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TFSAs THE IDEAL SAVINGS VEHICLE IN FINANCIALLY DISTRESSED TIMES

By Colin Anthony



With South Africa's distressed economic climate, tax-free savings have never been more important.

The choice between consumption and saving is always a hard one to make. TFSAs try to use tax breaks to incentivise the public to choose saving over consumption. We want more savers because that creates more funding for investment, but also because it reduces the financial vulnerability of people, making them more resilient to financial shocks such as losing a job.

TFSAs are the only way to avoid all taxes that can apply to savings, ranging from income tax on interest earnings through to taxes on dividends paid to shareholders. While the annual limit of R33,000 seems small to large savers, the compounding effects over time mean there can be very substantial tax savings in the long run. Providers have also worked to ensure there are very low fees associated with most TFSAs, so they really are the most efficient way to save.

This is the third edition of savetaxfree.co.za's guide to TFSAs and it is designed to

provide new and experienced investors with everything they need to know

It begins with an outline of the basic concepts, including the various investment options and regulatory restrictions, from page 6.

The core of the guide is a complete directory of the TFSAs available on the market (from page 18). For each TFSA we include information on the risk level, underlying investments, costs and ideal investment period. We believe we have every TFSA in SA listed.

National Treasury introduced TFSAs in March 2015 to address South Africa's notoriously low savings rate. Initially the annual limit was R30,000, but this was raised in the 2017 Budget to R33,000. The lifetime cap of R500,000 was unchanged.

There have been widespread calls by industry players to increase both limits, as well as for other reforms (see page 10) but Treasury can be forgiven for its softly softly approach as it gauges market reaction. Besides, the aim of TFSAs is to encourage the poor and low-income earners to save more and they struggle to come close to those limits.

The uptake so far has been encouraging. According to research by Intellidex, which owns savetaxfree.co.za, a total of R5,1bn had been invested in TFSAs after two years with a total of 461,000 accounts opened. Cash-based TFSAs dominate, with 40% opened at banks. We provide a comparison of the interest rates as well as the costs and entry requirements from every cash product on offer on page 18.

We hope you find this guide useful. Please don't hesitate to contact me with any feedback on canthony@intellidex.co.za. ■

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TFSAs – THE BASICS

National Treasury introduced tax-free savings accounts (TFSAs) in March 2015 as a means to tackle SA's notoriously low savings rate with the long-term goal of safeguarding the financial security of its citizens



Rules and regulations

Regulations allowing for tax-free savings came into effect on 1 March 2015. Investors are subject to an annual contribution limit of R33,000, raised in March 2017 from an initial R30,000 annual limit. The lifetime limit is unchanged at R500,000. With the increased annual limit, it would take a little over 15 years for an investor to reach the lifetime limit if she contributed the full amount each year.

The rules around TFSAs include flexibility, including ease of access Savers can withdraw at any time but the annual and lifetime limits remain the same. So, if you were to contribute the full R33,000 and withdraw R10,000, you cannot replace that sum. Your lifetime limit would also be reduced by R10,000.

Are you eligible for a TFSA?

South African citizens of all ages are eligible for tax-free savings. Parents can

open accounts in their children's names.

Qualifying products

Qualifying products should be simple to understand and transparent in their disclosure. No restrictions are permitted on the level of returns paid out to investors or on when returns are paid out. Performance fees may not be charged, and derivatives can be used only to reduce the risk of loss or to reduce costs, and accounts may not be more than 10% exposed to any one share or commodity.

The five types of TFSA allowed are:

1. Cash accounts

Cash accounts have proven to be the most popular form of TFSA. Some take the form of fixed-term deposits but most are call accounts allowing investors immediate access to funds. They cannot be issued as transactional accounts, to eliminate the risk of savers using the accounts for day-to-day spending, and are accessible immediately or within seven days. In the case of fixed deposits, banks can charge penalties for early withdrawals. While returns are guaranteed, they are generally lower than those of the other types of "riskier" TFSA investments. The highest interest rate offered by banks is 8.67% from African Bank for its 12-month fixed deposit. Most financial institutions offering cash TFSAs do not charge any fees.

2. Stockbroker accounts

Investors can open an account with their stockbroker and use it to invest in various eligible exchange-traded funds (ETFs) on stock markets. ETFs are low-cost index trackers – for example, they

can invest in the stocks that make up the top 40 companies on the JSE, or in financial or industrial stocks, or even in foreign companies. They can also invest in other asset classes such as bonds and property. A brokerage fee is charged for each trade as well as an annual management fee. Most brokers have kept commissions low at about 0.25%, while the ETF management fees are usually about 0.5%. There are over 40 eligible ETFs on the JSE. The most common and cheapest are funds tracking the JSE's top 40 index.

3. Unit Trusts

Unit trusts provide access to a variety of asset classes, investment strategies and risk levels. Through them you can invest in local and international assets, equities, money markets, property, commodities, bonds and a mixture of these. Usually they are actively managed by fund managers who decide what to buy and sell. Their performance is usually compared against a benchmark, such as an index, or other measure such as inflation, that the fund aims to outperform. However, some are also index trackers. Fees are usually higher to cover the costs of active management. Most tax-free products do not charge any upfront fees but annual fees can add up to around 2% of the fund, depending on the underlying funds.

4. Life insurance policies

With a life insurance wrapper you can invest in various funds offered by life insurance companies. The advantage of a life policy structure is that it is simpler to manage in the event of your death – the

named beneficiaries receive the proceeds relatively quickly and it does not form part of your estate for the calculation of executor fees. You are, however, able to contribute and withdraw from the fund just like other TFSA investments. Life insurance policies are also usually protected against creditors in the case of your insolvency. A disadvantage is that they usually incur higher fees than other forms of TFSAs.

5. Linked investment service providers (Lisps)

Lisps offer the easiest access to a wider universe of unit trust funds and the ability to easily trade between them. They are effectively an administration and product packaging service where consumers can buy and sell unit trusts as they wish through one service provider. They can therefore be a convenient way to accumulate your tax-free savings, spread over multiple funds but with a single point of administration. Fees include the Lisps' platform fees and the management fees charged by the underlying funds.

Transfers between TFSA

National Treasury had indicated that such transfers would be possible from 1 March 2016, but postponed it in the 2017 budget to give service providers more time to finalise the administrative procedures required for these transfers. Once possible, amounts transferred between tax-free savings accounts will not count towards the annual contribution limit.

Exclusions

- Existing investments cannot be transferred into a TFSA account, even if they meet the parameters. One can however dispose of an investment and invest the proceeds in a TFSA.
- Service providers may not convert pre-existing financial instruments or policies owned by an investor into tax-free investments.
- Products exposing investors to "excessive levels of market risk" are excluded. This usually means exposure to one particular company or commodity of over 10% of a portfolio.
- Structured products, smoothed bonus portfolios, investments with performance fees, investments with maturity terms longer than seven years and investments charging high penalties for early withdrawals are also excluded, including policies including life or disability assurance. ■



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THE STATE OF THE TFSA SECTOR

Nonhlanhla Kunene

A useful product but more consumer education is still needed for clients to start seeing its true value

With more than R5bn invested in their first two years of existence, tax-free savings accounts (TFSAs) have proven attractive. The maximum tax-free contribution of R33,000 a year, with a lifetime limit of R500,000, makes them an ideal starting point for new investors or a nice tax-free top-up to existing portfolios. And it is the only way to avoid all taxes on savings, from interest to dividend tax.

Despite those advantages, they have drawn some criticism, with sceptics saying retirement annuities should rather have been tweaked to improve their tax attractiveness and that the TFSA concept has little value. Others have called on the investment industry and government to do more to educate the public about TFSAs. For the most part, however, they have been widely welcomed. We gauged the opinion of industry players to assess the state of the TFSA sector.

