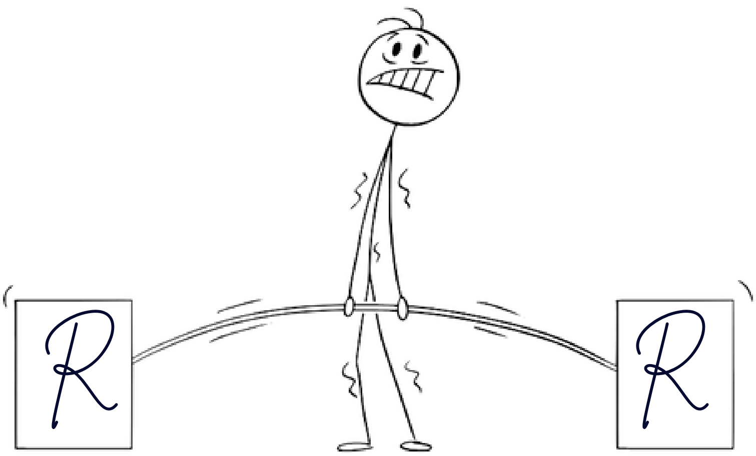
PRISM
EMPLOYEE BENEFITS

EDUCATIONALS

BANK INTEREST VS INVESTMENT FUND GROWTH: WHAT'S THE DIFFERENCE?

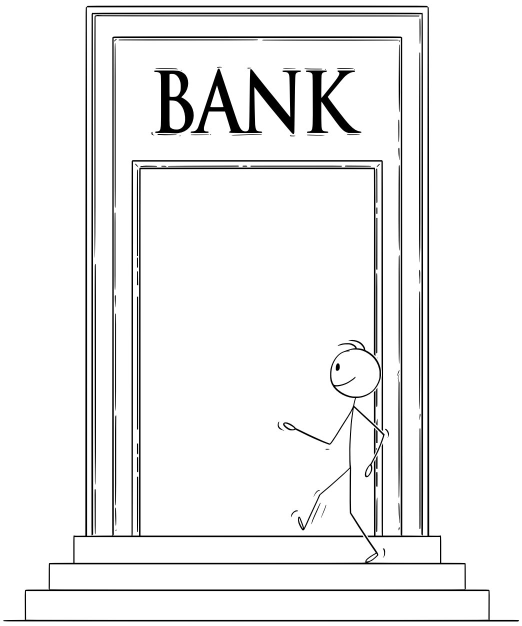


BANK INTEREST - SAFE BUT SMALL

WHEN YOU PUT MONEY IN THE BANK, LIKE IN A SAVINGS ACCOUNT, THE BANK PAYS YOU INTEREST FOR KEEPING YOUR MONEY THERE.

WHAT'S GOOD:

- Very safe - Your money doesn't go up and down.
- You always earn a small amount of interest.



WHAT'S NOT SO GOOD:

- The interest is low, often less than inflation.
- It grows slowly, so it may not be enough to build wealth.
- If you have a larger amount, it will be taxed

EXAMPLE:

If you save R1,000 at 5% interest per year, you earn R50 in one year.

INVESTMENT FUND GROWTH - RISKY BUT BIGGER POTENTIAL

AN INVESTMENT FUND PUTS YOUR MONEY INTO THINGS LIKE STOCKS (SHARES), BONDS, OR PROPERTY. THESE INVESTMENTS CAN GROW A LOT, BUT THEY CAN ALSO GO DOWN.

WHAT'S GOOD:

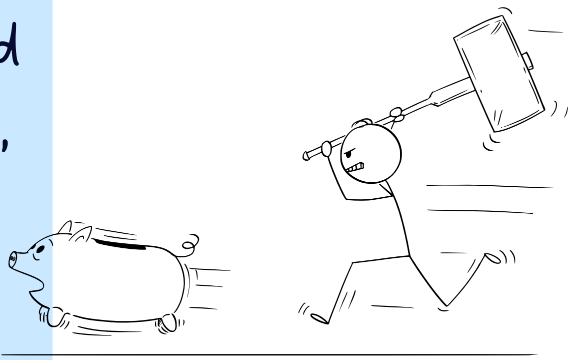
- You have a chance to earn more than bank interest.
- Over time (especially long term), it can build real wealth.

WHAT'S NOT SO GOOD:

- Not guaranteed – the value can go up and down.
- You may lose money in the short term, but it usually grows over time.

EXAMPLE:

If you invest R1,000 in a fund and it grows 10% in one year, you earn R100. But some years it could grow 15%, and other years it might drop 5%



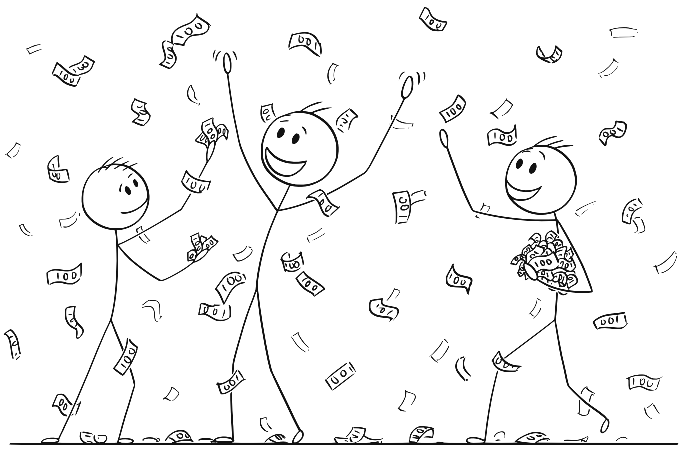
TAX-DEDUCTIBLE CONTRIBUTIONS

You can deduct contributions to a retirement savings fund, or retirement annuity (RA) from your taxable income.

THE DEDUCTION IS LIMITED TO THE GREATER OF:

27.5% of your taxable income or remuneration (whichever is higher), up to R350,000 per year.

THIS MEANS SARS ESSENTIALLY GIVES YOU BACK SOME OF YOUR TAX MONEY NOW, WHILE YOU SAVE FOR RETIREMENT.



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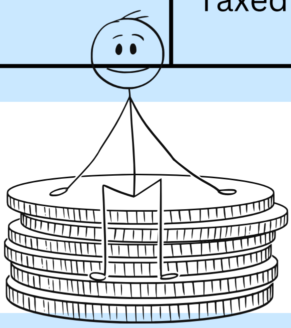
QUICK COMPARISON

Feature	Bank Interest	Investment Fund Growth
Risk	Low (very safe)	Medium to High (can go up/down)
Return (Profit)	Small	Potentially much higher
Access to Money	Easy to access	May need to wait a few days
Good For	Short-term savings, safety	Long-term growth, wealth building
Tax	Taxed	Not Taxed



IN SUMMARY

- Use bank accounts to keep money safe and available, like for emergencies.
- Use investment funds to grow your money over time, like for retirement, a house, or your children's education.

YOU CAN EVEN DO BOTH — KEEP SOME MONEY IN THE BANK, AND INVEST THE REST TO GROW.

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