



INVESTMENTS

The Low-Fee Tax-Free way to save

The 10X Tax-Free Savings Account



10X manages more than R16bn in assets for South Africa's industry leaders.



COMING SOON

What is a **Tax-Free Savings Account?**

Tax-Free Savings Accounts (TFSAs), which were introduced in South Africa in 2015, provide tax benefits to turbocharge your savings and grow your investments tax-free. Savers are not liable for any capital gains tax, dividends withholding tax, or tax on interest received.

Legislation allows you to invest up to R36,000 per tax year into tax-free savings accounts, with the maximum lifetime contribution of R500,000. There is a 40% tax penalty if this limit is exceeded.

You can choose the investments you include in your TFSA, such as a money market fund or a unit trust investment.

A TFSA also gives flexibility as you do not have to commit to making future contributions. You can withdraw funds any time you choose, but once you have used your contribution limits (annual or lifetime allowances) you cannot replace funds you have withdrawn.



*Turbocharge your savings
and grow your investments
tax free!*

The benefits of the 10X Tax-Free Savings Account

Opening a TFSA is a good idea.

Opening a TFSA with 10X is a great idea.

LOW FEES

At 10X we are known for keeping our fees as low as possible. This puts more money back in your pocket. With 10X, you won't pay platform fees or advisor fees.

INDEX INVESTING AND COMPETITIVE LONG-TERM RETURNS

All of our funds follow an index-tracking strategy, as opposed to an active management strategy. This means that we track the market instead of picking stocks to try to outperform it. Index tracking has been shown to outperform active investing over the long-term in the vast majority of cases.

TRANSPARENCY

We aim to make it as easy as possible for investors to know how much they have saved, earned and paid. As a 10X client, you can log in to the client portal at any time and see exactly how your investment is performing and how much you have paid in fees.



10X TFSA Fund Choices

We offer a range of low-cost TFSA funds, suitable for investors with a variety of goals.

10X HIGH EQUITY INDEX FUND: MAXIMISE THE LONG-TERM GROWTH OF YOUR CAPITAL

- The 10X High Equity Index comprises 77% growth assets (shares and property) and 23% defensive assets (bonds and cash)
- Ideal long-term investment choice (5 years +)
- Medium-to-high risk in the short term

10X MEDIUM EQUITY INDEX FUND: GROW YOUR CAPITAL WITH A MODERATE AMOUNT OF RISK

- The 10X Medium Equity Index comprises 59% growth assets (shares and property) and 41% defensive assets (bonds and cash)
- Good medium-term investment choice (3 years +)
- Medium risk

10X LOW EQUITY INDEX FUND: ACHIEVE STABLE GROWTH OVER THE MEDIUM TERM

- The 10X Low Equity Index comprises 35% growth assets (shares and property) and 65% defensive assets (bonds and cash)
- Medium-term investment choice (1 year +)
- Medium-to-low risk



10X TFSA **Fund Choices**

**We offer a range of low-cost TFSA funds,
suitable for investors with a variety of goals.**

10X DEFENSIVE INDEX FUND: ACHIEVE INCOME AND A STABLE LEVEL OF CAPITAL PROTECTION

- The 10X Defensive Index comprises 11.5% growth assets (shares and property) and 88.5% defensive assets (cash and bonds)
- Short to medium-term investment choice (6 months +)
- Low risk

10X MONEY MARKET FUND: PRESERVE YOUR CAPITAL AND HAVE MONEY ON HAND WHEN YOU NEED IT

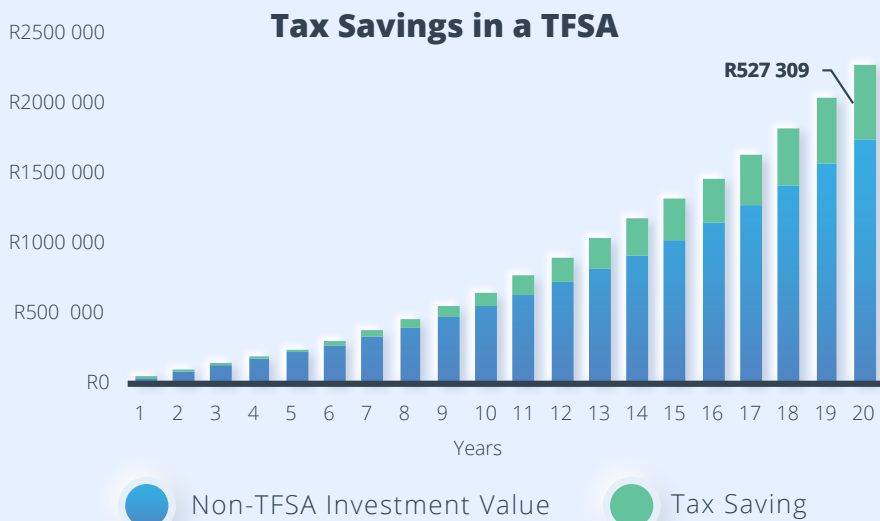
- 100% SA Money Market instruments
- Short term investment choice (1 month +)
- Low risk



How to **make the most of your Tax-Free Savings Account**

Saving and investing without the burden of tax is always fantastic. However, the really big tax benefits come to those who remain invested for the long term. This is because tax savings increase over time as compound growth is earned on the tax saved.

