

Tax-free investing: Start investing early in the new tax year

March 2025



M&G Investments

We've been sharing how [tax-free investments](#) play a valuable role in helping South Africans grow their wealth over the long term. Here, we'll share why it's beneficial to invest your tax-free allowance as early as you can in the new tax year.

Key takeaways so far:

- South Africans can invest up to R36 000 tax free every year. When you invest tax free, you don't pay any South African tax on the growth of your investment while your money remains invested. You are also not taxed when you withdraw your investment.
- As the lifetime limit for tax-free investing is R500 000, this precious opportunity to boost your long-term savings should ideally not be used to fund short- or medium-term goals.
- The key to maximising your benefits of investing tax-free is to invest for the long-term. Start investing as early as possible in your life and stay invested for as long as possible.

March is a new tax year and a new opportunity to invest up to R36 000 tax-free

Tax-free investments (TFIs) are an ideal way to grow your discretionary savings over the long-term and build up a retirement nest egg, thanks to the extraordinary power of compound interest. Essentially, the longer you stay invested, the greater the exponential growth potential of your savings as any growth reinvested can also start to grow. When your investment compounds tax free over a long time, the results can be significant.

So, investing your tax-free allowance as early as you can in the new tax year enables you to take advantage of the benefits of tax-free growth sooner and your savings can grow tax-free for up to a year longer.

To see how much you could save over the long term by investing in one of our top-performing tax-free funds, [try our tax-free calculator](#).

Invest tax free now to take full advantage for this new tax year

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With M&G Investments, you can invest tax free in a range of nine of our top unit trusts, which include equity, multi-asset, property and rand-denominated global funds. They are all great options from which to build a well-diversified tax-free investment portfolio depending on your risk profile and investment time horizon.

If you're an existing tax-free investor and would like to add to your investment, you can do so through your online account or by completing the tax-free additional contribution form.

For new investors, simply complete the [10-minute application process online](#) or download the tax-free application form. You can start investing with us today from as little as R500 monthly via debit order or make lump-sum investments from R10 000 to R36 000 per year.

If you already have a tax-free savings account with a bank, you can switch it to an M&G Investments TFI at no cost.

To choose the funds that best meet your needs, speak to your financial adviser or [explore our tax-free funds here](#).

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