

It's been a difficult year, with COVID-19 unsettling markets, putting strain on households and causing much uncertainty. For many, it has driven home the importance of creating long-term financial security. With the end of the tax year approaching, if you have additional savings, now is a good time to take advantage of the annual tax incentives offered by the South African Revenue Service to encourage you to save for your retirement and other long-term financial goals.

Get your investment in on time

Payment method	Cut-off dates*	
	Allan Gray Tax-Free Investment	Allan Gray Retirement Annuity
Electronic collection	25 February 2021	25 February 2021
Electronic funds transfer	Electronic collections only	
Withdrawal from AGLP/AGUT accounts To move your money, you will need to submit two instructions: 1 A withdrawal instruction from your AGLP/AGUT account. 2 An additional contribution into your RA or TFI account.	22 February 2021 for AGLP accounts** 24 February 2021 for AGUT accounts	

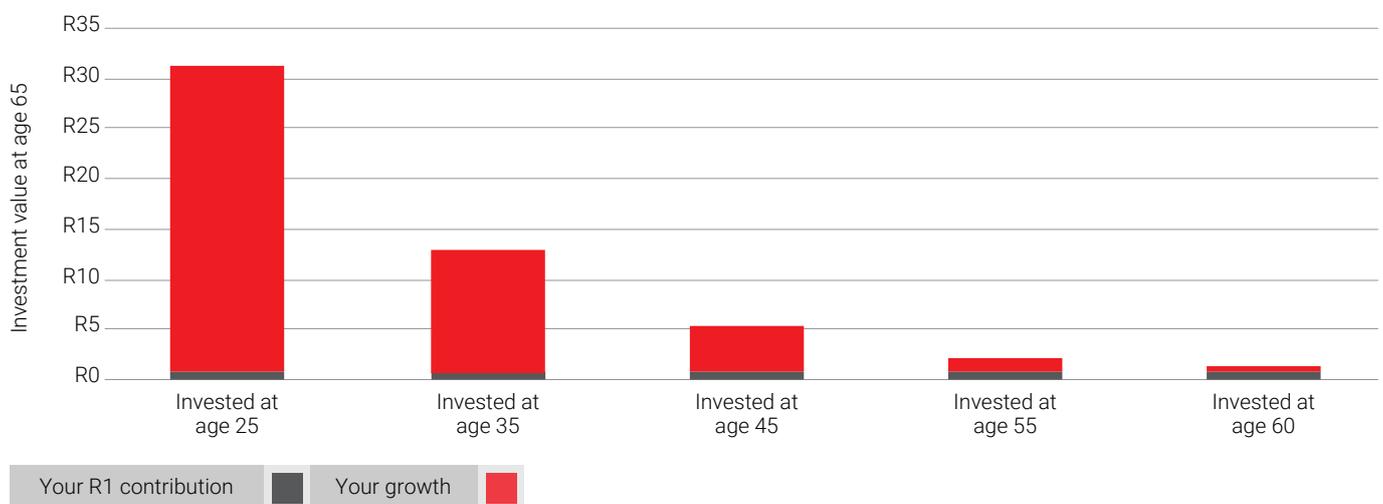
*All payments need to be accompanied by the applicable instruction and must be submitted by 14:00 on the relevant date.

**Delayed priced funds take an additional business day to price, therefore payment and instructions for these funds must be received one business day earlier, on 19 February 2021.

With enough time, every rand you invest makes a difference

The longer you leave your money invested, the more time it has to benefit from the power of compounding – interest on interest.

What R1 invested today would be worth at retirement*



*Assumptions: retire at age 65; annual return is 9%; total growth amount is shown in nominal terms, i.e. includes inflation.

The benefits of investing in a retirement annuity or tax-free investment:

Retirement annuity (RA)	Tax-free investment (TFI)
<ul style="list-style-type: none"> Reduce your taxable income by increasing your retirement savings, which means you pay less tax now. While you will still pay tax when you retire, it will most likely be at a lower tax rate. Enjoy the full benefit of compound interest as the growth in your RA is tax-free. 	<ul style="list-style-type: none"> Maximise the growth on your investment as the interest, capital gains and dividends you earn are completely tax-free. Your investment can be used for estate planning, meaning it can be paid to your beneficiaries immediately and there are no executor fees.
Things to keep in mind: <ul style="list-style-type: none"> You can only access your money from age 55 onwards (except in specific circumstances). This is to ensure that your money is safeguarded for your retirement. Your contributions are tax-deductible. This deduction is limited to 27.5% of the greater of your taxable income or remuneration, capped at R350 000 per tax year. The tax benefit for contributions in excess of these amounts may roll over to the following tax year. 	Things to keep in mind: <ul style="list-style-type: none"> You can invest R36 000 per tax year up to a lifetime maximum of R500 000. If you contribute more than these maximums, you will incur penalties. Although you can access your money, you cannot re-contribute amounts you have withdrawn – your contribution limits remain the same after a withdrawal. This makes your TFI more suited as a long-term investment.

For more information or to contribute to your investment, please contact your financial adviser.

Copyright notice

© 2020 Allan Gray Proprietary Limited

All rights reserved. The content and information may not be reproduced or distributed without the prior written consent of Allan Gray Proprietary Limited (Allan Gray).

Allan Gray is an authorised financial services provider.

Information and content

The information and content of this publication/presentation is provided by Allan Gray as general information about the company and its products and services. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to nor does it constitute financial, tax, legal, investment, or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication/presentation constitutes a solicitation, recommendation, endorsement or offer by Allan Gray, but is merely an invitation to do business.

Allan Gray has taken and will continue to take care that all information provided, in so far as this is under its control, is true and correct. However, Allan Gray shall not be responsible for and therefore disclaims any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever, which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon any information provided.

Additional information for retirement fund members and investors in the Allan Gray Tax-Free Investment Account

The Allan Gray Retirement Annuity Fund is administered by Allan Gray Investment Services Proprietary Limited, an authorised administrative financial services provider and approved under s13B of the Pension Funds Act as a benefits administrator. The Allan Gray Tax-Free Investment Account is administered by Allan Gray Investment Services Proprietary Limited, an authorised administrative financial services provider, and underwritten by Allan Gray Life Limited, also an authorised financial services provider and a registered insurer licensed to provide life insurance products as defined in the Insurance Act 18 of 2017. The underlying investment options of the Allan Gray individual life and retirement products are portfolios of collective investment schemes in securities (unit trusts or funds).