



INVEST BETTER
with **BRENTHURST**

IN THIS ISSUE

South Africans are surrendering more income to the state, with Tax Freedom Day now nearly a month later than in 1995. Despite escalating taxes and levies, public services continue to deteriorate, prompting citizens to seek offshore investments and tax-efficient savings.

THE STATE IS GETTING FATTER, YOUR WALLET ISN'T

MAGNUS HEYSTEK | INVESTMENT STRATEGIST & DIRECTOR, BRENTHURST

Here's a sobering thought: For the first 136 days of 2025, you weren't working for yourself. You were working for the state.

Only from May 16 – Tax Freedom Day – did your income start landing in your own pocket. Everything before that? Claimed by a government machine that's long on promises, short on delivery.

This isn't just a symbolic date. It's a barometer. And this year, the barometer is flashing red.

Back in 1995, Tax Freedom Day fell on April 23. Now it's nearly a month later. This means South Africans are handing over a greater share of their income to the state – 37% of GDP compared to just 30% in 1995.

And what are we getting in return? Collapsing infrastructure, failing municipalities and the privilege of buying our own water tanks, diesel and private security.

INVESTING WITH SA'S
LEADING BOUTIQUE WEALTH MANAGER
WINNER 2020 & 2017 | RUNNER-UP 2023 & 2018
TOP 3 2022 & 2021 | TOP 4 2019
RANKED AMONGST THE TOP WEALTH MANAGERS FOR 7 CONSECUTIVE YEARS

JHB (HQ)	+27 (0) 11 799 8100
JHB (SANDTON)	+27 (0) 10 035 1391
PTA	+27 (0) 12 347 8240
CAPE TOWN	+27 (0) 21 418 1236
BELLVILLE	+27 (0) 21 914 9646
CLAREMONT	+27 (0) 21 100 3901
STELLENBOSCH	+27 (0) 21 882 8706
PAARL (VAL DE VIE)	+27 (0) 21 100 3901
GEORGE	+27 (0) 44 050 6057
MAURITIUS	+ 230 5843 5215

It's not just PAYE that's bleeding households. VAT, fuel levies, sugar taxes, sin taxes and municipal charges all add up. It's death by a thousand cuts. And make no mistake, the middle class, that dwindling pillar of economic stability, is carrying the lion's share. And yet, there's no sense that the state is on a diet.

On the contrary. The public wage bill remains bloated. SOEs are bottomless pits. Policies like NHI and Expropriation Without Compensation continue to spook investors and citizens alike. The budget deficit widens. Debt balloons. And the calls for "wealth taxes" grow louder by the day.

But it's not all doom and dustbins. You don't have to emigrate to state-proof your wealth. There are ways to resist this slow expropriation by stealth.

Start with what you can move. South Africans still have generous offshore investment allowances – up to R11 million per year, for those who know how to use them.

Global equity markets, property trusts and hard-currency investments all offer better protection against rand weakness, policy instability and local underperformance.

Next, reduce your taxable footprint. Make full use of tax-free savings accounts, and be smart about how you earn income. Not all rands are taxed equally.

If you haven't had a frank conversation with a tax-literate advisor, now's the time.

Invest with a focus on real returns. Too many local balanced funds have underperformed inflation over the past decade. That's not wealth preservation – it's slow-motion erosion.

Seek out managers who think globally, act independently and aren't afraid to go against the herd.

And yes, accept the hard truth: many public services are no longer reliable. That means budgeting for private healthcare, education and security. It's not fair, and it's not ideal, but it's necessary. Waiting for reform won't protect your retirement.

Ultimately, Tax Freedom Day is more than a quirky calendar event. It's a reminder of who really controls the fruits of your labour – and how much of it you get to keep.

The state is not going on a spending diet anytime soon. But you can go on a fiscal fitness plan of your own. **Don't wait for policy to change. Change your policy.**

MAGNUS HEYSTEK | INVESTMENT STRATEGIST & DIRECTOR - BRENTHURST WEALTH
Phone: +27 (0) 11 799 8100 | **Email:** magnush@brenthurstwealth.co.za

CONTACT ANY OF OUR HIGHLY QUALIFIED FINANCIAL ADVISORS AT OUR NINE OFFICES COUNTRYWIDE TO DISCUSS YOUR INVESTMENT STRATEGY. **EMAIL US:** invest@brenthurstwealth.co.za

Johannesburg	+27 (0) 11 799 8100	Claremont	+27 (0) 21 100 3901	SATELLITE OFFICES:
Sandton	+27 (0) 10 035 1391	Bellville	+27 (0) 21 914 9646	KZN: Arin Ruttenberg +27 84 582 8581
Pretoria	+27 (0) 12 347 8240	Stellenbosch	+27 (0) 21 882 8706	FREE STATE: Iniel Van Zyl +27 72 298 3212
CPT Waterfront	+27 (0) 21 418 1236	Val de Vie Estate	+27 (0) 21 100 3901	NORTH WEST: Maria Smit +27 79 696 6860
George	+27 (0) 44 050 6057	Mauritius	+230 5843 5215	MPUMALANGA: Marise Reinach +27 72 795 3604

Brenthurst Wealth Management is an authorised financial services provider (Reg No: 2004/012998/07) FSP No.7833. This e-mail and any file attachments transmitted with it are intended solely for the addressee(s) and may be legally privileged and/or confidential. If you have received this e-mail in error please destroy it. If you are not the addressee you may not disclose, copy, distribute or take any action based on the contents hereof. Any unauthorised use or disclosure is prohibited and may be unlawful. The view and opinions expressed in this e-mail message may not necessarily be those of the management of Brenthurst Wealth Management (Pty) Limited.

STAY UP TO DATE - Follow us on social media