Magnus Heystek Jr, certified financial planner at Brenthurst Wealth Management, says the industry has been exceptionally quick to provide recommendations on TFSAs because of their value to clients. “In my experience I have found the queries on TFSAs to be somewhat lacklustre, but many clients see the value in TFSAs, especially



Magnus Heystek Jr

when it comes to their children and grandchildren.”

Verso Wealth’s certified financial planner, Wessel Oosthuizen, says clients have responded positively and Verso Wealth has seen a good uptake. “We are also satisfied with the response from industry, especially the product providers.”

A key issue for Verso, however, is that new clients are not clued up and think it is a cash-only instrument. Hence, they do not see the value until they understand that they can select an underlying investment portfolio.

Despite this, Heystek says investors should have a long-term approach to investing and in the long run he believes a TFSA will provide the most value, particularly because the tax paid in a non-TFSA portfolio eats into a significant portion of an investment.

do with TFSA or trends on the tax side of things.”

Fees

For Heystek, the fees are not an issue, as TFSAs have primarily been used as supplementary investments or for children, rather than primary investment vehicles. But he understands how this could be an issue given the relatively small investment amounts.



has the responsibility to provide advice that will benefit their clients, and not themselves.”

Despite the positive uptake there is still a perception among some in the industry that the introduction of TFSAs was unnecessary to begin with, considering the first R23,800 interest earned in cash is already tax free. They feel the government should have rather worked at enhancing existing products such as retirement annuities or other endowment-based products, by lowering the tax levied on those.

While he believes this to be a fair observation, Oosthuizen says it only considers the income tax implications. “Taking into account possible dividend and capital gains taxes makes TFSAs an attractive investment, especially if used with other investment instruments. So, for us it is not about the one product over the other, but rather a combination to suit specific client needs.”

Gradidge concurs that TFSAs give investors the opportunity to complement existing products. “Interest-based exemptions are useful up to a point, and then become insignificant as the investor’s portfolio increases. Also, the amount that you can invest to earn the tax-free interest portion is dependent on interest rates. At 10% you can invest R238,000, but at 5% you can invest R476,000 in interest-bearing investments. This can be difficult to manage in periods where there are changes in rates.”


Like Oosthuizen, Gradidge says the tax

benefits, compounded over time, are meaningful. “Retirement annuities are inflexible, illiquid and tightly regulated, which limits their use. They are still powerful and incredibly useful as a tax and an estate planning tool, but the restrictions can be problematic.


“Endowments are useful for high-end investors with large balance sheets and high marginal tax rates. They come into the planning after other product options have been exhausted.”

Restrictions

The annual and lifetime limits imposed by National Treasury remain a bone of contention. To make TFSAs more attractive, Heystek suggests scrapping the lifetime limit entirely, while allowing more flexibility with the annual limit. The R500,000 lifetime limit cannot be “reset” after a withdrawal. “If an investor contributes R90,000 over three years, they



Taking into account possible dividend and capital gains taxes makes TFSAs an attractive investment, especially if used with other investment instruments.



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The Tax-free Investment Account is a flexible investment product that allows you to create a personalised portfolio from a range of Unit Trust Funds and Exchange-traded Funds available through the Absa Linked Investment (AIMS) platform. All the investment returns earned within the product are free of tax, provided you comply with the annual and lifetime maximum limits on investment contributions into the product.

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- Quarterly reporting on portfolio holdings, investment values and transactions
- The product cannot be ceded.

General information

- Investment contributions are restricted to the current annual and lifetime product limits of R33 000 and R500 000 respectively per investor.

- It is the responsibility of the investor to avoid exceeding the above limits, any amount exceeding such will be subject to a 40% tax rate
- Debit orders are subject to a monthly minimum of R250
- Lump sum investments are subjected to a minimum of R10 000
- Investment contributions are subject to a further minimum of R250 per underlying Unit Trust Fund and R500 per underlying Exchange-traded Fund selected
- Additional investments are subject to the above minimum investment per underlying fund.
- The applicable terms and conditions are available on <https://www.absainvestments.co.za>

Tax implications

- Dividends, rental and interest income derived from underlying funds within this product are not taxable (provided you comply with the maximum annual and lifetime contribution amounts)
- Capital gains arising from the disposal of units within the product are not subject to capital gains tax
- Certain information relating to the product is reportable to the South African Revenue Services.

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Note: Absa may at no point in time provide you with any tax advice and the information above relating to tax is purely for informational purposes. Please consult your tax adviser.

Fees and expenses

- Annual administration fee for services provided by Absa Linked Investment (AIMS)
- Annual and/or initial financial adviser fees, for

services rendered by the financial adviser, are negotiated and agreed to between yourself and the financial adviser

- Fund management fees, which will vary depending on the underlying funds selected
- The applicable product fees are available on <https://www.absainvestments.co.za>

The annual fees are calculated on the market value of the product and are payable monthly.

Funds available in the Absa Tax-free Investment Account

Fund code	Fund names	Fund code	Fund names
ASACA	Absa Smart Alpha Income Fund Income	ARPI	PR Absa Large Cap Fund Equity
AAFCA	Absa Smart Alpha Defensive Fund	ASEC1	PR Absa Select Equity Fund Class C1 Equity
ASECA	Absa Smart Alpha Equity Fund Equity	ABPC1	PR Absa Property Equity Fund Class C1 Equity
ASPCA	Absa Smart Alpha Property Fund Equity	ABPF	Absa Prudential FoF Equity
AWPCA	Absa Wealth Preserver Plus Fund Equity	ABMF4	PR Absa Multi-Managed Preserver FoF C
ABIF	Absa Global Value Feeder Fund	ABMFF	PR Absa Multi-Managed Wealth Accumulation FoF Class C Equity
NFEMOM	NewFunds Equity Momentum ETF Equity	ABMFS	PR Absa Multi-Managed Wealth Creation FoF Class C Equity
MAPPSG	NewFunds MAPPS Growth ETF Equity	AMCPCB	Absa Multi-Managed Core Preserver Fund B
MAPPSP	NewFunds MAPPS Protect ETF Equity	AMCACB	Absa Multi-Managed Core Accumulation Fund B
GIVISA	NewFunds S&P GIVI SA Top 50 ETF Equity	AMGFCB	Absa Multi-Managed Core Growth Fund B
NFSWIX	NewFunds SWIX 40 ETF Equity	AMCPCC	Absa Multi-Managed Core Preserver Fund C
NFTRCI	NewFunds TRACI 3 Month ETF Income	AMAFCC	Absa Multi-Managed Core Accumulation Fund C
AAFC1	PR Absa Absolute Fund Class C1 Equity	AMGFCC	Absa Multi-Managed Core Growth Fund C
ABFC1	PR Absa Balanced Fund Class C1 Equity	AMWAD	PR Absa Multi-Managed Wealth Accumulation FoF D*
ABSC	PR Absa Income Enhancer Fund Income	AMWCD	PR Absa Multi-Managed Wealth Creation FoF D*
AIBC1	PR Absa Inflation Beater Fund Class C1 Equity	AMWPD	PR Absa Multi-Managed Preserver FoF D
AMFC1	PR Absa Managed Fund Class C1 Equity	APFCD	PR Absa Prudential Fund of Funds D*
ABMM	Absa Money Market Fund Income	ASCFA	Absa SA Core Equity Fund A
AMMCD	Absa Multi Managed Income Fund D		

*Note: Funds are only available to Absa Investment Financial Advisers (AIFA) and Wealth Advisers.

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BANK VS BANK: WHICH OFFERS THE BEST TFSA PACKAGE FOR YOUR NEEDS?



