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The February rush: why investors still wait until tax year-end



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With the 2025/2026 tax year now behind us, the familiar surge in last-minute investing has once again played out. While investors have the entire year to contribute to tax-efficient investments, a significant portion of flows into retirement annuities (RAs) and tax-free savings accounts (TFSAs) still arrives in February. On the Ninety One Investment Platform, 22% of TFSA inflows and 20% of RA inflows occurred in the final month of the tax year, reflecting a behaviour pattern that has persisted for years.

Around a fifth of annual
TFSA and RA contributions
were made in February.

Human nature plays a role: many investors only act when the deadline approaches. It's something we've come to expect, despite regularly highlighting the benefits of investing earlier in the year (see [Simple mistakes TFSA investors continue to make](#)).

TFSAs should be viewed as long-term investments, and the earlier investors start contributing, the greater their chances of accumulating meaningful wealth. The six TFSA millionaires on our platform are a good example of what disciplined long-term investing can achieve. In another ten years, these accounts could be worth significantly more and provide a valuable source of tax-free income in retirement.

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Given the long-term nature of TFSA investing, we encourage investors to consider exposure to growth assets such as local equity, global equity and high-equity balanced funds. TFSAs invested in cash or bank deposits typically struggle to keep pace with inflation and may not fully benefit from the long investment horizon.

Encouragingly, investors on the Ninety One Investment Platform appear to agree: 90% of TFSA investors are exposed to growth assets. Over the past year, investing habits reflected this preference. Among the top ten funds by inflows, accounting for 37% of all TFSA inflows, six were global equity funds, three were high-equity multi-asset funds and one was a South African equity fund. Once again, the Ninety One Global Franchise Feeder Fund was the largest recipient of inflows, closely followed by the Satrix MSCI World Index Fund.

We now have six TFSA millionaires on our platform.

Turning to RA contributions, these are typically invested more conservatively due to Regulation 28 of the Pension Funds Act, which limits exposure to certain growth assets in order to manage risk and volatility. For example, total equity exposure (local and global) is capped at 75%, while total offshore exposure may not exceed 45% of a portfolio.

Even within these constraints, investors appear to be positioning for long-term growth. Over the past year, eight of the top ten funds by RA inflows were multi-asset high-equity funds, with one South African equity fund and one global equity fund also featuring.

This is encouraging, as multi-asset high-equity funds allow investment managers to allocate up to the maximum permitted exposure to growth assets under Regulation 28. At the same time, they provide flexibility for managers to adjust asset allocation as market conditions and investment views evolve.

Both TFSA and RA investors received some positive news in the February 2026 Budget Speech. The annual TFSA contribution limit was increased to R46 000 (from R36 000), while the annual tax-deductible limit for retirement fund contributions was raised from R350 000 to R430 000, subject to the existing 27.5% framework. For investors considering these options, see [Why it pays to invest in an RA and a TFSA](#).

Multi-asset high-equity funds have dominated RA inflows

Hopefully, in the new tax year investors will break the habit of leaving contributions until the final month. But even if they don't, the important thing is that they invest. When it comes to long-term investing, it's better late than never.

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