

TAX-FREE SAVINGS: Anchor Your Future

ANCHOR YOUR FUTURE

A Tax-Free Savings Account (TFSA) is one of the most effective ways for South Africans to build long-term wealth. All growth, including interest, dividends and capital gains, is tax-free, allowing compound growth to make a real difference. Anchor helps you get the most from these benefits through disciplined portfolio construction and ongoing management.

WHY USE A TFSA?

A TFSA is simple, flexible and cost-effective. Unlike traditional investment accounts, you keep every rand of growth, and withdrawals are tax-free. Small, consistent contributions can grow meaningfully over many years. **The earlier you start the better.**

COMPOUND GROWTH EXAMPLE

Assuming an 8.5% net annualised return, and full yearly contributions, a TFSA could grow to c. R976,021 over 14 years, and to c. R3,600,000 after 30 years:



*Illustrative performance only. Past performance is not a guide to future returns. The value of investments may go down as well as up, and investment performance is not guaranteed.

THE ANCHOR ADVANTAGE

- Tailored advice and personalised portfolio construction.
- Active management and consolidated reporting.
- Smart structuring for estate and family planning.
- Cost-effective access to diversified, high-quality unit trusts.
- Family TFSAs to help build intergenerational wealth.



THE ULTIMATE GIFT, YOUR CHILD'S TAX-FREE FUTURE

Many parents don't realise a TFSA is an unparalleled way to build generational wealth. You can open a TFSA in your child's name (or for any minor), and while their annual contribution limits still apply (R36,000), you can fund it on their behalf.

Consider this: By maxing out a TFSA for a newborn, you are effectively reserving their entire R500,000 lifetime contribution limit at the beginning of their life. Imagine the power of uninterrupted tax-free growth over 18 to 25+ years. This investment can grow into a significant, tax-free deposit for their first home, funding for post-graduate education, or a substantial head start on their own retirement.

Year	Contribution	Total Contributions	Balance
1	R36,000	R36,000	R39,060.00
2	R36,000	R72,000	R81,440.10
3	R36,000	R108,000	R127,422.51
4	R36,000	R144,000	R177,313.42
5	R36,000	R180,000	R231,445.06
6	R36,000	R216,000	R290,177.89
7	R36,000	R252,000	R353,903.01
8	R36,000	R288,000	R423,044.77
9	R36,000	R324,000	R498,063.58
10	R36,000	R360,000	R579,458.98
11	R36,000	R396,000	R667,772.99
12	R36,000	R432,000	R763,593.70
13	R36,000	R468,000	R867,559.16
14	R32,000	R500,000	R976,021.69
30	R0	R500,000	±R36,000,000

This example demonstrates the potential power of long-term compounding under tax-free conditions.

CONTRIBUTION LIMITS AND IMPORTANT NOTES

 <p>R36,000 per tax year (1 March – 28/29 February)</p>	 <p>R500,000 lifetime limit</p>	 <p>A 40% tax penalty for exceeding these limits (SARS enforced).</p>
 <p>Withdrawals do not restore contribution room.</p>	 <p>Unused annual allowances cannot be carried forward.</p>	 <p>Returns are market-linked and may fluctuate.</p>

A TFSA works best when left untouched for many years, to allow uninterrupted compounding.

IN SUMMARY

A TFSA is a strategic, tax-efficient tool that can significantly accelerate long-term wealth creation. With Anchor's guidance, your TFSA can be structured correctly, actively managed and aligned with your long-term financial goals.

A TFSA is more than just a savings account – it is a gift of future financial freedom for your child. By partnering with Anchor, clients can build a tax-free legacy that compounds over decades.

WHAT NEXT?

Contact an Anchor Wealth Manager and start building your custom TFSA portfolio.

Disclaimer

It is always a good idea to consult with a financial advisor to help you develop a personalised investment strategy that aligns with your specific needs and circumstances.

Fees and disclosures:

All unit trust, platform and advisory fees will be fully disclosed in the Minimum Disclosure Documents (MDDs), your investment proposal, statement of advice, and fee schedule (www.anchorcapital.co.za). Please review these documents carefully to understand all costs.

Important information:

Anchor Capital (Pty) Ltd is an authorised financial services provider (FSP 39834). The content above is general in nature and **does not constitute financial advice** as defined in the Financial Advisory and Intermediary Services Act 37 of 2002. Past outcomes are not necessarily indicative of future results. Readers should seek personalised advice from a duly licensed adviser. All investments are subject to standard FICA identity and source of funds checks.

Underlying investments can fluctuate, and capital is not guaranteed.

Nothing in this brochure should be construed as financial advice. Investors should obtain a personalised recommendation from an authorised financial adviser.

Opening a TFSA is subject to the successful completion of FICA identification and verification procedures (Financial Intelligence Centre Act 38 of 2001). Clients must provide acceptable proof of identity and residential address before an account can be activated."

SARS / Income Tax Act §12T

Returns (interest, dividends, capital gains) are exempt only while the funds remain inside the TFSA; withdrawals re-invested count as new contributions.

