

THE OPPORTUNITY  
TO REACH YOUR  
GOAL SOONER

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# 1Life Tax Free Savings Account

**1Life**

Changing Lives

**Grow income,  
without tax**



## **The opportunity to supplement your long-term investment goals**

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The 1Life Tax Free Savings Account will provide you with peace of mind, knowing that there is no tax payable on any interest, dividends or capital gain earned. Having tax free returns gives you the opportunity to grow your investment faster and take advantage of the available tax benefits.

# About the investment

The **1Life Tax Free Savings Account (TFSA)** is an investment linked tax free savings account that provides investment returns that are linked to the underlying Exchange Traded Funds, Unit Trusts or Money Market Funds chosen and compliant to the Section T12 of the Income Tax Act.

## **1Life Tax Free Savings Account is what you need if you**

- Would like tax free returns.
- Are seeking diversification.
- Have low levels of debt.
- Have long term savings goals.
- Need flexibility.
- To supplement retirement planning provisions.
- Our fees are highly compatible, the lower the fees, the more life time value to you.

# Key features and benefits

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**No tax payable** on investment return

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**Low cost** underlying investments

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3



**No penalty** charges

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**No fixed** investment term

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Our fees are **highly competitive**, the lower the fees the more lifetime value to you

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**Take advantage  
of the available  
tax benefits**



# Only 3 steps to invest

## Step 1

Your financial adviser will provide you with a quotation based on the model portfolio selected.



## Step 2

Application requirements are processed by the administrator of the account.



## Step 3

Instruct the administrator to collect a lump sum and/or monthly debit order directly from your bank account, or deposit a lump sum via an electronic fund transfer.



# Look for diversity in your investment strategy





# Things to consider

- You can elect to invest a **minimum initial lump sum of R 5,000**, alternatively a recurring premium of R500 per month or a combination of. Your financial adviser will assist you with the selection of an appropriate portfolio based on your risk tolerance.
- Once the lifetime investment limit of R 500,000 is reached, you will **not be able to make** any further contributions into any tax free savings account, although the funds may still lay dormant in the underlying funds.
- If the annual contribution limit of **R36,000 is exceeded**, there will be tax payable of 40% on the excess contribution.
- Any withdrawals made **do not increase** your annual or lifetime contribution limits.
- In the **event of death**, the fund value will be paid out to the deceased estate.

# Simplified investment options

## Model portfolios

- With thousands of investment instruments available in South Africa, selecting and managing a Tax Free Savings Account to allow for the best outcome can be complex. The 1Life Tax Free Savings Account solves this by using a selection of model portfolios to choose from.
- Investment instruments such as Exchange Traded Funds, Unit Trust Funds and/or Money Market Funds are combined by professional investment managers to offer the investors simple selections in the way of model portfolios that comply with regulatory prudential exposure requirements.
- The model portfolios have been designed specifically for the 1Life Tax Free Savings Account and with the needs of different types of investors in mind. A model portfolio manager will manage the underlying investment selection and exposure to the different investment types in line with regulatory requirements and investment outcomes on an ongoing basis.
- The industry has put in place standardised cost comparison measurements in the form of Total Expense Ratios and Total Investment Cost, so investors can compare investment offerings.
- This information is available for each of the individual model portfolios designed specifically for the 1Life Tax Free Savings Account in the form of a fund fact sheet that you can obtain from your 1Life Business Consultant or the administrator of the Fund via [admin@wealthport.co.za](mailto:admin@wealthport.co.za).

### Minimum and maximum investment amounts

Lump sum min investment amount (per annum)	R 5,000
Total investment amount (per tax year)	R 36,000
Recurring investment (minimum per month)*	R 500
	R 2,000
Recurring investment (maximum per month)	R 3,000

**Lifetime investment contribution limit** R 500,000

### The minimum debit order amounts are:

- R2,000 per month for investments into the Tax Free Optimiser model portfolio.
- R500 per month for investments into the Tax Free Index Optimiser model portfolio.
- R2,000 per month for investments into a Discretionary Selection of tax free approved funds.

### Why choose to invest with us?

- We're a brand you can trust.
- Our fees are highly competitive, the lower the fees the more lifetime value to you.

\* Subject to certain conditions in terms of underlying fund selection

# Portfolio selection

## **Index Tax Free Optimiser**

This portfolio is focused on growth and targets. This portfolio targets a growth rate of inflation +5 to 6%.