When National Treasury introduced tax-free savings accounts (TFSAs) in 2015, the big banks were quick to react with cash-based TFSAs. The majority are call accounts, with a few opting for fixed deposits. This is despite the fact that under-65s can already earn R23,800 per year and over-35s, R34,500 tax free in terms of existing exemptions from normal bank accounts.

We assessed the interest rates available from every cash product on offer.

African Bank offers the best interest rate for your tax-free savings at 8.67% for a 12-month fixed deposit with a minimum deposit of R500.

For those looking to investing smaller sums, Nedbank offers 6.00% for deposits starting from as little as R50, followed

by Capitec with its offering of 5.22% with no minimum deposit required for its 12-month fixed-term account. Like Investec, there is a R300 charge for early withdrawals, but the money is available immediately while Investec requires seven days' notice.

Absa's maximum rate of 5.75% is the least competitive. Both Absa and Standard Bank offer instant access through their branches, while Nedbank requires 24 hours' notice and FNB seven days.

Investec, which does not play in the mass market space for which cash TFSAs are ideal, comes in with a simple offering, suited to its higher-income target market: 8.06% interest a year on a minimum deposit of R30,000 on a 12-month term and a maximum annual contribution of R33,000.

Interest rates on cash TFSAs (per year)								
	R0 - R249	R250 - R1 000	R1 000 - R4 999	R5 000 - R9 999	R10 000 - R14 999	R15 000 - R19 999	R20 000 - R24 999	R25 000 - R33 000
Absa	3.75%	3.75%	3.75%	3.75%	3.75%	5.75%	5.75%	5.75%
African Bank	NA	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%	8.67%
Capitec*	5.22%	5.22%	5.22%	5.22%	6.96%	6.96%	6.96%	7.23%
FNB	NA	NA	5.90%	5.90%	6.00%	6.00%	6.75%	6.75%
Nedbank	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.50%	6.50%
Standard	NA	5.90%	5.90%	6.05%	6.20%	6.20%	6.35%	6.35%
Investec*	NA	NA	NA	NA	NA	NA	NA	8.06%**

**12-month term **R30 000 minimum* *Source: Intellidex Research*

No management fees are charged on TFSA accounts and minimum amounts required are usually small. FNB and Absa require a minimum lump sum of R1,000, but no further investment is required. Standard Bank and Nedbank have structured their TFSAs to target recurring

investments with low monthly sums, with clients ideally instituting a monthly stop order from their regular accounts. Standard Bank requires a minimum of R250 a month and Nedbank requires only R50 a month.

Bank	Minimum lump sum	Minimum monthly amount	Term	Fees	Access to funds
Absa	R1 000	0	Any	0	Instant
African Bank	R500	0	12 Months	0	Up to 10% for early access, or else 12 months
Capitec	0	0	12-24 months	0	R300 for early access, or else 12 months
FNB	R1 000	0	12 months	0	7 days
Nedbank	R50	R50	Any	0	24 hours
Standard	R250	R250	Any	0	Instant, with cheque fee on withdrawal
Investec	R30 000	R0	12 months	0	R300 for seven days' notice, or else 12 months

CASH SAVINGS ACCOUNT

Cash TFSAs are for cash investments and are usually offered by banks and similar firms. Some are fixed deposits which face penalties for early redemption and some are call deposits which can be drawn down at any time with no penalty. The interest earned on cash deposits is tax free, but note that in the 2017 tax year, the first R23 800 (R34 500 if 65 or over) of interest earnings is exempt from tax anyway. To earn that amount of interest would require a deposit of R600 000 (assuming a 4% interest rate), so the tax shield of a TFSA becomes useful only after the balance has grown to a considerable amount. However, some providers reserve their highest interest rates for their TFSA deposit accounts, so the TFSA cash account may still offer advantages. We consider all of these accounts to be low risk because the returns are guaranteed by the institutions offering them. Note, however, that you are still exposed to credit risk if the institution is for some reason unable to pay, so they are not completely risk free. To our knowledge, none of these accounts incur any annual costs.

Absa Tax Free Savings Account

Conditions	Minimum deposit of R1 000, no fixed term.	
Annual interest rate	3.75% for R0 - R14 999;	
	5.75% for R15 000 - R29 999;	
	6.25% for R30 000 - R49 999	

African Bank Tax Free Investment

Conditions	Minimum deposit of R500, 12-month fixed deposit with a penalty of up to 10% for early withdrawals	
Annual interest rate	8.67%	

Afrifocus-Tax Free Savings Account

Conditions	No minimum deposit. This is effectively a stockbroking account so the risk exposure is to the JSE rather than Afrifocus	
Annual interest rate	JSE Trustees Account rate: 7.19% (as of June 2017)	

Capitec Tax Free Savings Account

Conditions	Investment term 12 to 24 months; R300 early withdrawal fee	
Annual interest rate	12 months: 5.22% for R0 - R9 999; 6.96% for R10 000 - R24 999; 7.23% for R25 000 - R100 000+	
	23% for R10 000 - R24 999; 7.34% for R25 000 - R100 000+	
	19 - 24 months: 5.22% for R0 - R9 999; 7.76% for R10 000 - R24 999; 7.87% for R25 000 - R100 000+	

FedGroup Tax-Free Investment Option

Underlying investment

Conditions	Minimum deposit of R5 000 or a debit order of R500; access to funds in 5 working days	
Risk level	Low	FedGroup participation bonds. These invest in a commercial property portfolio. This is not a cash investment but involves participation bonds so involves some credit risk
Annual cost (TER)	Nil	
Ideal investment period	At least one year	
Interest rate	7.76%	

FNB Tax-Free Cash Deposit

Conditions	Minimum deposit of R1 000; access to funds in seven days	
Annual interest rate	5.90% for R1 000 - R9 999.99; 6.00% for R10 000.00 - R19 999.99; 6.75% for R20 000 - R49 999; 7.00% for R50 000 - R99 999; 7.10% for R100 000 - R499 999; 7.15% for R500 000+	

Investec Tax-Free Fixed Deposit

Conditions	12-month fixed deposit; a penalty applies for early withdrawal in line with regulations. Minimum deposit R30 000 (full TFSA annual limit is now R33 000)	
Annual interest rate	8.06%	

Mercantile Bank Tax Exempt Savings Account

Conditions	Minimum deposit of R1 000, cash available after seven day notice, R300 penalty if notice is shorter	
Annual interest rate	6.00% for R1 000– R9 999; 6.50% for R10,000.00 - R19,999; 7.50% for R20 000 - R59 000; 8.00% for R60 000+	

Nedbank Tax Free Savings Accounts

Conditions	Minimum deposit of R50	
Annual interest rate	6.00% for R50 - R19 999; 6.50% for R20 000+	

RMB Tax-Free Cash Deposit

Conditions	Minimum deposit of R1 000 with seven-day notice period	
Annual interest rate	6.15% for R1 000 - R9 999; 6.25% for R10 000 - R14 999; 6.25% for R15 000 - R19 999; 7.00% for R20 000 - R49 999; 7.25% for R50 000 - R99 999; 7.35% for R100 000 - R499 999; 7.40% for R 500 000+	

Sasfin Tax-Free Savings Account

Conditions	Minimum deposit of R10 000 with no notice period and a minimum withdrawal of R10 000	
Annual interest rate	6.50% linked to Prime	

Standard Bank Tax-Free Call Account

Conditions	Minimum deposit of R250 with no notice period	
Annual interest rate	5.90% for 250 - R4 999; 6.05% for R5 000 - R9 999; 6.20% for R10 000 - R19 999; 6.35% for R20 000 - R29 999; 6.50% for R33 000+	

UNIT TRUST TFSA's

Unit trusts are a popular way to invest and give investors access to a wide variety of investment strategies. Generally, unit trusts are actively managed, with the manager making buy and sell decisions between different assets. That means they are usually more expensive than passive funds such as exchange-traded funds. The total expense ratios (TERs) listed below show what the total cost was in the fund's most recent year. Unit trusts lend themselves to the full range of risk levels. Most funds allow for regular contributions or once-off investments. The return figures refer to the most recent one- and three-year return periods annualised. For N/A, the fund is less than one or three-years old.

