

The South African Revenue Service (SARS) have put several tax incentives in place to encourage us to save more for our retirement and other long-term goals. As the end of the tax year is approaching, now is a good time to maximise the available tax benefits.

### The benefits of investing in a retirement annuity (RA) or tax-free investment (TFI):

RA	TFI
<ul style="list-style-type: none"> <li>Reduce your taxable income by increasing your retirement savings, which means you pay less tax now.</li> <li>While you will still pay tax when you retire, it will most likely be at a lower tax rate.</li> <li>Enjoy the full benefit of compound interest as the growth in your RA is tax-free.</li> </ul>	<ul style="list-style-type: none"> <li>Maximise the growth on your investment as the interest, capital gains and dividends you earn are completely tax-free.</li> <li>Your investment can be used for estate planning, meaning it can be paid to your beneficiaries immediately and there are no executor fees.</li> </ul>

#### Things to keep in mind:

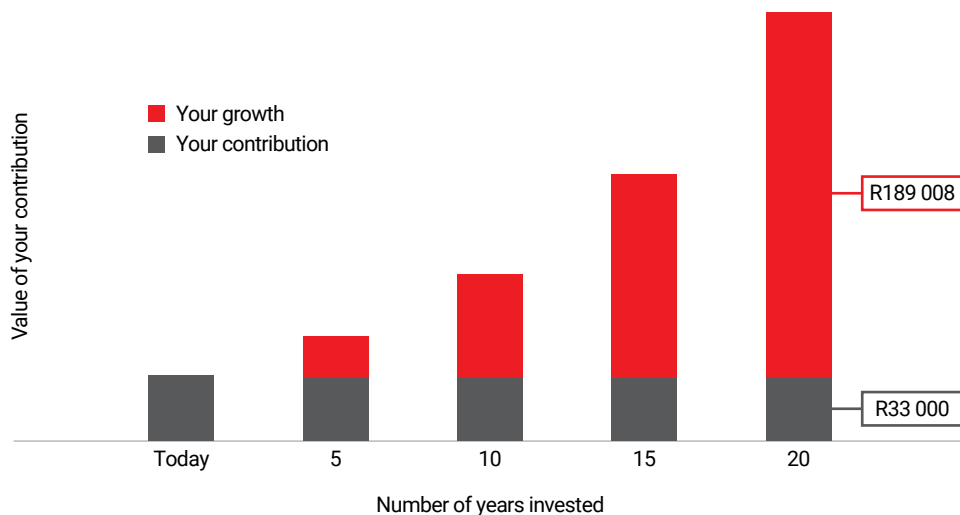
- You can only access your money from age 55 onwards (except in specific circumstances). This is to ensure that your money is safeguarded for your retirement.
- Your contributions are tax-deductible. This deduction is limited to 27.5% of the greater of your taxable income or remuneration, capped at R350 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:

- You can invest R33 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- Although you can access your money, you cannot re-contribute amounts you have withdrawn. This is because your contribution limits remain the same after a withdrawal.

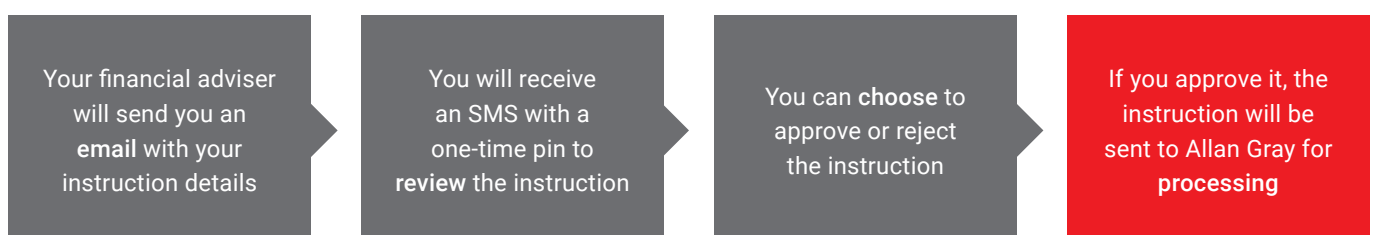
### Let the magic of compound interest work for you

The longer you leave your money invested, the more time it has to grow. The illustration below shows how much R33 000 (the annual TFI contribution limit) could grow to over 20 years\*.



### Simplify your contribution process with digital authorisation

Digital authorisation makes it possible for your financial adviser to submit additional contributions for your existing RA and/or TFI account on your behalf. All you will need to approve these instructions is access to your email and mobile phone. The process is **easy, paperless and secure**.



### Make sure you submit your instruction in time

Payment method	Cut-off dates**	
	Allan Gray Tax-Free Investment	Allan Gray Retirement Annuity
Electronic collection	27 February 2020	27 February 2020
Electronic funds transfer	Electronic collections only	
Cheque deposit		
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.	24/26 February 2020***	

\*Assumptions: Total growth amount shown in nominal terms and annual return is 10% p.a.

\*\*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 day earlier, on 21 February 2020.

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

© 2019 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).

#### 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.

Allan Gray is an authorised financial services provider ('FSP'). The Allan Gray Retirement Annuity Fund is administered by Allan Gray Investment Services Proprietary Limited, an authorised administrative FSP and approved under s13B of the Pension Funds Act as a benefits administrator. The Allan Gray TFI account is administered by Allan Gray Investment Services Proprietary Limited, an authorised administrative FSP and underwritten by Allan Gray Life Limited, also an authorised FSP 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).

The Allan Gray unit trusts are established under the Allan Gray Unit Trust Scheme ('the Scheme'). The Scheme is administered by Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company'), a registered management company under the Collective Investment Schemes Control Act 45 of 2002. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed investment manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. Except for the Allan Gray Money Market Fund, where the Investment Manager aims to maintain a constant unit price, the value of units may go down as well as up. Past performance is not necessarily a guide to future performance. The Management Company does not provide any guarantee regarding the capital or the performance of its unit trusts. Funds may be closed to new investments at any time in order for them to be managed according to their mandates. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request from the Management Company.