



Prudential Investment Managers

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Did you know that Prudential's funds are now available on EasyEquities?

DIY investing has fast become a favourite past-time and wealth-building medium for many investors. The exponential rise of this practice has a lot to do with investors becoming more investment savvy when it comes to financial markets, with EasyEquities leading the charge in South Africa by allowing average investors to easily translate their investment ideas and strategies into active bets.

Given the work that this digital platform has done in terms of bringing the traditional world of investing to a broader modern-day audience, **we are pleased to announce that EasyEquities now offers investors a selection of Prudential funds via its Retirement Annuity (RA) and Preservation Fund portal.**

Opening a new RA investment and choosing Prudential as your underlying fund manager is quick and easy. Simply visit [EasyEquities](#), follow the registration prompts, and select Unit Trusts followed by Prudential.

What are the benefits of investing in an RA?

RAs are a great way to save for retirement or to supplement your existing retirement portfolio. Arguably, the product's main drawcard is that contributions are eligible for a tax deduction up until a certain amount (more information about this below). But before we delve into the detail, it's important to note that there are just under three weeks to go before the end of the 2020/21 tax year on 28 February 2021. In case you're wondering why this date's so significant, it's the last opportunity this tax year to maximise the tax benefits of contributing to an approved retirement fund.

The way that it works is relatively straightforward: the government allows retirement fund members to contribute up to 27.5% of their remuneration or taxable income (whichever is higher) to an approved retirement fund as a tax deduction each tax year, up to a maximum of R350,000. Put differently, the money that you put into an RA is deducted from your taxable income. So, for example, if you earn R500,000 and contribute 15% (or R75,000) to an RA over the course of the tax year, you'll only be taxed on R425,000. This means that SARS will refund you the tax that you paid on your R75,000 tax contribution. Granted, this is a very basic calculation and doesn't take into account other sources of income or taxes that may be applicable to you.

If the tax incentives aren't enough, it's worth mentioning that South Africa is currently in a retirement crisis, with various studies suggesting that the vast majority of South Africans won't have enough saved up to maintain their standard of living in retirement. To gauge whether or not you're still on track, try our [Retirement Calculator](#) to see if you need to make certain adjustments and where those adjustments need to be made.

Which Prudential funds are available on EasyEquities?

We currently offer our flagship house-view portfolio, the [Prudential Balanced Fund](#), as well as our award-winning [Prudential Inflation Plus Fund](#) and [Prudential 5% Target Income Fund](#). All three funds invest across a range of different asset classes (like equities, fixed income, property and offshore), and within different limits according to each fund's objective and investment mandate. Each of these funds are fantastic additions to just about any investor's retirement portfolio, whether as a stand-alone investment or for diversification purposes.

For more information about using Prudential's funds in an EasyEquities RA or Preservation Fund, please email retirement@easyequities.co.za. Alternatively, please feel free to call our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.