There are two ways to invest in unit trusts that qualify as TFSA's, either directly or via a linked investment service provider or wrapper funds. In this section we list those investments that are available directly. See the Lisps/Wrapper funds section for linked products.

Allan Gray Tax-Free Balanced Fund		Underlying investment
Risk level	Medium	A mix of shares, bonds, property, commodities and cash
Annual cost (TER)	1.51%	
Ideal investment period	At least three years	
Benchmark	SA – multi asset – high equity	
Since inception	6.00%	
Three-year return/year	N/A	
Baobab Capital Tax-Free Investment Vehicle		Underlying investment
Risk level	Medium high	Global and local equity securities, government bonds, corporate bonds and inflation-linked bonds, debentures, fixed interest securities, property shares, property related securities, preference shares, money market instruments and assets in liquid form
Annual cost (TER)	3.26%	
Ideal investment period	At least three years	
Benchmark	CPI+6% p.a.	
One-year return	N/A	
Three-year return/year	N/A	

Emperor IP Momentum Equity Unit Trust (Tax Free)**Underlying investment**

Risk level	Medium high	Follows quantitative momentum strategy, investing in top 180 most liquid shares on the JSE
Annual cost (TER)	1.50%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Top 40 index	
One-year return	-2.20%	
Three-year return/year	N/A	

Mosaic Flexible Prescient Fund**Underlying investment**

Risk level	High	Diversified mix of assets including equities, property, bonds, preference shares, money market and other financial instruments. Maximum offshore exposure of 25% gross plus 5% gross in Africa
Annual cost (TER)	1.87%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE all share total return index	
Year to date	4.70%	
Three-year return/year	N/A	

Naviga TFSA Balanced Portfolio**Underlying investment**

Risk level	Medium	A maximum of 75% in equities with the balance in property, cash and bonds
Annual cost (TER)	N/A	
Ideal investment period	At least five years	
Benchmark	SA multiasset high equity	
One-year return	5.75%	
Three-year return/year	N/A	

Personal Trust Managed Fund Class B (Tax-Free)**Underlying investment**

Risk level	Medium high	A combination of local and foreign equities, property, trusts, bonds and cash
Annual cost (TER)	1.43%	
Ideal investment period	At least five years	
Benchmark	50% of JSE all share total return index; 10% of all bond index; 10% of MSCI world index; 5% IMF Special Drawing Rights; 10% JSE SA listed property; 10% JP Morgan bond index; 5% SA cash	
One-year return	9.29%	
Three-year return/year	N/A	



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Prudential Balanced Fund (Tax-Free)		Underlying investment
Risk level	Medium high	Equity 75%, listed property 25%, offshore 25%, plus additional 5% Africa excluding SA
Annual cost (TER)	1.05%	
Ideal investment period	At least five years	
Benchmark	SA multi-asset high equity category average	
One-year return	8.90%	
Three-year return/year	N/A	
Prudential Dividend Maximiser Fund (Tax-Free)		Underlying investment
Risk level	High	JSE shares with low relative price:earnings ratios
Annual cost (TER)	1.55%	
Ideal investment period	At least seven years	
Benchmark	SA equity general category mean	
One-year return	9.40%	
Three-year return/year	N/A	
Prudential Enhanced Income Fund (Tax-Free)		Underlying investment
Risk level	Low medium	High-yielding securities consisting of 10% equity, 25% listed property, 20% offshore and 5% Africa (excl SA)
Annual cost (TER)	0.73%	
Ideal investment period	One to three years	
Benchmark	SteFI composite index measured over a rolling 36-month period	
One-year return	8.60%	
Three-year return/year	N/A	
Prudential Enhanced SA Property Tracker Fund (Tax-Free)		Underlying investment
Risk level	Medium high	SA listed property instruments and assets in liquid form. No direct investment in physical property
Annual cost (TER)	0.70%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE listed property index	
One-year return	9.30%	
Three-year return/year	N/A	

Prudential Inflation Plus Fund (Tax-Free)		Underlying investment
Risk level	Low medium	Tactical asset allocation across various classes, locally and internationally, consisting of 40% equity, 25% listed property, 25% offshore and 5% Africa (excl SA)
Annual cost (TER)	1.06%	
Ideal investment period	At least three years	
Benchmark	CPI+5% over rolling three-year period	
One-year return	6.40%	
Three-year return/year	N/A	
Resolute Wealth Tax-Free Savings Portfolio		Underlying investment
Risk level	High	All asset classes with focus on equities
Annual cost (TER)	N/A	
Ideal investment period	At least five years	
Benchmark	CPI + 6% over rolling five-year period	
One-year return	19.07%	
Three-year return/year	22.19%	
Stash Tax-Free Investment (Liberty)		Underlying investment
Risk level	High	Tracks the performance of the JSE/FTSE Top 40 index, including dividends
Annual cost (TER)	No fees	
Ideal investment period	At least five years	
Benchmark	JSE top 40 index	
One-year return	N/A	
Three-year return/year	N/A	

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LINKED INVESTMENT SERVICE PROVIDERS AND WRAP FUNDS

Unit trusts can be invested in either directly or through two types of grouped funds: a linked investment service provider (Lisp) platform, or a wrapper-type fund. Lisps provide access to a wide range of unit trusts through one platform, whereas unit trusts are available directly only if the provider has created a tax-free account facility. Lisps allow you to invest in any unit trust and trade between them all within a single tax-free account. Using a Lisp entails an extra layer of fees, but tax-free Lisp providers have kept these to a minimum. Tax-free wrapper funds are similar to Lisps in that they offer a range of underlying unit trusts in which to invest, but usually only from the service provider.

Absa Tax-Free Investment Account		Underlying investment
Risk level	Low to high, depending on underlying funds	A number of investment options available – including unit trusts and exchange traded funds (ETFs) – each of which gives a different type of return such as interest, income or dividends
Platform annual fee	Low fee structure, depending on underlying funds	
Ideal investment period	From one year, depending on underlying investments	
Alexander Forbes Tax Free Savings Account		Underlying investment
Risk level	Low to high, depending on underlying funds	A range of funds offered by the the Alexander Forbes investment platform
Platform annual fee	Fee structure depends on chosen portfolio	
Ideal investment period	From one year, depending on underlying investments	
Allan Gray Tax-Free Investment Account		Underlying investment
Risk level	Low to high, depending on underlying funds	A range of funds offered by the the Allan Gray investment platform
Platform annual fee	Management and administrative fees charged based on the amount invested	
Ideal investment period	From one year, depending on underlying investments	

Ashburton Tax-Free Savings Account		Underlying investment
Risk level	Low to high, depending on underlying funds	A range of funds offered by the the Ashburton investor platform
Platform annual fee	Annual fee of 0.40% up to R1m; 0.30% from R2m and 0.20% from R3m for third party funds. Fees are calculated by aggregating total investments across all products	
Ideal investment period	From one year	
Capilis Tax-Free Investment Account		Underlying investment
Risk level	Low to high, depending on underlying funds	A range of equity funds from various investment companies offered on the Capilis platform
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on underlying investments	
Bridge Fund Management Tax-Free Savings Plan		Underlying investment
Risk level	Low to high, depending on underlying funds	Bridge Fund Managers' unit trust range of funds
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on chosen funds	
Coronation Tax-Free Investment		Underlying investment
Risk level	Low to high, depending on underlying funds	Range of Coronation unit trust funds
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on underlying investments	

