

TAX-FREE SAVINGS

Anchor Your Future

A Tax-Free Savings Account (TFSA) is a tax-efficient investment vehicle in South Africa that is designed for long-term investment growth by exempting all investment returns from tax. Anchor provides personalised portfolio management to help clients maximise these benefits through disciplined investment strategies and ongoing oversight.

TAX ADVANTAGES OF TFSA:

Investment growth, including interest, dividends, and capital gains, is tax-exempt, and withdrawals are tax-free, allowing compounding to enhance wealth over time.

CONTRIBUTION LIMITS AND RULES:

Annual contributions are limited to R36,000 with a lifetime cap of R500,000 across all TFSAs and a 40% tax penalty on excess contributions. Withdrawals do not restore contribution room, and unused annual limits cannot be carried forward.

ANCHOR'S PERSONALISED SERVICES:

Anchor offers tailored advice, active portfolio oversight, smart estate and beneficiary planning, cost-effective access to diversified funds, and family-focused solutions to build generational wealth.

LONG-TERM INVESTMENT FOCUS:

TFSAs are most effective when used as long-term investments with minimal withdrawals to maximise uninterrupted compounding and tax benefits. Anchor provides example portfolio allocations and illustrates potential growth over 14 years with an 8.5% net annualised return.

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

Many parents do not 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) from birth, and while their annual contribution limits still apply (R36,000), you can fund it on their behalf.

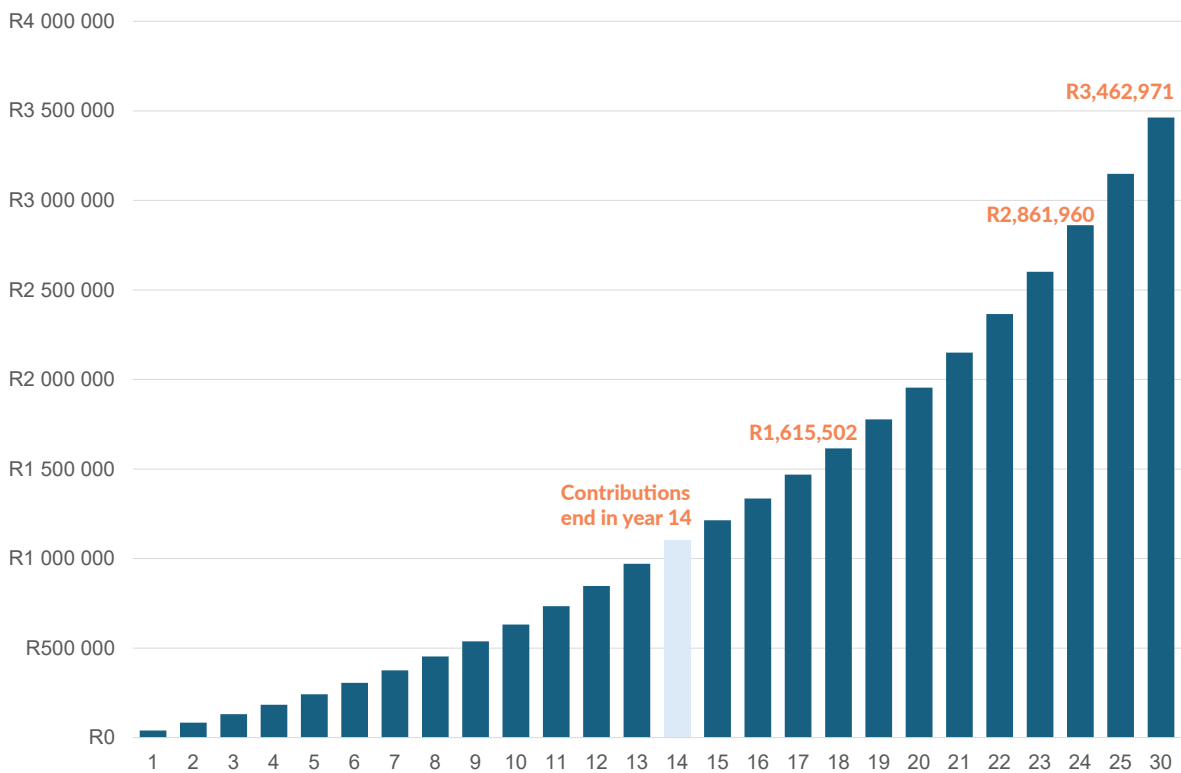
Consider this: By maxing out a TFSA for a newborn, you are effectively reserving their entire R500,000 lifetime contribution limit at the beginning of their life. Imagine the power of uninterrupted tax-free growth over 18 to 25-plus years. This investment can grow into a significant, tax-free deposit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



A 30-YEAR COMPOUNDING ILLUSTRATION

The example below is based on the full R500,000 contribution and an 8.5% net annualised return in a balanced portfolio:

TFSA Growth Profile: Contributions, Total Contributions, and Balance



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.

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.

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

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