



HAYRICK

HAYRICK (Pty) Ltd

Registration number 2011/105666/07

FSP number 48416

("HAYRICK")

Hayrick TFSA: Summary of benefits

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Data Protection

The Hayrick TFSA offers South African residents a compelling opportunity to grow their wealth tax-free. This account allows you to choose between two investment options, catering to both active and passive investors:

- **Self-Traded ETF Tax-Free Account:** Take control of your investments by selecting and managing your own Exchange-Traded Funds (ETFs) within the TFSA. This option empowers you to tailor your portfolio to your risk tolerance and investment goals.
- **Corion Solution Tax-Free Account:** For those seeking a hassle-free approach, the Corion Solution provides a professionally managed investment solution within your TFSA. This pre-built bundle automatically rebalances and adapts to market conditions, offering a convenient and hands-off investment experience.

Benefits of a TFSA

- **Tax-Free Growth:** All investment returns accrued within your TFSA, including capital gains, interest, and dividends, are completely exempt from income tax. This allows your wealth to compound significantly faster compared to traditional taxable investment accounts.
- **Flexible Contribution Limits:** You have the freedom to contribute up to R46,000 per tax year towards your TFSA, with a lifetime maximum of R500,000. This flexibility allows you to pace your contributions according to your financial goals and adjust them as needed.
- **Accessibility:** Unlike retirement funds, TFSAs offer easy access to your funds. You can withdraw your contributions (the initial amount you deposited) at any time without incurring tax penalties.

Investment Choice

Self-Traded ETF Account

- **Tailored Portfolio:** Craft a portfolio that aligns with your risk tolerance and investment goals by selecting specific ETFs.
- **Active Management:** Enjoy the control and satisfaction of managing your own investments.

Corion Solution Tax-Free Account

- **Convenience:** Benefit from a professionally managed bundle that automatically rebalances and adapts to market conditions.
- **Hands-Off Approach:** Leave the investment decisions to the experts and focus on your long-term goals.



Benefits of a TFSA with Hayrick

- **Seamless Administration:** The user-friendly platform used by Hayrick (“Unity platform”), is accessible via mobile, streamlines the administrative aspects of your TFSA.
- **Effortless Tax Management:** Generate your essential IT3s tax certificate directly through the Unity platform, simplifying year-end tax filing.
- **Transparent Tracking:** Access a variety of easy-to-understand statements to monitor your investment performance and track your progress towards your financial goals.
- **Stay Informed:** The Unity platform provides a convenient channel to request support from Hayrick’s qualified team whenever you have questions.
- **Simplified Transactions:** Request transfers between your TFSA and your linked bank account or initiate withdrawals directly through the platform.

Important Considerations

You do not pay tax on capital gains, dividends, or interest. National Treasury introduced tax free investments, to encourage people to save. From 01 March 2026, the maximum annual investment limit is R46,000 per tax year (from 01 March to end February), and the lifetime investment limit is R500,000. You cannot contribute more than R46,000 per tax year, and any capital amounts withdrawn do not get deducted from the contributions made, in calculating the use of the allowance. The maximum investment limits apply across financial products, not per financial product, so your contribution amounts are aggregated across financial products, in calculating the use of the allowance. The limits are not applicable to the growth on your investment. If you exceed these limits, SARS will levy a tax of 40% on all contributions that exceed R46,000 per tax year. You should monitor your contributions, so that you do not incur a 40% tax rate on excess contributions. From 01 March 2018, transfers between providers are permitted. You may not convert existing investments into tax free investments.

Conclusion

The Hayrick TFSA, with its tax-free benefits and investment options, empowers South Africans to achieve their financial goals. Whether you prefer a self-directed approach or a pre-managed solution, a TFSA offers a powerful tool to grow your wealth tax-efficiently.

Disclosures

Contact and licence details

Company registration number: 2011/105666/07. Physical and postal address: 48 7th Avenue, Parktown North, Johannesburg, Gauteng, South Africa, 2193. Telephone number: +27 (10) 201-6300. Website: <http://www.hayrick.com>. FAIS Act licence number: 48416.

Complaints and Conflicts of interest

The Complaints policy and Conflict of interest management policy can be found on the website: www.hayrick.com.

FSP

Hayrick (Pty) Ltd (“Hayrick”) is an authorised financial services provider (“FSP”), in terms of section 8 of the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002) (“the FAIS Act”), with FAIS Act licence number 48416. Hayrick is authorised for Category I (advice and non-discretionary intermediary



services), and Category II (“discretionary FSP”). The portfolio(s) reflected in this document are administered on our platform, as part of bundles comprising portfolios of collective investment schemes (“CIS”) in securities, administered, and managed, by several CIS managers. The Disclosure certificate includes information about the FSP, the financial products, and financial services, for which it is licensed, the product suppliers of the financial products it offers to clients, conflicts of interest (actual, potential, or perceived), and the details of the representatives who have been appointed by the FSP, to render financial services for the specified financial products, including whether, or not, the representatives are being supervised, when rendering those financial services. The information reflected in this document, and on the website, is not advice, as defined, and contemplated, in the FAIS Act.