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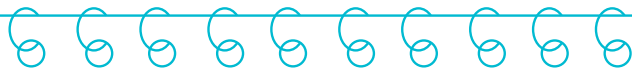
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Discovery Tax-Free Flexible Investment Plan		Underlying investment
Risk level	Low to high, depending on underlying funds	Range of funds to cater to diverse needs and risk profiles, including Discovery's own funds as well as a range of externally managed funds
Platform annual fee	Annual 0.35% + VAT on Discovery funds and 0.55% + VAT on externally managed funds	
Ideal investment period	From one year, depending on underlying investments	
Foord Tax-Free Investment Accounts		Underlying investment
Risk level	Low to high, depending on underlying funds	Tax-free investment accounts in Foord Balanced Fund, Foord Equity Fund and Foord Flexible Fund of Funds offered to the company's existing investors
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on underlying investments	
Glacier Tax-Free Investment Plan (Sanlam)		Underlying investment
Risk level	Low to high, depending on underlying funds	Range of collective investment funds on Glacier's platform, including selected wrap funds
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	No fixed period but a minimum of three years is recommended	
Investec Asset Management Tax-Free Savings Account		Underlying investment
Risk level	Low to high, depending on underlying funds	A range of funds from the Investec Fund Management's unit trust range
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on chosen funds	

<i>Kagiso Asset Management Tax-Free Investments</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of Kagiso Asset Management's unit trusts
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on chosen funds	
<i>MitonOptimal Tax-Free Savings Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of MitonOptimal unit trust funds
Platform annual fee	No administration fees; asset management fees vary per fund	
Ideal investment period	From one year, depending on chosen funds	
<i>Momentum Tax-Free Investments</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on chosen investment option and underlying funds	A range of unit trust funds offered under the Flexible Tax-Free Option and My Savings Portfolio
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on chosen funds	
<i>Nedgroup Investments Tax-Free Savings Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of unit trust funds from Nedgroup Investments
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on chosen funds	

<i>Oasis Tax-Free Investment Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	Investors have a choice between a range of Oasis funds on offer under the South African Shari'ah Tax Free Investment Account and South African Conventional Tax Free Investment Account
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	From one year, depending on chosen funds	
<i>OUTvest Tax-Free Plan</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A handpicked range of CoreShares and Granate Asset Management unit trusts
Platform annual fee	Platform administration fees are based on the value of client's investment portfolios, with a minimum of R5 a month for advice and administration	
Ideal investment period	From one year depending on chosen funds	
<i>PPS Tax-free Investment Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A wide range of PPS unit trusts as well as external funds available under PPS' investment options
Platform annual fee	Fees vary per product and underlying investment	
Ideal investment period	No prescribe minimum, but investors are encouraged to view the investment as a long-term one	
<i>PSG Wealth Tax-Free Investment Plan</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of unit trusts available on the PSG Wealth investment platform; clients can choose any combination of unit trusts that do not charge performance fees
Platform annual fee	0.20% for PSG unit trusts and based on the value of the client's investment portfolio for other unit trusts	
Ideal investment period	From one year, depending on selected funds	

<i>Resolute Wealth Tax-Free Savings Portfolio</i>		<i>Underlying investment</i>
Risk level	High	A selection of funds with a focus on equities
Platform annual fee	N/A	
Ideal investment period	At least five years	
<i>Sanlam Tax-Free Investment</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of unit trusts available on the Sanlam platform
Platform annual fee	Annual marketing and admin fee of 1.45% for R0 - R1 124 999 and 0.20% for R1 125 000+; annual marketing and administration charge % of the fund value of the plan	
Ideal investment period	No minimum period but three to five years recommended	
<i>Satrix Tax-Free Investment</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of Satix unit trusts available on the Satrix platform
Platform annual fee	Effective annual costs vary per product and are expressed as a percentage of the investment amount	
Ideal investment period	Depends on chosen funds	
<i>Stanlib Unit Trust Tax-Free Savings Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of unit trusts available on the Stanlib platform
Platform annual fee	Fund service fee from 0.5% - 1% p.a.	
Ideal investment period	Depends on selected funds	

<i>Stanlib Linked Investments Tax-Free Savings Plan</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of funds from various management companies
Platform annual fee	The annual fee of the fund selected; may include a trail fee to the adviser, a platform service charge for linked service provider accounts	
Ideal investment period	Depends on selected funds	
<i>Sygnia Tax-Free Savings Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of Sygnia unit trusts available on the Sygnia Alchemy Investment Platform
Platform annual fee	Asset management fees depend on selected funds; No administration fees	
Ideal investment period	Depends on selected funds	



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STOCKBROKER ACCOUNTS

Stockbrokers offer two main types of tax-free accounts: a managed account in which the broker determines what to invest in, and a do-it-yourself account in which you select the investments. The investment universe is restricted to the 53 eligible listed exchange traded funds (ETFs). Costs include commissions when you buy or sell an ETF, while the ETFs themselves have an embedded management fee that can be seen on the relevant fund's fact sheet. Costs listed below are the total expense ratio. ETFs provide various types of exposure, including to foreign stock indices, though most are focused on JSE-listed shares.

28E Capital Tax-Free Trading Account		Underlying investment
Risk level	Low to high, depending on underlying ETFs	All eligible JSE-listed ETFs
Annual cost	R100 brokerage per trade	
Ideal investment period	At least five years	
Absa Stockbrokers Tax-Free Savings Account		Underlying investment
Risk level	Low to high, depending on underlying ETFs	All eligible JSE-listed ETFs
Annual cost	Zero fees; brokerage at 0.2%	
Ideal investment period	At least five years	
Afrifocus Tax-Free Savings Account		Underlying investment
Risk level	Low to high, depending on underlying ETFs	A series of risk-profiled products investing in eligible ETFs to suit the investor's risk tolerance; investors can also select their preferred funds
Annual cost	0.5% a year; zero initial fees	
Ideal investment period	At least three years	
EasyEquities Tax Free Savings Account		Underlying investment
Risk level	Low to high, depending on underlying ETFs	All eligible JSE-listed ETFs, plus fractional share rights where relevant and a range of baskets containing handpicked ETFs themed to suit different risk profiles: aggressive, balanced, moderate or conservative
Annual cost	0.25% brokerage per trade; baskets charge fees starting from 0.50% depending on the chosen bundle	
Ideal investment period	At least five years	

etfSA Tax Free Investment Account (ETFIA)		Underlying investment
Risk level	Low to high, depending on portfolio or chosen ETFs	Tax-free accounts using only low-cost, transparent and liquid ETFs, offering a selection of four portfolios (balanced, equity, income and international), suitable for diverse risk profiles; minimum investment of R1 000 for portfolios and R300 for individual ETFs
Annual cost	1.00% investment and administration costs	
Ideal investment period	At least three years	
FNB Securities Tax-Free Shares Account		Underlying investment
Risk level	Medium to high	A managed account investing equally in the 100 largest JSE-listed companies
Annual cost	Annual fee of a maximum of 0.5% (excluding VAT) on the first R250 000 invested, 0.45% on the next R1m and 0.35% on the balance over R1m; 0.1% brokerage plus statutory charges	
Ideal investment period	At least five years	
Momentum Securities TFSA		Underlying investment
Risk level	Medium to high	A managed account investing equally in the 100 largest JSE-listed companies
Annual cost	N/A	
Ideal investment period	At least three years	
RMB Tax-Free Shares Account		Underlying investment
Risk level	Medium high to high	A managed account investing equally in the 100 largest JSE-listed companies
Annual cost	Annual fee of a maximum of 0.5% (excluding VAT) on the first R250 000 invested, 0.45% on the next R1m and 0.35% on the balance over R1m; 0.10% brokerage plus statutory charges.	
Ideal investment period	At least three years	

