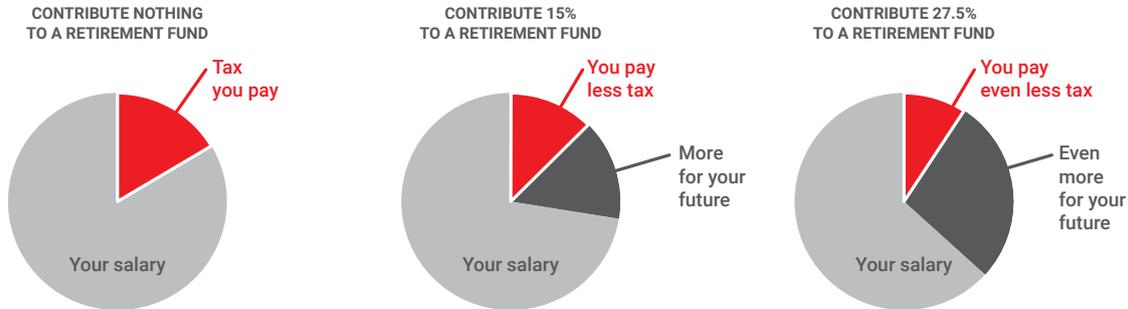


The end of the tax year is approaching and you have the opportunity to take advantage of the annual tax incentives SARS has put in place to encourage South Africans to save for retirement and other long-term goals.

Contributions to a retirement annuity (RA) reduce your taxable income, which benefits you now and in the future



A tax-free investment (TFI) also offers attractive tax benefits

The interest, capital gains and dividends you earn in a TFI are completely tax free. You can contribute a maximum of R33 000 per year, capped at R500 000 over your lifetime.

What are the differences between an RA and a TFI?

	RA	TFI
How much can I invest?	Any amount.	A maximum of R33 000 for the 2018/2019 tax year, currently capped at R500 000 over your lifetime (across all product providers).
Will investing decrease my taxable income?	Yes. You get the tax benefit on all amounts up to 27.5% of the greater of your taxable income or remuneration, capped at R350 000 per tax year.	No.
What if I invest more than the limits?	Your tax benefit will be rolled over to the following tax year, until you've received it in full.	You will have to pay a penalty of 40% of the amount you invest above the maximum.
When can I access my money?	From 55 years of age onwards (except in specific circumstances).	Any time, but your contribution limits remain the same so you cannot re-contribute amounts you have withdrawn.
Are there restrictions on the types of unit trusts I can choose?	Prescribed legal investment limits restrict how much you can invest in the types of investments that are considered higher risk, for example equities and offshore investments.	Current legislation limits your investment options to unit trusts that charge fixed fees.
What happens to my money if I die prior to retirement?	Your money is not part of your estate, except in specific circumstances. You may nominate who you would like the trustees to consider to receive your money but the trustees make the final decision, based on financial dependence.	You may appoint beneficiaries and they will receive the money directly, without waiting for the estate to be wound up. Estate duty is payable but there are no executor's fees.

Don't delay, make sure you get your investment in on time

Allan Gray Retirement Annuity

- Electronic collections cut-off date – 27 February 2019
- Electronic fund transfers cut-off date – 26 February 2019
- Cheque deposits cut-off date – 25 February 2019

Allan Gray Tax-Free Investment

- Electronic collections cut-off date – 27 February 2019

To move your money from your basic unit trust account into your RA or TFI accounts, you need to do two transactions:

1. Withdraw the money from your unit trust investment (funds can be withdrawn directly into our RA or TFI bank account, rather than your own bank account).
2. Invest it into your RA or TFI by submitting an additional contribution instruction.

Your deadline depends on your unit trust account type:
 Basic unit trust investment (AGUT): 26 February 2019
 Unit trusts via the platform (AGLP): 22 February 2019*

Please note our daily cut-off is 14:00. Remember the withdrawal may trigger capital gains tax.

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

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

Allan Gray Proprietary Limited 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.

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