

# Sygnia Investment Policy

Tax-efficient investing for higher-income tax payers

## Product Benefits:

Flat tax rates 

## A tax-efficient, higher-income savings policy

The Sygnia Investment Policy is a discretionary savings policy that enables higher-income tax payers to save and invest in a more tax-efficient manner.

## Overview

Purpose	High-income tax-efficient savings
Minimum Contribution	R50 000 initial
Access	Restricted for the first 5 years
Key Features	Suited for 30%+ tax bracket investors

# Real people. Real Questions.

## Who should invest?

The Sygnia Investment Policy is most suitable for:

- Investors with a marginal tax rate higher than 30%;
- Investors, such as the trustees of trusts, who do not wish to be burdened with tax administration.

## What investments make up a Sygnia Investment Policy?

Any unit trusts, unitised life funds, exchange traded Funds (ETFs) or exchange traded notes (ETNs) available on the Sygnia Investment Platform.

## Are there contribution limits?

### Minimum contributions:

- Initial lump sum of R50 000
- Additional contribution of R5 000
- Debit order of R500 p/m

### Maximum contribution in the first 5 years:

Additional contributions cannot exceed 120% of the greater of your annual contributions in the previous two years.

## Can I make additional contributions to my investment?

You may make additional contributions to the Sygnia Investment Policy at any time during the first five years, subject to our minimum and maximum investment limits. If you would like to make an additional contribution of more than 120% of the greater of your annual contribution in the prior two-year period you will be required to open a new Investment Policy Account.

## When can I access my investment?

The Sygnia Investment Policy has an initial restriction period of five years. During this period you may access your investment subject to certain legislated limits. You may access your investment in full at any stage thereafter.

## What can I withdraw from my investment?

During the five-year restriction period you are allowed to make one loan and one surrender. The maximum amount you may withdraw is the lesser of:

- Your contributions during the restriction period, plus 5% per annum compound interest; or
- The market value of the investment account less fees and charges.

Any remaining balance, provided it is more than R2 500, must stay invested until the restriction period ends. After five years, or at the end of any applicable extended restriction period, you may withdraw part or all of your capital as you wish.

## What are the tax benefits of a Investment Policy?

The Sygnia Investment Policy offers tax benefits to higher income tax payers:

- All growth is taxed within the policy.
- For individual investors, interest and net rental income is taxed at a flat rate of 30%, capital gains at 12% and dividends at 20%.
- Sygnia is responsible for the payment of all taxes on behalf of investors.
- You will receive all proceeds net of tax.

Tax Breakdown:

	Income tax	Capital Gains Tax in Investment Policy (effective*)
Individuals	30% (Maximum)	12%
Trusts	45%	18%
Companies	27%**	21.6%

\* Effective refers to the tax rate that capital gains will be taxed at within the Investment Policy Fund, instead of at the higher income tax rate.

\*\* Usually, a flat rate of 28%. However, the income tax rate is 27% for companies whose year-end is on or after 31 March 2023.

# Ready to apply?

Submit your application online by visiting our website and clicking on “Open an Account”. Alternatively, you can contact the Sygnia Client Service Centre on 0860 794 642 (0860 SYGNIA) if you need any assistance.

## Required documentation

- Copy of South African green barcoded ID/ South African Smart ID Card, birth certificate (if minor) or valid passport (if a foreign national).
- Proof of residential address not older than 3 months.
- Proof of bank details not older than 3 months.
- Proof of deposit/transfer into the relevant Sygnia bank account.

## I've already opened a Sygnia Investment Policy – how do I transact online?

The Sygnia Alchemy Online Portal is a one-stop online solution to your investment and retirement planning needs. Visit our website and click on “Log in” to access your secure online account or to register.

### Need more help?

Don't miss out on this opportunity to invest with confidence and serenity. Contact your financial advisor or visit [sygnia.co.za](http://sygnia.co.za) to find out more about the Sygnia Investment Policy.

## Disclaimer

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