who are tax free savings vehicles most suitable for?

Tax free savings vehicles are a great mechanism for anyone who wants save in a more efficient manner. Because the contribution amount still forms part of taxable income they are most efficient when retirement savings are already being utilised to maximise the tax saving allowed on contributions here. They are especially useful for children and young people who can enjoy the benefits of compounding of return without any leakage due to taxes.



Who is it for?	What savings goals can this cover?	How can you benefit?
<p>Parents saving for a child or student's education</p> <p>Individuals pursuing further investments at a later stage</p> <p>Savings for a leisure holiday or item</p>	<p>Education fees and supplies</p> <p>Living expenses</p> <p>Other investments</p> <p>A deposit on a new home</p> <p>A new car</p>	<p>Grow your assets tax free</p> <p>Zero transaction fees</p> <p>Ability to transfer between tax free accounts</p> <p>Full access to you funds at anytime</p> <p>Low minimum investment sizes</p>

*Learn about your risk profile to see if this is a solution for you.*

## How much can you invest?

How much you invest is completely up to you as long as you stay within the prescribed minimum and maximum allowances.

The tax free savings account is subject to a maximum of R30 000 per annum and R500 000 in your lifetime.

Minimum amount R500 debit order

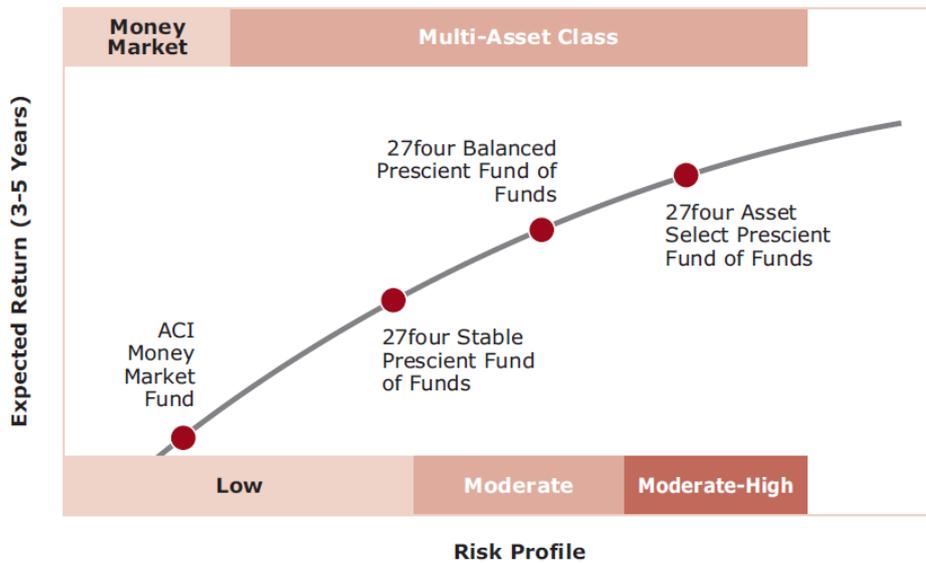
Maximum amount R2500 per month debit order

Speak to your wealth manager or invest directly.



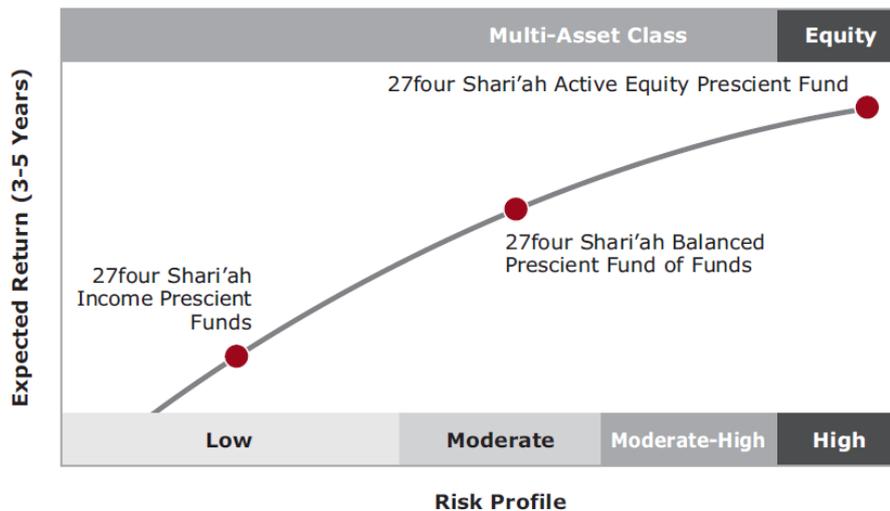
## What funds are available for the tax free savings account?