The graph below illustrates the impact of compounding tax savings. In Year 1 there is a tax saving of R533 (1% of the investment value) and by Year 20 the annual tax saving is R527,309 (23% of the total investment value):



The example is based on a monthly Tax-Free Savings Account (TFSA) contribution of R3,000 for 13 years and 10 months and a final contribution of R2,000 in the 11th month of year 14, when the lifetime contribution limit of R500,000 is reached. Investment in a high equity balanced fund with an annual return of inflation plus 6.5% before fees is assumed. Inflation is assumed to be 4.5%. An equal return split between income, dividends and capital gains are assumed, and a personal tax rate of 45%.

Values presented are for illustrative purposes only.

Here are a few **tips to** consider that could help **you maximise your tax savings** in your TFSA.

1. START EARLY AND MAX OUT YOUR CONTRIBUTIONS EACH YEAR

The longer you are invested, the more your money will grow and the more tax you'll save. Try to max out your annual contribution limit of R36,000 when possible.

2. AVOID THE TEMPTATION TO MAKE WITHDRAWALS

It is best not to use your TFSA as an emergency fund because money that is withdrawn still count towards your lifetime and annual limits. Even if you put the money back the next day you will lose out in the long run.

3. INVEST IN HIGH GROWTH ASSETS

Historically, equities as an asset class have been shown to provide the highest returns over longer time horizons. Funds such as the 10X High Equity Index Fund are ideal for maximising growth over the long-term.

It is also important to keep in mind that there are already generous tax exemptions for interest income in place. South African taxpayers under the age of 65 are allowed to earn interest income of R23,800 per year

tax-free (that increases to R34,500 for those over 65).

So if you invest your TFSA in a fixed deposit or an interest-bearing account, such as a money market fund, you will get an additional tax benefit only if you earn more than R23,800 in interest (and R34,500 for those over 65).

4. DON'T EXCEED YOUR CONTRIBUTION LIMITS

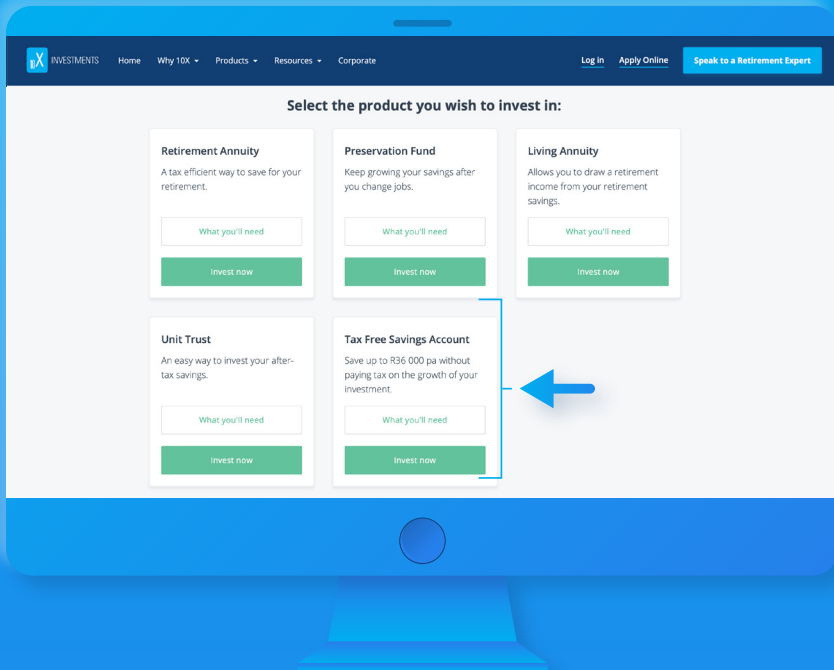
Don't undo all your good tax-saving work by accidentally contributing too much. If you contribute more than your annual or lifetime limit, the amount contributed above the allowance will be taxed at a rate of 40%, regardless of your personal income tax rate. This is a risk, especially if you are contributing towards multiple TFSAs.

For example: If, in one tax year, you invested R16,000 in a TFSA with provider A and R30,000 in a TFSA with provider B, you would have contributed R10,000 more than the annual limit. You would have to pay 40% tax on the excess R10,000 you had invested ie a tax penalty of R4,000 on the R10,000 above the annual limit.

How do I open a 10X Tax-Free Savings Account?

Signing up for a 10X Tax-Free Savings Account is a simple online process that shouldn't take more than 10 minutes.

1. Go to our online investment platform: 10x.co.za/invest-portal
2. Select 'Invest Now' on the Tax-Free Saving Account card and follow the instructions



WHAT YOU WILL NEED TO HAVE ON HAND:

- ① *A copy of your ID*
- ② *Your Income Tax Number*
- ③ *If you are transferring from another provider, you will need their transfer request form*
- ④ *Proof of address will be required*
- ⑤ *Proof of bank account may be required*



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