

IMS

Tax Free Savings Account

April 2018

A convenient and flexible way to accumulate savings over time in a tax efficient manner.

Tax Free Savings Accounts (TFSA's) provide South African investors with an opportunity to save towards a specific goal or supplement their retirement savings. As TFSA's are not subject to income or capital gains tax, they provide a convenient and flexible way to accumulate savings over time.

Who can invest?

Individuals resident in South Africa.

Investment limits per investor

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|---|------------------------|
| CURRENT ANNUAL LIMIT | R33,000 (per tax year) |
| CURRENT MAXIMUM MONTHLY DEBIT ORDERS | R2,750 |
| CURRENT LIFETIME CONTRIBUTION LIMIT | R500,000 |

Any amounts contributed in excess of these limits will be subject to 40% tax payable by the investor.

Contributions

Any contribution which results in the annual or lifetime contribution limits being exceeded will be rejected in full and will not be processed. Investors will be required to resubmit their application and deposit an amount which does not result in the limit being exceeded.

Total contributions across all providers of TFSA's are limited to an aggregate of R33,000 per year of assessment and R500,000 over the investor's lifetime. Any amounts contributed in excess of these limits will be subject to 40% tax payable by the investor.

Investec IMS is required to inform SARS of an individual's contributions to its TFSA and SARS will monitor the individual's annual and lifetime limits to determine if any penalties should apply. It remains the responsibility of the investor that they do not breach the annual or lifetime limits.

The maximum contribution in any given tax year is R33,000 regardless of whether or not the investor has utilised their past allowances.



Accessing the investment

- There is no minimum investment term, therefore no restrictions or limitations on access apply.
- There is no limit to the amount an investor can withdraw from their TFSA and all withdrawals are tax free. However, any re-investments will be regarded as new contributions and will be added to the existing contributions to calculate the total contribution limits. For example, if an investor invests R33,000 at the start of the tax year and subsequently withdraws R10,000 in the same tax year, the investor will not be allowed to re-contribute R10,000 in that tax year.
- Contributions to TFSAs which exceed the applicable annual or lifetime limits of will be taxed at 40%.
- Funds will be available within three business days but this will vary depending on your bank.

Tax implications

TFSAs are exempt from income, interest, dividends and capital gains tax.

Negotiability

The Investec IMS TFSA may not be ceded or paid to any third party.

Benefits on death

The investment will be payable to the investor's estate and may be subject to estate duty and executor fees. While the investment is held within the estate the returns from the TFSA will continue to be exempt from income tax and capital gains tax.

Transfers

You may transfer your TFSA to another product provider.

CONTACT INFORMATION

Please visit our website at www.investecassetmanagement.com for more information on our range of funds and portfolio products. You'll also find application forms and other relevant documentation for offshore investing on the website.

For more information and assistance with investing, call the Advisor Service Centre T 0860 444 487

Alternatively, please contact your Investec investment consultant.

Important information

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. We endeavour to provide accurate and timely information but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. We do not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only.

The investments referred to in this document are generally medium to long term investments. Their value may go down as well as up and past performance is not necessarily a guide to future performance. Fluctuations or movements in exchange rates may cause the value of the underlying international investments to go up or down. A schedule of fees and charges and maximum commissions is available on request from Investec Assurance Limited (IAL). Commission and incentives may be paid and, if so, would be included in the overall costs. A prospectus is available in respect of the underlying fund on request from IAL. Life funds are offered under the life licence of Investec Assurance Limited (a registered long term insurer) and are administered by Investec Investment Management Services (Pty) Ltd. Investec Asset Management and Investec Investment Management Services are authorised financial services providers.