<i>SA Stock Brokers Capital Tax-free Savings and Investment Account</i>		<i>Underlying investment</i>
Risk level	Medium high to high	A managed account investing equally in the 100 largest JSE-listed companies
Annual cost	Enquire with broker	
Ideal investment period	At least three years	
<i>SBG Securities/Standard OST Tax Free Investment Account</i>		<i>Underlying investment</i>
Risk level	Medium to high	All eligible JSE-listed ETFs
Annual cost	0.25% brokerage plus statutory charges	
Ideal investment period	At least five years	
<i>Thebe Stockbroking Kick Start Plan</i>		<i>Underlying investment</i>
Risk level	Medium to high, depending on underlying ETFs	All eligible JSE-listed ETFs
Annual cost	0.25% flat brokerage rate plus statutory fees	
Ideal investment period	At least three years	
<i>Unum Lifestage Baskets</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on chosen basket	A range of three basket options containing selected JSE listed ETFs based on different asset classes, both offshore and domestic; suitable for various risk profiles
Annual cost	A basket fee ranging from 0.50% to 1.00%;	
Ideal investment period	At least five years	

EXCHANGE TRADED FUNDS

There are 53 exchange-traded funds (ETFs) that are eligible for TFSA's. There are two ways of investing in these: directly with the ETF provider, or via a stockbroker that allows you to buy or sell ETFs within a tax-free stockbroking account.

AMI Big 50 Ex-SA ETF (Cloud Atlas Investing)		Underlying investment
Risk level	Medium	Tracks the Cloud Atlas AMI Big50 Ex-SA index which consists of Africa's blue chip companies
Annual cost (TER)	0.40% management fee	
Ideal investment period	At least three years	
Benchmark	Cloud Atlas AMI Big50 Ex-SA index	
One-year return	N/A	
Three-year return/year	N/A	
Ashburton Global 1200 ETF		Underlying investment
Risk level	High	Provides investors with efficient exposure to the global equity market by tracking the S&P Global 1200. It is constructed as a composite of seven headline indices: the S&P500 (US), S&P Europe 350, S&P TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50, S&P Asia 50 and S&P Latin America 40
Annual cost (TER)	0.47%	
Ideal investment period	At least five years	
Benchmark	S&P Global 1200	
One-year return	N/A	
Three-year return/year	N/A	
Ashburton Inflation ETF		Underlying investment
Risk level	Low	Tracks the component bonds of the Government Inflation-Linked Bonds Index (GILBx) in proportion to the index weightings. GILBx is a weighted basket of South African government inflation-linked bonds
Annual cost (TER)	0.47%	
Ideal investment period	At least one year	
Benchmark	Government inflation-linked bond index (GILBx)	
One-year return	-0.39%	
Three-year return/year	3.73%	

Ashburton MidCap ETF		Underlying investment
Risk level	Medium high	Tracks the component equities of the FTSE/JSE MidCap index in proportion to the index weightings. The FTSE/JSE MidCap index contains the 60 largest companies listed on the JSE that are not included in the FTSE/JSE Top40 index in terms of market capitalisation
Annual cost (TER)	0.77%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE MidCap index	
One-year return	-3.59%	
Three-year return/year	6.41%	
Ashburton Top40 ETF		Underlying investment
Risk level	Medium high	Tracks the component equities of the FTSE/JSE Top40 index in proportion to the index weightings. The Ashburton Top40 ETF invests in the 40 biggest companies listed on the JSE based on their market capitalisation
Annual cost (TER)	0.17%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Top40 index	
One-year return	11.62%	
Three-year return/year	6.60%	
CoreShares Divtrax		Underlying investment
Risk level	Medium high to high	Tracks the the S&P South Africa Dividend Aristocrats index. It is designed to measure the performance of constituents of the S&P South Africa Composite Index that have followed a policy of increasing or maintaining stable dividends for seven consecutive years
Annual cost (TER)	0.43%	
Ideal investment period	At least five years	
Benchmark	S&P South Africa Dividend Aristocrats index	
One-year return	1.00%	
Three-year return/year	9.20%	

CoreShares Equally Weighted Top40		Underlying investment
Risk level	High	Tracks the Equally Weighted Top40 index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the index and selling securities which are excluded. It provides exposure to the largest 40 companies on the JSE, held in equal weightings of 2.5% each (as at quarterly rebalancing date)
Annual cost (TER)	0.38%	
Ideal investment period	At least five years	
Benchmark	Equally weighted Top40 index	
One-year return	0.60%	
Three-year return/year	3.40%	
CoreShares LowVoltrax		Underlying investment
Risk level	Medium high to high	Tracks tracks the S&P South Africa Low Volatility index, which measures the performance of the 40 least volatile stocks on the JSE. Volatility is defined as the standard deviation of the security's daily price returns over the prior year
Annual cost (TER)	0.65% (subsidised until it reaches target TER)	
Ideal investment period	At least five years	
Benchmark	S&P South Africa Low Volatility index	
One-year return	-1.40%	
Two-year return/year	5.00%	
CoreShares Preftrax		Underlying investment
Risk level	Low medium	Tracks the performance of the FTSE/JSE Preference Share index which consists of non-convertible, floating rate perpetual preference shares. This index measures performance of non-convertible, floating rate perpetual preference shares
Annual cost (TER)	0.56%	
Ideal investment period	At least one year	
Benchmark	FTSE/JSE Preference Share index	
One-year return	5.00%	
Three-year return/year	5.30%	

CoreShares Proptrax SAPY		Underlying investment
Risk level	Medium high	Tracks the FTSE/JSE SA Listed Property index (SAPY index). The SAPY index consists of the top 20 most liquid JSE primary listed property companies (thereby excluding Capital Shopping Centres) that have a minimum free float of 15%
Annual cost (TER)	0.58%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE SA Listed Property index (J253/SAPY Index)	
One-year return	9.00%	
Three-year return/year	12.80%	
CoreShares Proptrax Ten		Underlying investment
Risk level	Medium high	Tracks the FTSE/JSE SA Listed Property Top 10 Equal index, which is a custom index that consists of the top 10 most liquid JSE primary listed property companies. This index consists of the top 10 companies, as measured by investable market capitalisation in the FTSE/JSE SAPY index, which are held in equal weightings of 10.0% each
Annual cost (TER)	0.54%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE SA Listed Property Top 10 Equal index	
One-year return	8.40%	
Three-year return/year	14.60%	
CoreShares S&P Global Property		Underlying investment
Risk level	High	Tracks the S&P Global Property 40 index which consists of the largest 40 property companies in developed markets that have earnings and dividend stability
Annual cost (TER)	0.27% (subsidised while the portfolio is new)	
Ideal investment period	At least five years	
Benchmark	S&P Global Property 40 index	
One-year return	N/A	
Three-year return/year	N/A	

CoreShares S&P 500		Underlying investment
Risk level	High	Tracks the price and yield performance of the S&P 500 index
Annual cost (TER)	0.20% (subsidised while the portfolio is new)	
Ideal investment period	At least five years	
Benchmark	S&P 500 index	
One-year return	N/A	
Three-year return/year	N/A	
CoreShares Top50		Underlying investment
Risk level	High	Tracks the S&P South Africa 50 index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the index. It provides exposure to the largest 50 companies on the JSE by float-adjusted market capitalisation
Annual cost (TER)	0.07% (subsidised while the portfolio is new)	
Ideal investment period	At least five years	
Benchmark	S&P South Africa 50 Index	
One-year return	11.60%	
Three-year return/year	N/A	
NewFunds Equity Momentum ETF (Absa)		Underlying investment
Risk level	High	Tracks the price momentum observed in the South African equity market through replication of the NewFunds Risk-Controlled WITS SA-Momentum index. It is an index consisting of the top 20 stocks ranked by their absolute price momentum, weighted per their risk contribution which achieves equal risk contribution of the index constituents
Annual cost (TER)	0.38%	
Ideal investment period	At least five years	
Benchmark	NewFunds Risk-Controlled WITS SA-Momentum index	
One-year return	-2.49%	
Three-year return/year	3.41%	

