

How a tax-free savings plan helps you create wealth



Save in a flexible investment where your returns are not taxed.

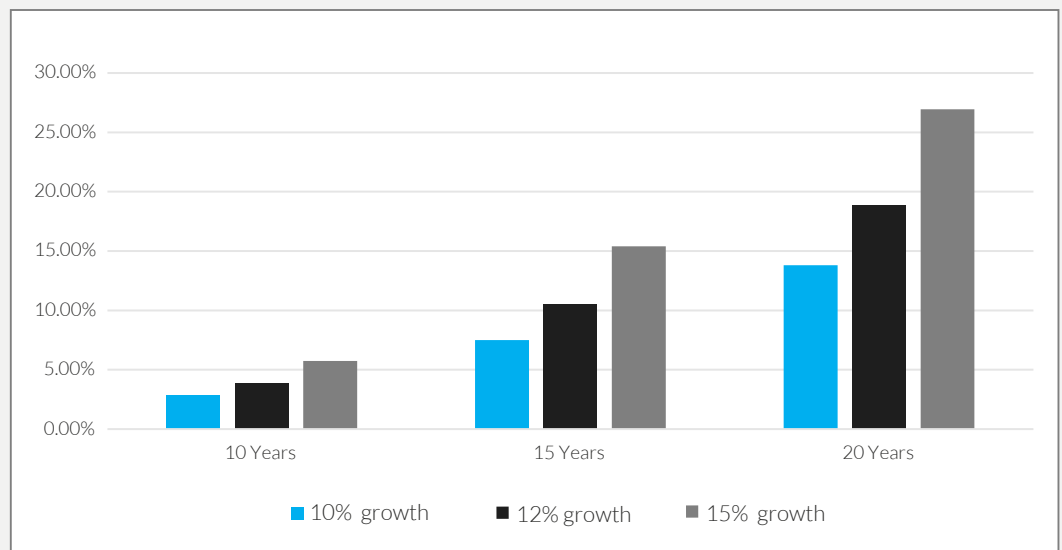
- No tax on interest.
- No tax on dividends.
- No capital gains tax when you disinvest or switch.

These tax benefits add up in the long run, especially when you invest in higher growth assets and remain invested for the long term.



The long-term value of tax-free investment

The accumulated value of a tax-free account outstrips that of a taxed (voluntary investment) product by a wide margin in the long run, especially at higher growth rates. Below we show the percentage by which the value of the accumulated tax-free investment exceeds that of the voluntary investment.



Source: PSG Wealth. Assumptions: The maximum TFIP contribution limit of R36 000 per tax year is invested in both the TFIP and the VIP. Annual contributions cease once the lifetime limit of R500 000 is reached. The VIP assumes that the maximum CGT tax exemption is used at the end of each tax year. A tax rate of 36% has been applied.



Other important points to consider

Tailor your portfolio to suit your needs: your asset allocation is flexible and there is no restriction on asset classes (Regulation 28 does not apply).

- Your contributions are limited to R36 000 per tax year and R500 000 in your lifetime.
- You can withdraw funds at any time, but this is not added back to your annual or lifetime limits.
- Contributions in excess of the limits will be taxed at 40%.

Full details on the PSG Wealth Tax Free Investment Plan are available [here](#).