May 2026

Ninety One

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Investing for a world of change

Who wants to be a millionaire?

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Becoming a millionaire is often associated with luck – winning a game show or the national lottery, inheriting wealth, or making a single exceptional investment. However, for most investors, wealth accumulation is far less dramatic and far more predictable.

Consider the following. Since its launch in 1998, only seven[1] contestants have won the £1 million jackpot on the UK version of *Who Wants to Be a Millionaire?* out of more than 1 500 participants who have sat in the 'Hot Seat'. By contrast, the number of UK Individual Savings Account (ISA) millionaires has grown rapidly, with an estimated 17 600[2] individuals reaching this milestone by April 2026, which is also more than the total number of people who have ever won more than £1 million through the UK's National Lottery.

The contrast is striking. One path to becoming a millionaire is rare and dependent on chance. The other is repeatable and grounded in disciplined, long-term investing.

ISAs, introduced in 1999, are tax-efficient vehicles that allow individuals to earn returns free from income tax and capital gains tax. While annual contribution limits apply, there is no lifetime cap. South Africa's equivalent, the Tax-Free Savings Account (TFSA), offers similar tax advantages, although with a lifetime contribution cap.

Despite these structural differences, the underlying principle remains the same: consistent contributions, combined with time and compounding, can transform modest annual contributions into substantial wealth.

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1. https://www.bbc.com/news/articles/cgldlnrdkpro, BBC, 1 May 2026.
2. https://www.rathbones.com/en-gb/wealth-management/wealth-management/media-centre/isa-millionaires-set-to-more-than-treble-over-three-years, Rathbones, 1 May 2026.

Lessons from ISA millionaires

What can South African investors learn from those who have successfully built significant wealth within ISAs? While individual circumstances differ, the following consistent behaviours stand out:

Invest early in the tax year

Contributing at the start of the tax year maximises time in the market, allowing investments to benefit from an additional year of compounding and income generation.

Stay invested through market cycles

Attempting to time the market is rarely successful. Long-term investors remain invested through periods of volatility, recognising that short-term fluctuations are part of the journey.

Avoid unnecessary withdrawals

Tax-efficient investment allowances are valuable and, in many cases, cannot be replaced once used. These vehicles should therefore not be treated as emergency funds, as withdrawals reduce long-term growth potential. And, given the lifetime contribution limit on TFSAs, using this allowance efficiently becomes even more important for South African investors.

Reinvest income

Reinvesting dividends significantly enhances long-term returns. Over extended periods, dividend income can contribute a substantial portion of total investment growth.

Manage costs carefully

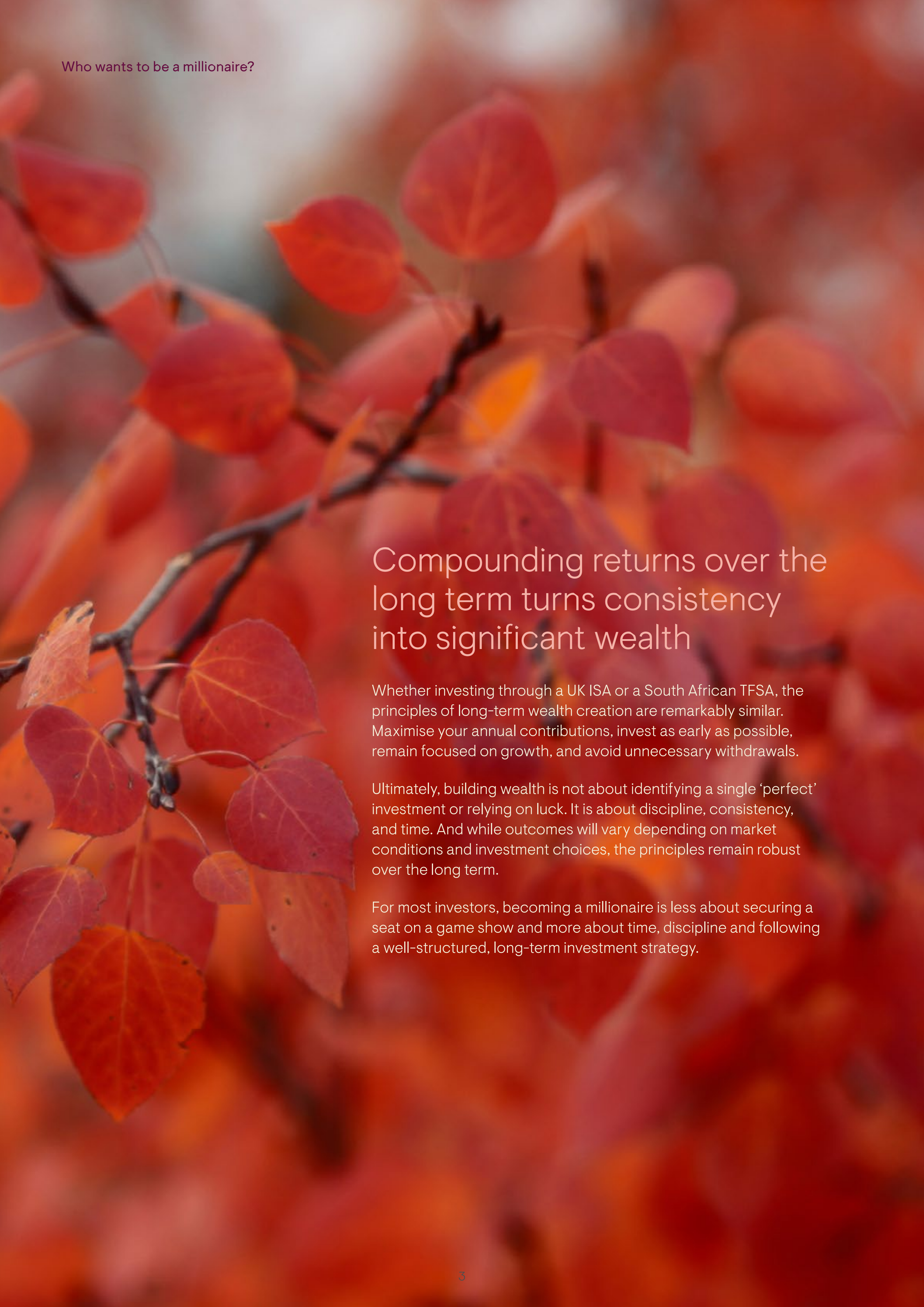
Fees can erode returns over time. While active investment management can play a key role, investors should remain mindful of the overall costs associated with their investment and platform choices, as even minor differences in fees can compound into meaningful differences in long-term outcomes.

Prioritise growth assets

Achieving meaningful long-term growth typically requires exposure to equities and other growth-oriented assets, which have historically delivered higher real returns than cash or bonds.

Diversify globally

Investors who look beyond their domestic market are better positioned to capture a broader set of opportunities and reduce concentration risk.



Compounding returns over the long term turns consistency into significant wealth

Whether investing through a UK ISA or a South African TFSA, the principles of long-term wealth creation are remarkably similar. Maximise your annual contributions, invest as early as possible, remain focused on growth, and avoid unnecessary withdrawals.

Ultimately, building wealth is not about identifying a single 'perfect' investment or relying on luck. It is about discipline, consistency, and time. And while outcomes will vary depending on market conditions and investment choices, the principles remain robust over the long term.

For most investors, becoming a millionaire is less about securing a seat on a game show and more about time, discipline and following a well-structured, long-term investment strategy.

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CS_987 05/2026