

## MARKET PERFORMANCE

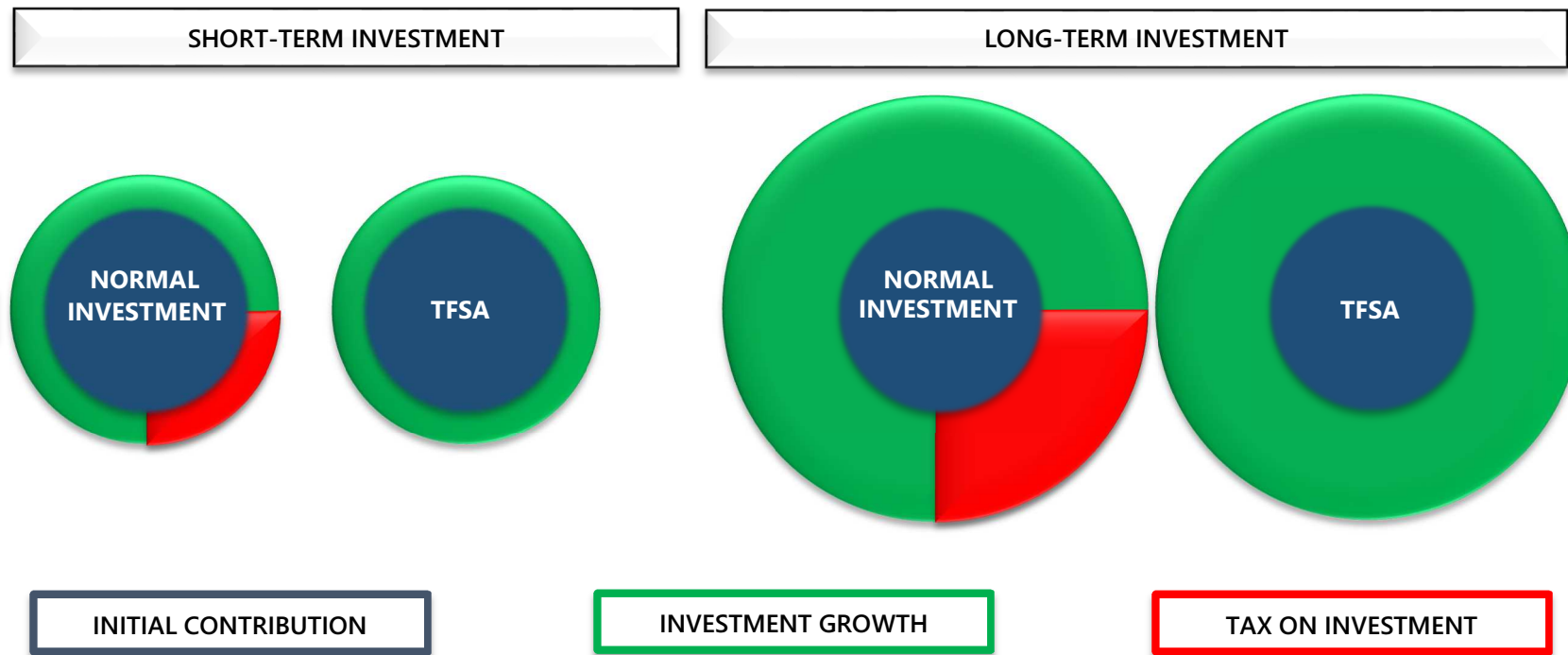
COUNTRY	JAN%	YTD %
South Africa	0.10%	0.10%
Brazil	11.14%	11.14%
Russia	10.41%	10.41%
India	5.60%	5.60%
China	9.92%	9.92%
USA	5.79%	5.79%
UK	-1.99%	-1.99%
Germany	2.10%	2.10%

## MARKET COMMENTARY

The UK markets were down -1.99%, due to the uncertainty of a post-Brexit deal to either replace or renew the UK's EU membership. German markets were up 2.10%, following further improvements in manufacturing and services sentiment levels. The US markets closed the month up 5.79%, as Trump's tax overhaul was finally struck into law. The Brazilian markets closed the month up 11.14%, due to gains in the Real Estate and Industrials sector. Russian markets were also up 10.41%, following gains from its Oil Sector. Chinese markets closed the month up 9.92% given better than expected manufacturing purchasing managers' index (PMI) data. Indian markets were also up 5.60%, as investors were optimistic about the outcome of the Annual Budget speech. The JSE pulled back after record gains were largely weighed down by Naspers, PSG Group and Capitec Bank.

The South African Government not only taxes us on the income we earn, but we are also taxed on the returns of the investments we make (even though invested with after-tax income!).

So as your investment grows, there is tax liability accruing. The taxes that apply to investment returns are income tax (covering interest and REIT dividends) and capital gains tax (on the capital growth element of your investment). There are only 2 types of investments on which **your returns are not taxed** – Retirement funds and **TAX-FREE SAVINGS ACCOUNTS (TFSA)**.



The longer the TFSA is left to grow, the greater the tax-free growth.

This RARE GIFT is certainly a wonderful opportunity to set aside capital for the longer term, which may be used to supplement retirement or on behalf of younger members of the family.

Although there is a lifetime contribution limit of R 500 000, there is no limit on the Growth!

TFSA's can be structured to include funds ranging from Cautious to Aggressive and are not limited to bank accounts with banks. Should you wish to take advantage of this opportunity, do not hesitate to contact PWM for further information.