The value of a financial product may go down, or up, due to changes in the value of the underlying investments, or of currency movement. This will affect the value of your investment, which may result in you suffering a financial loss. Past performance is not necessarily an indication of future performance. An investor may not recoup the full amount invested. We do not provide any guarantee, either with respect to the capital, or the return, of an investment. Forecasts, and examples, are for illustrative purposes only, and are not guaranteed to occur. Any projections contained in the information are estimates only, and are not guaranteed to occur. The projections are subject to market influences, and contingent upon matters outside the control of the FSP, so may not be realised in the future.

Bundles

We may allocate your investments to an appropriate bundle, on your behalf. A bundle is an administrative account wrapper, wrapped together as a portfolio, consisting of underlying financial products. The underlying financial products may be CIS portfolios, or other financial products, such as long-term insurance policies, or retirement fund products. The underlying combination of financial products is selected, to optimally target the risk/return requirements, and investment objectives, of clients. It is a combination of separate, financial products, in which the client has direct ownership, and may be better described as an account (or administrative account). These underlying financial products are selected according to your investment requirements. There is no joint ownership among clients, and individual ownership of the units, or participatory interests, in the underlying financial products, can always be transparently demonstrated. A bundle investment is often administered, and facilitated by, the relevant administrative FSP. If a bundle is administered, and facilitated by, the relevant administrative FSP, it may include any financial products that are available for investment on the relevant administrative FSP’s platform. If a bundle is administered, and facilitated by, the relevant administrative FSP, the costs, and other information, applicable to bundle, are set out in the documents of the relevant administrative FSP.

Underlying collective investment schemes

Contact details

For more information about the underlying collective investment schemes in securities portfolios (“CIS in securities portfolios”), including the details of each CIS manager, trustee, and investment manager, please refer to the latest minimum disclosure documents (“MDD”), available on the website of the relevant CIS manager. Each CIS manager is registered as a manager of collective investment schemes, in terms of the Collective Investment Schemes Control Act, 2002 (“the CISCA”).

General

CIS are generally medium-term to long-term investments, but a hedge fund may have short-term strategies and practices. The value of participatory interests (“units”) or the investment may go down, or up. Past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending (borrowing and lending of assets). Hedge funds trade at ruling prices and prices may fluctuate post publication. Hedge funds can engage in scrip borrowing and scrip lending. The CIS manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Any forecasts and/or commentary in this document are not guaranteed to occur. Different classes of participatory interests may apply to portfolios, and are subject to different fees and charges. A schedule of fees and charges, inclusive of VAT and maximum commissions, is available on request from us, from your financial adviser/investment consultant, or on the relevant CIS manager’s website. Forward pricing is used.



Income distributions

Income distributions may be subject to income tax, dividends tax, or withholding tax on interest, and proceeds from disinvestments, or withdrawals, may be subject to capital gains tax, and you acknowledge that you are aware of the effect this may have on your investment returns. A rebalancing of your portfolio may result in a capital gain, on which capital gains tax may be payable.

Redemptions

The CIS may borrow up to 10% of the market value of a portfolio, to bridge insufficient liquidity. The ability of a portfolio to repurchase is dependent upon the liquidity of the securities, and cash, of the portfolio. A CIS manager may suspend repurchases for a period, subject to regulatory approval, to wait for liquidity, and the CIS manager must keep the investors informed about these circumstances. In certain circumstances, service level agreements are in place with specific institutional clients, and in those cases, the terms and conditions specified in those service level agreements override the general terms and conditions, where there are differences.

Yields

The yields of the bond, and income, portfolios, are reflected on the MDDs of the specific underlying portfolios.

Prices

The latest prices, and total expense ratio, are published daily in national newspapers, and are made available on the relevant CIS manager's website.

Valuations and transaction cut-off times

The pricing dates, valuation, and transaction cut-off, times of the underlying portfolios are reflected on the MDDs of the specific underlying portfolios. The withdrawal instruction must be received before the relevant cut-off time prior to the pricing date, failing which, the next pricing date will apply.

Additional information

For additional information on the underlying portfolios, refer to the following documents, available on the relevant CIS manager's website, from your financial adviser, or on request from the CIS manager, free of charge.

- Application form
- Annual report
- General investor report
- MDD
- Performance fee frequently asked questions document
- Schedule of all fees and charges, inclusive of VAT and maximum commissions

Complaints and conflicts of interest

The Complaints policy and procedure, and the Conflicts of interest management policy, are available on the relevant CIS manager's website. Associates of the relevant CIS manager may be invested within certain portfolios, and the details thereof are available from the CIS manager.