Investors have a choice of both low to higher risk funds with different objectives to meet their needs including Shari'ah compliant options.



	ACI Money Market Fund	27four Stable Prescient Fund of Funds	27four Balanced Prescient Fund of Funds	27four Asset Select Prescient Fund of Funds
<b>Fund Details</b>				
<b>Unit Trust Category</b>	South African - Interest Bearing - Money Market	South African - Multi Asset - Low Equity	South African - Multi Asset - Medium Equity	South African - Multi Asset - High Equity
<b>Regulation 28 Compliant</b>	✓	✓	✓	✓
<b>Income Distributions</b>	Monthly	March, June, September and December	March and September	March
<b>Fund Description</b>				
<b>Strategy</b>	The fund is a domestic money market portfolio that invests in high quality and diversified money market instruments. The fund aims to generate competitive yields whilst maintaining high liquidity and capital protection.	The funds are multi-managed, multi-asset class portfolios meaning that they are diversified by geography, asset class and fund manager. In having these layers of diversification, the aim is to reduce the amount of non-systemic risk adopted and enhance overall risk adjusted returns.		
<b>Why Invest</b>	Suitable for investors with a low risk profile. The fund's primary objectives are to maximise interest income and preserve capital.	Suitable for investors with a low to moderate risk profile. The fund's primary objectives are real capital growth and income generation.	Suitable for investors with a medium-term investment horizon. The primary objectives are moderate capital growth and income generation.	Suitable for investors with a long-term investment horizon. The primary objectives are moderate to aggressive capital growth and income generation.
<b>Benchmark</b>	STeFI	Unit trust category average	Unit trust category average	Unit trust category average
<b>Risk Rating</b>	Low	Low to Moderate	Moderate	Moderate to High
<b>Suitable For</b>				
<b>Tax Free Savings</b>	✓	✓	✓	✓

## Shari'ah compliant options



	27four Shari'ah Income Prescient Fund	27four Shari'ah Balanced Prescient Fund of Funds	27four Shari'ah Active Equity Prescient Fund
<b>Unit Trust Category</b>	South African - Multi Asset - Income	South African - Multi Asset - High Equity	South African - Equity - General
<b>Regulation 28 Compliant</b>	✓	✓	✓
<b>Income Distributions</b>	March, June, September, December	March	March
<b>Fund Description</b>			
<b>Strategy</b>	The portfolio invests in a combination of Shari'ah compliant income and property securities either directly or through a fund structure.	The portfolio is a Shari'ah compliant multi-managed, multi-asset class portfolio meaning it is diversified by geography, asset class and fund manager. In having these layers of diversification, the aim is to reduce the amount of non-systemic risk adopted and enhance risk adjusted returns.	This is a single manager domestic equity portfolio. The portfolio invests in Shari'ah compliant listed equities on the JSE. The mandate also allows the manager to invest up to 25% in global Shari'ah compliant listed equities.
<b>Why Invest</b>	The portfolio has a low risk profile and is suitable for investors seeking a short to medium term investment option that would outperform inflation thus preserving capital in real terms but also limit downside losses.	The portfolio has a moderate to high risk profile. Its primary objectives are moderate to aggressive capital growth in excess of inflation and income generation over the medium to long term.	The portfolio has a high risk profile and is suitable for investors with a long term investment horizon. The primary objectives are aggressive capital appreciation and modest income generation through dividend payments over the long term.
<b>Benchmark</b>	Unit trust category average	Unit trust category average	Unit trust category average
<b>Risk Rating</b>	Low	Moderate to High	High
<b>Suitable For</b>			
<b>Tax Free Savings</b>	✓	✓	✓

## HOW TO INVEST

### 1: Choose your product

### 2: Choose your funds

### 3: Complete an application form

### 4: Make your investment

### 5: Send us your documents

- First decide on which product and fund/s is most suitable to your individual circumstances.
- Once you have selected the product that you wish to invest in, complete the relevant application form. Application forms are directly available on [www.27four.com](http://www.27four.com) or you can call us on 0800 000 274 (toll-free) or send us an email at [info@27four.com](mailto:info@27four.com) to request an application form.
- Deposit your investment into the bank account as provided in the application form.
- Email your completed application form and supporting documents to [unittrust@27four.com](mailto:unittrust@27four.com).
- Our client services department will send you an email confirming your investment.
- Monthly statements will be emailed directly to you.

27four Investment Managers is an authorised financial services provider with license number 31045.

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