<i>NewFunds GOVI ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	Medium	Tracks the total return version of the GOVI index, an index consisting of bonds issued by the South African government
Annual cost (TER)	0.25%	
Ideal investment period	At least three years	
Benchmark	GOVI index	
One-year return	7.75%	
Three-year return/year	6.81%	
<i>NewFunds ILBI ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	Medium	Tracks the total return of the Barclays/Absa South African Government Inflation-Linked Bond Index, an index consisting of bonds issued by the South African Government which are linked to the South African consumer price index and calculated on a daily basis by Barclays
Annual cost (TER)	0.35%	
Ideal investment period	At least three years	
Benchmark	ILBI index	
One-year return	-0.80%	
Three-year return/year	4.06%	
<i>NewFunds MAPPS Growth ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the MAPPS growth index providing access to a range of asset classes including SA equities, nominal bonds, inflation-linked bonds and cash or allowable money market instruments
Annual cost (TER)	0.15%	
Ideal investment period	At least five years	
Benchmark	MAPPS Growth index	
One-year return	0.22%	
Three-year return/year	3.69%	
<i>NewFunds MAPPS Protect ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	Medium	Tracks the performance of South African equities, nominal bonds, inflation-linked bonds and cash or allowable money market instruments
Annual cost (TER)	0.16%	
Ideal investment period	At least three years	
Benchmark	MAPPS Protect index	
One-year return	1.17%	
Three-year return/year	4.25%	

<i>NewFunds NewSA ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the price performance of the NewSA index, a modified top 40 index that weights the top 40 JSE-listed companies in accordance with their empowerment ratings (as measured by independent empowerment rating agency Empowerdex)
Annual cost (TER)	0.57%	
Ideal investment period	At least five years	
Benchmark	NewSA index	
One-year return	-1.61%	
Three-year return/year	-1.61%	
<i>NewFunds S&P GIVI SA Financial 15 ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the performance of the S&P GIVI SA Financials index which represents the 15 stocks from the S&P GIVI SA composite index
Annual cost (TER)	0.18%	
Ideal investment period	At least five years	
Benchmark	S&P GIVI SA Financials index	
One-year return	-9.47%	
Three-year return/year	-2.85%	
<i>NewFunds S&P GIVI SA Industrial 25 ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the S&P GIVI SA Industrials index, which represents the 25 stocks from the S&P GIVI SA composite
Annual cost (TER)	0.21%	
Ideal investment period	At least five years	
Benchmark	eRAFI	
One-year return	-1.77%	
Three-year return/year	7.17%	
<i>NewFunds S&P GIVI SA Resource 15 ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the price performance of the S&P GIVI South Africa Resource 15 index, an index designed to reflect an alternative beta strategy for the South African market
Annual cost (TER)	0.20%	
Ideal investment period	At least five years	
Benchmark	S&P GIVI SA Resources index	
One-year return	-17.25%	
Three-year return/year	2.69%	

<i>NewFunds S&P GIVI SA Top 50 ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the S&P GIVI SA top 50 index, an index representing the 50 stocks on the S&P GIVI SA composite index
Annual cost (TER)	0.19%	
Ideal investment period	At least five years	
Benchmark	S&P GIVI SA Top 50 index	
One-year return	-5.01%	
Three-year return/year	-1.58%	
<i>NewFunds Shari'ah Top 40 ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the price performance of the FTSE/JSE Shari'ah Top 40 index, which is designed to reflect the Shari'ah compliant companies identified from the FTSE/JSE Africa Top 40 index by Yasaar
Annual cost (TER)	0.13%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Shari'ah Top 40 index	
One-year return	-4.55%	
Three-year return/year	-9.61%	
<i>NewFunds SWIX 40 ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	High	Tracks the performance of the FTSE/JSE SWIX 40 Total Return index. The SWIX 40 index is a shareholder-weighted index that uses the share register of the top 40 companies listed on the main board of the JSE
Annual cost (TER)	0.35%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE SWIX Top 40 index	
One-year return	-1.28%	
Three-year return/year	3.18%	
<i>NewFunds TRACI 3-Month ETF (Absa)</i>		<i>Underlying investment</i>
Risk level	Low	Tracks the total return version of the Barclays Capital/Absa Capital ZAR Tradable Cash index 3-month (TRACI-3M), an index consisting of 3-month South African money market deposit rates
Annual cost (TER)	0.23%	
Ideal investment period	At least one year	
Benchmark	TRACI index	
One-year return	7.22%	
Three-year return/year	6.54%	

Satrix 40 ETF		Underlying investment
Risk level	High	Tracks the value of the FTSE/JSE Top 40 index
Annual cost (TER)	0.39%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE Top 40	
One-year return	11.45%	
Three-year return/year	6.41%	
Satrix DIVI ETF		Underlying investment
Risk level	High	Tracks the JSE Dividend Plus index, a yield-weighted index designed to measure the performance of the top 30 high-yielding companies within the universe of the top 40 and mid-cap indices, excluding real estate companies
Annual cost (TER)	0.38%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE Divi Plus index	
One-year return	9.81%	
Three-year return/year	3.42%	
Satrix FINI ETF		Underlying investment
Risk level	High	Tracks the JSE Financial 15 index, a composite of the top 15 shares in the financial sector
Annual cost (TER)	0.40%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE Financial 15 index	
One-year return	7.48%	
Three-year return/year	6.01%	
Satrix ILBI ETF		Underlying investment
Risk level	Medium	Tracks the value of the S&P South Africa Sovereign Inflation-Linked Bond 1+ year index which provides investors with inflation-linked bond exposure as an alternative asset class
Annual cost (TER)	0.25%	
Ideal investment period	At least three years	
Benchmark	S&P SA Sovereign inflation-linked bond 1+ year	
One-year return	N/A	
Three-year return/year	N/A	

Satrix INDI ETF		Underlying investment
Risk level	High	Tracks the JSE Industrial 25 index, a composite of the top 25 shares in the industrial sector on the JSE
Annual cost (TER)	0.40%	
Ideal investment period	At least six years	
Benchmark	JSE Industrial 25 index	
One-year return	12.82%	
Three-year return/year	10.94%	
Satrix MSCI World Equity Feeder ETF		Underlying investment
Risk level	High	Tracks the value of the MSCI World Equity index which measures the performance of the large- and mid-capitalisation stocks across developed market countries which comply with MSCI's size, liquidity and free-float criteria
Annual cost (TER)	0.35%	
Ideal investment period	At least six years	
Benchmark	MSCI World (developed markets)	
One-year return	N/A	
Three-year return/year	N/A	
Satrix MSCI Emerging Markets Feeder ETF		Underlying investment
Risk level	High	Tracks the value of the MSCI Emerging Markets index which measures the performance of the large-, mid- and small-capitalisation stocks across emerging market countries which comply with MSCI's size, liquidity and free-float criteria
Annual cost (TER)	0.34%	
Ideal investment period	At least six years	
Benchmark	MSCI Emerging Markets Investable Markets	
One-year return	N/A	
Three-year return/year	N/A	
Satrix RAFI 40 ETF		Underlying investment
Risk level	High	Tracks the Rafi 40 Total Return index, which weights the underlying constituents using dividends, cash flow, sales and book value rather than pure market capitalisation
Annual cost (TER)	0.49%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE RAFI 40 index	
One-year return	10.54%	
Three-year return/year	4.93%	