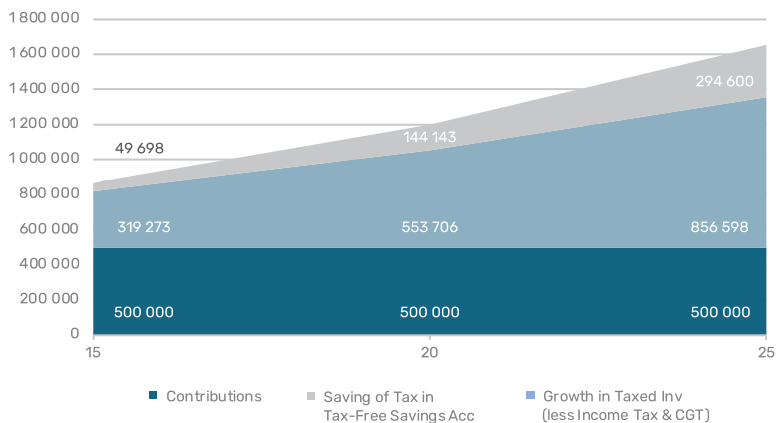
## **Index Cautious Tax Free Optimiser**

This portfolio is focused on capital preservation with a growth target of inflation +2 to 3%.

## **Growth illustration of a Tax-Free Savings Account vs Non-Tax-free Money Market**

The comparison provided has been based on the average Total Investment Cost (TIC) throughout our model portfolio and industry portfolio ranges to provide a broad perspective on what the impact of an investment portfolio selection may have on the value of an investment. It is important to note that for the purposes of this comparison certain assumptions were made and that financial advisor and administrator fees may differ for different model portfolio offerings.

For the most accurate reflection, please refer the model portfolio fund fact sheets.



## Assumptions

Assumptions made are on an individual under the age of 65 with marginal tax rate of 45%, utilising their annual R23,800 tax exemption on local interest earned. An interest rate of 6.63% and monthly contribution of R3,000pm, until reaching the lifetime limit of R500, 000 in year 14. Excluding any underlying portfolio fees.

Any performance figures are for illustrative purposes only and past performance is not a guarantee future performance, as at 31 January 2022.

# Building Generational Wealth

We believe that financial planning has the power to change lives with a 1-to-1 conversation. We believe that generational wealth starts with 1 conversation that helps you create a future your loved ones will benefit from. That's why it's always important to consult with your financial adviser and/or a specialist professional to ensure that you understand all the product terms that apply to your plan.

1Life has been in operation since 2006 and forms part of a broader group of companies under the TIH (Telesure Investment Holdings) umbrella in South Africa. TIH in turn forms part of a global financial services business, BHL, that currently has an international footprint spanning eight countries across four continents.

1Life has evolved over the years from being a direct life insurer to becoming a multi-distribution insurer in 2013. We are proudly South African and have over the years initiated several industry firsts. We offer affordable, simple, and convenient products that meet the needs of all South Africans, through either age-rated or level premiums; annual contribution increases (ACI), with annual benefit increases (ABI).

## **Your best interest is our priority**

It's always important to consult with your Financial Adviser and/ or a specialist professional to ensure that you understand all the relevant product terms.

A person with dreadlocks is seen from the side, wearing a light-colored button-down shirt. They are sitting at a desk and working on a laptop. The laptop screen displays a bar chart with several bars of varying heights. To the left of the laptop, a smartphone is lying on the desk. The background is slightly blurred, showing office equipment like a lamp and papers. The entire image has a dark blue overlay.

**Your best interest  
is our priority**

You can build generational wealth through our range of life insurance, investment products and estate planning solutions:

### LIFE INSURANCE PRODUCTS

- All Woman female-specific, dread disease cover
- Dread disease cover
- Disability cover
- Elevated Pure Life cover
- Expense Protector
- Pure Life Plus, life cover combined with funeral cover for extended family members
- Limited Underwriting Pure Life cover
- 1Life Pulse, life cover of the future, with the benefit of earning additional bonus cover
- 1Life Wills and Estate Plan

### INVESTMENT PRODUCTS

- Fixed Return and Global Growth Protector
- Guaranteed Future Value Investment
- Living Annuity
- Retirement Annuity
- Tax-free Savings Account

1Life, Life and Wealth is powered by 1Life Vantage.

# WEALTHPORT

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