Closure of the portfolio

The relevant CIS manager has the right to close certain portfolios to new investors, to manage them more efficiently, in accordance with their mandates.

Derivatives

There is no assurance that a portfolio's use of a derivative strategy will succeed. A portfolio's management may employ a sophisticated risk management process, to oversee and manage derivative exposures within

a portfolio, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived.

Foreign securities

For foreign securities, it is important to be aware of the additional material risks, depending on the specific risks affecting that country, such as:

- **Potential limitations on the availability of market information:** obtaining investment performance information may be more difficult than obtaining information about South African based investments.
- **Tax risks:** investments are exposed to different tax regimes that may change without warning, and it may influence investment returns.
- **Foreign exchange risks:** exchange control measures may change in the country of investment, and it may influence accessibility to the invested capital. The value of the rand has deteriorated over several years. It is important to understand that, if the exchange rate changes against the exchange rate of the foreign currencies in which your money is invested, it may create a loss of capital, or reduced investment returns, when the money is returned to South Africa in rand. Fluctuations, or movements, in exchange rates may cause the value of underlying foreign securities to go up, or down. You are reminded that an investment in a currency other than your own, may expose your investment to a foreign exchange risk.
- **Additional risks:** such as potential constraints on liquidity, and the repatriation of funds; settlement risks; macroeconomic risks; political risks.

Money market portfolios

A money market portfolio is not a bank deposit account. A constant price (“CNAV”) is applied to a participatory interest of the portfolios. The total return to the investor is made up of interest received, and any gain, or loss, made on a specific instrument, and in most cases, the return will merely have the effect of increasing, or decreasing, the daily yield, but in the case of abnormal losses, it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures, and in these circumstances, a process of the ring-fencing of withdrawal instructions, and managed pay-outs, over time, may be followed.

Fund of funds and Feeder funds

A fund of funds, or hedge fund of funds, invests in CIS portfolios that levy their own charges, which could result in a higher fee structure for the fund of funds, or hedge fund of funds. A feeder fund invests in a single CIS portfolio, which levies its own charges, and which could result in a higher fee structure for the feeder fund.

Drawdown

The potential magnitude of loss — the largest peak-to-trough decline in returns over the period, also known as the maximum drawdown.

Liquidity

The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

Equities

The value of equities may vary according to company profits, prospects, and more general market factors. If a company default occurs, the owners of their equity rank last in terms of any financial payment from that company.

Bonds

The value of bonds tends to decrease when interest rates and/or inflation rises. Bonds issued by major governments, or companies, will be more stable than those issued by emerging markets, or smaller corporate issuers. If an issuer experiences financial difficulty, there may be a risk to some, or all, of the

capital invested. Any historical, or current, yields quoted, should not be considered reliable indicators of future performance.

Third party portfolios

The relevant CIS manager may establish co-named, or incubator, agreements with a third party, for the portfolios to be established under the manager's CIS, without the third party being registered as a CIS manager, subject to specified conditions. The CIS manager retains full legal responsibility for the third party portfolios. The assets of the portfolios are managed by the third party, which is an external financial services provider ("FSP"). For co-named portfolios, the FSP has no intention of becoming a CIS manager, and the portfolio names must reference the names of both the CIS manager, and the FSP. For incubator portfolios, the FSP intends becoming a CIS manager, and the portfolio names only reference the name of the FSP. There may be actual, or potential, conflicts of interest, which must be managed, and mitigated, in accordance with the CIS manager's Conflicts of interest management policy.

Exchange Traded Funds ("ETFs") and Index tracking portfolios

ETFs are listed, and traded, on an exchange, and may incur additional costs. Traditional collective investment schemes in securities are priced on an exchange, but are not traded on an exchange. They are both collective investment schemes in securities, and are structured in the same way, and are subject to the same regulatory requirements. Whereas other exchange traded products are not collective investment schemes in securities. Index tracking portfolios, and passive ETFs, are collective investment schemes in securities that track the performance of the index(es), so they are passively managed. Investors can view the constitution, and performance, of the index(es) on the relevant exchange's website. Risks associated with passive ETFs, and index tracking portfolios, are that the performance returns of the portfolio may not match the performance returns of the index, due to the operating costs of the portfolio, and some passive ETFs, and index tracking portfolios, rely on complex investment techniques, or hold riskier underlying assets, to achieve their objectives, so you should always ensure you read the documents provided, to ensure you fully understand the risks you are taking on, before you invest. Actively managed ETFs are different to passive ETFs, and index tracking portfolios, in that they do not track the performance of the index(es), because the assets of the portfolio are actively managed.