Satrix Property ETF		Underlying investment
Risk level	High	Tracks the value of the S&P SA Composite Property Capped index
Annual cost (TER)	0.35%	
Ideal investment period	At least six years	
Benchmark	S&P SA composite property capped index	
One-year return	N/A	
Three-year return/year	N/A	
Satrix Quality South Africa ETF		Underlying investment
Risk level	High	Tracks the value of the S&P Quality South Africa index, whose components are calculated based on return on equity, the accruals ratio and financial leverage ratio
Annual cost (TER)	0.35%	
Ideal investment period	At least six years	
Benchmark	S&P Quality South Africa index	
One-year return	8.80%	
Three-year return/year	4.70%	
Satrix Resi ETF		Underlying investment
Risk level	High	Tracks the JSE capped resources 10 index, investing in the top 10 resources companies
Annual cost (TER)	0.41%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE capped resources 10 index	
One-year return	11.03%	
Three-year return/year	-9.63%	
Satrix S&P 500 ETF		Underlying investment
Risk level	High	Tracks the value of the S&P 500 index which measures the performance of the large capitalisation sector of the US equity market
Annual cost (TER)	0.25%	
Ideal investment period	At least six years	
Benchmark	S&P 500 index	
One-year return	N/A	
Three-year return/year	N/A	

Satrix Swix ETF		Underlying investment
Risk level	High	Tracks the value of the FTSE/JSE Swix Top 40 index
Annual cost (TER)	0.43%	
Ideal investment period	At least six years	
Benchmark	FTSE/JSE SWIX top 40 index	
One-year return	7.36%	
Three-year return/year	6.44%	
Satrix Top 40 ETF		Underlying investment
Risk level	High	JSE top 40 shares
Annual cost (TER)	0.39%	
Ideal investment period	At least six years	
Benchmark	JSE Top 40 index	
One-year return	3.53%	
Three-year return/year	7.40%	
Stanlib SA Property ETF		Underlying investment
Risk level	High	Tracks the performance of the FTSE/JSE SA Listed Property index, or SAPY, in terms of both price performance as well as income from the component securities of the index
Annual cost (TER)	0.35%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Africa SA Listed Property index	
One-year return	2.44%	
Three-year return/year	12.57%	
Stanlib Swix 40 ETF		Underlying investment
Risk level	High	Tracks the performance of the FTSE/ JSE SWIX 40 index in terms of both price performance as well as income from the component securities of the index
Annual cost (TER)	0.31%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Africa SWIX 40 index	
One-year return	-1.22%	
Three-year return/year	3.64%	

Stanlib Top 40 ETF		Underlying investment
Risk level	High	Tracks the performance of the FTSE/ JSE Top 40 index in terms of both price performance as well as income from the component securities of the index
Annual cost (TER)	0.25%	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Top40 index	
One-year return	1.06%	
Three-year return/year	2.28%	
Sygnia Itrix Eurostoxx 50 ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the Euro Stoxx 50 index as closely as possible by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.86%	
Ideal investment period	At least five years	
Benchmark	Euro Stoxx 50 index	
One-year return	24.30%	
Three-year return/year	7.80%	
Sygnia Itrix FTSE 100 ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the FTSE 100 index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.86%	
Ideal investment period	At least five years	
Benchmark	FTSE 100 index	
One-year return	9.50%	
Three-year return/year	3.10%	
Sygnia Itrix Global Property ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the S&P Global Property 40 index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.25% (targeted)	
Ideal investment period	At least five years	
Benchmark	S&P Global Property 40 index	
One-year return	N/A	
Three-year return/year	N/A	

Sygnia Itrix MSCI Japan Index ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the MSCI Japan index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.86%	
Ideal investment period	At least five years	
Benchmark	MSCI Japan index	
One-year return	11.00%	
Three-year return/year	12.70%	
Sygnia Itrix MSCI USA Index ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the MSCI USA index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.68%	
Ideal investment period	At least five years	
Benchmark	MSCI USA index (ZAR)	
One-year return	14.60%	
Three-year return/year	15.10%	
Sygnia Itrix MSCI World Index ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the MSCI World index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.86%	
Ideal investment period	At least five years	
Benchmark	MSCI World index	
One-year return	14.60%	
Three-year return/year	12.20%	
Sygnia Itrix S&P 500 ETF		Underlying investment
Risk level	High	Tracks the price and yield performance of the S&P 500 index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.20% (Targeted)	
Ideal investment period	At least five years	
Benchmark	S&P500 index	
One-year return	N/A	
Three-year return/year	N/A	

<i>Sygnia Itrix Swix 40 ETF</i>		<i>Underlying investment</i>
Risk level	High	Tracks the price and yield performance of the FTSE/JSE SWIX 40 index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.15% (Targeted)	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE SWIX 40 index	
One-year return	N/A	
Three-year return/year	N/A	
<i>Sygnia Itrix Top 40 ETF</i>		<i>Underlying investment</i>
Risk level	High	Tracks the price and yield performance of the FTSE/JSE Top 40 index by physically holding a portfolio of securities equivalent to the basket of securities comprising the index and in the same weightings as the index
Annual cost (TER)	0.15% (Targeted)	
Ideal investment period	At least five years	
Benchmark	FTSE/JSE Top 40 index	
One-year return	N/A	
Three-year return/year	N/A	

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LIFE INSURANCE POLICIES

A popular form of TFSA is the life insurance policy. This usually allows you to choose an underlying set of unit trust funds in which to invest. The advantage of a life policy structure is that it is simpler to manage in the event of your death - the named beneficiaries receive the proceeds relatively quickly and it does not form part of your estate for the calculation of executor fees. You are, however, able to contribute and withdraw from the fund just like for unit trusts. Life policies are often sold by financial advisors.

Assupol One Tax-Free Savings Policy		Investment rules
Risk level	Low to high depending on underlying fund	Features a bonus payment if no withdrawals are made over five years
Annual fee	Not available	
Ideal investment period	More than five years	
Momentum Wealth Flexible Tax-free Option		Investment rules
Risk level	Low to high depending on underlying fund	Uses the MMI Endowment licence; the 5-year restricted period on endowments does not apply to tax-free investments
Annual fee	Platform fees: 0.50% up to R1,5m; 0.25% next R3,5m; 0.15% for amounts above R5m	
Ideal investment period	No minimum investment period but for most funds appropriate to hold for medium to long term.	
Old Mutual Invest Tax Free Plan		Investment rules
Risk level	Low to high depending on underlying fund	Minimum investment of R170/month, R350 if via an investment advisor. Minimum of R5 000 if a lump-sum investment. Range of underlying Old Mutual funds available to direct buyers and additional external funds available if purchased through a financial advisor. Investments can be split between funds and switched between them at no cost
Annual fee	TER depends on underlying funds, an annual administration fee of 0.75% is deducted at the end of every month and a 5% investment fee for regular investments of less than R350 is charged	
Ideal investment period	No minimum investment period but it is advisable to remain invested for at least three to five years	

<i>Prescient Endowment Tax Free Savings Account</i>		<i>Underlying investment</i>
Risk level	Low to high, depending on underlying funds	A range of unit trusts managed by Prescient Investment Management
Platform annual fee	Ongoing administration fees which depend on the size of the investment, starting from 0.22% for Prescient administered funds and 0.34% for externally administered funds	
Ideal investment period	From one year, depending on selected funds	
<i>Sanlam Tax-Free Investments</i>		<i>Investment rules</i>
Risk level	Low to high depending on underlying fund	Core plan has minimum payment of R250/month; Comprehensive plan minimum of R500/month. Offers a group savings feature whereby administration fee is levied on whole group rather than each account, bringing down the individual costs
Annual cost (TER)	Declining administration charge from 1.45% to 0.2% once investment is worth more than R1m. Additional asset management charge is levied depending on underlying fund/s chosen. If sold by an intermediary, initial marketing fee of up to 2.85% can be charged	
Ideal investment period	No minimum investment period but it is advisable to remain invested for at least three to five years	



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