



M&G Investments  
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## Diversify your tax-free portfolio with M&G Investments

By now it's fairly well known that tax-free investments are one of the very best ways to enhance the growth of a longer-term investment portfolio, since you're left with more capital to accumulate over time. Everyone should own tax-free investments. But how best to include them in your portfolio if you're a longer-term investor? Did you realise that some tax-free options like equity, bond, multi-asset and property unit trusts offer higher potential growth for longer-term investors than bank-type tax-free savings accounts that are shorter-term in nature?

Bank products like these are popular, given how easily accessible they are: they earn interest income free of tax for low risk. But remember that SARS also allows individuals a separate annual exemption that currently makes the first R23,800 of your interest income essentially tax-free (if you're under 65), so focusing on these short-term solutions and having lots of interest-earning investments in your portfolio means you may not be taking full advantage of your total tax-free allowance potential every year. At the same time, the returns from shorter-term solutions are not likely to compound as quickly over time, which is an important consideration if you're a longer-term investor.

Meanwhile, diversifying your tax-free investments can be a wise way to increase your potential tax-free returns while also moderating the higher risk involved over time. M&G Investments offers investors its

top-performing [M&G Balanced Fund](#) tax-free as an excellent way to diversify across many different asset classes, including global exposure, in one unit trust portfolio. It has recorded top-quartile returns in its ASISA category over the past year, and consistently beaten its benchmark (the average return of the ASISA category) over the past one-, three- and five-year periods, as the table shows. Alternatively, M&G Investments also offers tax-free options for its top-performing [M&G Dividend Maximiser Fund](#), its [M&G Property Fund](#) and its global funds, including the [M&G Global Balanced Feeder Fund](#), among others. This way investors can choose the single asset class exposure they'd like to build their own tax-free portfolio, and are not be constrained by the limits to these asset classes imposed by Regulation 28 for retirement funds. You can try M&G Investments' [Tax-Free Calculator](#) to see how much tax you could save by investing in one of our tax-free unit trusts.

### A selection of M&G Investments' tax-free funds

M&G Tax-Free Fund	1-year return vs benchmark	3-year return vs benchmark	5-year return vs benchmark
M&G Balanced Fund (T Class)	25.8%	12.1%	9.0%
	vs 20.3%	vs 11.5%	vs 8.0%
M&G Dividend Maximiser Fund (T Class)	35.6%	16.0%	10.8%
	vs 26.7%	vs 11.8%	vs 7.4%
M&G Property Fund	41.2% vs	N/A	N/A

	38.6%		
M&G Global Balanced Feeder Fund (Rands)	22.4% vs 22.2%	16.1% vs 19.1%	N/A

Source: Morningstar, M&G Investments, as of 31 December 2021

So have you reached your R36,000 limit for the current tax year? If not, It's not too late – you can still make a contribution to meet the 28 February deadline. Investing in M&G Investments' tax-free funds can be done quickly and easily [online](#) in 10 minutes.

You can learn more about tax-free investing by reading our [Tax-Free Investments FAQ](#). Or for more information on investing with M&G Investments tax-free, please feel free to contact our Client Services Team on 0860 105 775 or email us at [info@mandg.co.za](mailto:info@mandg.co.za).