

Individual
Consulting

Save more to do more

Save for a goal with Alexforbes

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People have personal and lifestyle goals. You may start with an idea of something new you want to create in your life right now or in future. Maybe you want to start a family, save for future education, buy a house or plan a holiday. You might like to do most of that and also be prepared for unexpected expenses.

If you had the opportunity to save towards something new in your life, what would be worth investing in? Listen to your goals and aspirations. Don't forget them. Saving will help you realise them.



The reality

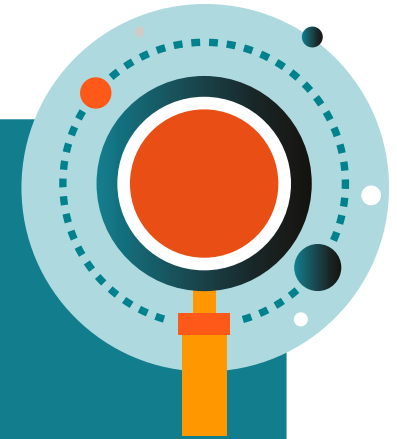
The opportunity to begin something new can be challenging. Every goal needs a savings plan to make it happen. We all want to do it. We tell ourselves we'll get around to it. One day.

The reality is that the idea of setting goals involves facing the future while we are living in the present.

Knowing the total savings amount you will need, how much time you will need to save and what expected investment returns you require to reach your goals can be overwhelming. Added to this, people face a long list of increasingly complex investment options, requiring time to weigh up the pros and cons. At this point, intending to save may end with not saving at all.

If you are feeling this way, you're not alone.

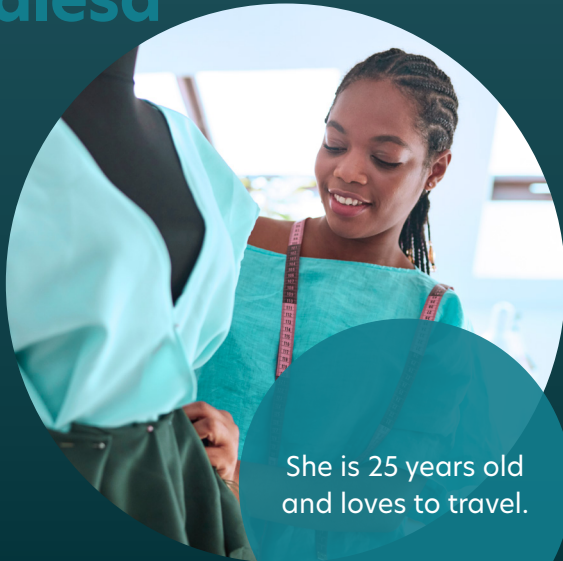
However, if we think about a savings goal in terms of something that we want to achieve, what matters most is your purpose - your reason why. This approach can help you work out how much you'll need to invest, how much time you'll need to invest for and the amount of risk you are willing to take for each goal you're saving for.



The big question

Is there a way to save towards something new in your life - simply and affordably?

Meet Phalesa



She is 25 years old
and loves to travel.



She wants to start planning and saving towards a holiday to somewhere she has never been before.

By when? 3-5 years

Meet Liesl



She is 47 years old
and a single parent
with two children,
aged 12 and 15.



She wants to start saving towards her children's further studies.

By when? 5+ years

Meet Vuyo



He is 48 years
old and wants
to boost
his retirement
savings.



He wants to to save more money tax free for his retirement, but still have access to his money.

By when? 5+ years

People may have different goals depending on their needs and circumstances. Once you consider your various goals and different time periods, start to think about which financial solutions to use to achieve your goals.

At Alexforbes, we make it our business to help you understand your motivations for saving so you can feel confident that you're getting what you want out of your money. We offer an easy, flexible and affordable saving solution, each designed with its own range of investment options focused on delivering on the goal you've set.



Tax-free savings account

A tax-free savings account (TFSA) is an account with tax benefits. You can save up to R36 000 per tax year and R500 000 over your lifetime tax-free. Pay only when you can and withdraw funds when you need to – no penalties attached. Just remember, if you take money out of the account you may not reach your savings goal. And, because there's no tax, no administration fee, no performance-based fee, no initial fees and no penalty for withdrawing, that means you save more!

Why consider a tax-free savings account?

This solution is an ideal option to save for a long-term goal like education, boosting your retirement savings or saving towards your dream house. The longer you leave your money, the more you benefit from compound interest and the greater the expected tax saving.

[Read more](#)



Benefits

It's affordable:

- invest from as little as R250 a month
- no sign-up fees
- no administration fees
- no performance-based fees
- no tax on the interest or growth on your investment, so no income tax, no capital gains tax and no dividends tax
- no penalties for withdrawing savings

It's easy:

- flexible payment options of a monthly debit order, EFT or payroll deductions (if your employer allows it)
- simple choice of portfolios matched to specific goals, time frames and risk preferences
- a single, transparent fee depending on the portfolio you invest in
- freedom to switch between portfolios at any time, at no additional cost

The tax-free savings account gives you flexibility to invest once-off, regularly, or from time to time (or a combination of all three). You also have the freedom to withdraw your money from your investment at any time.

With a goal in mind, the right advice and financial solution can mean that you're investing the right amount, the right way, for the right amount of time. With that, there's not much that can stop you from creating more of what you want in your life.

Whether it is an overseas trip, a wedding or buying your first home, using a tax-free savings account can help you meet a wider range of goals depending on your needs.

Meet
Edward



Here's Edward's story to help you decide:

Edward is one of thousands of people who are already enjoying the benefits of saving for a goal through the Alexforbes tax-free savings account. He is aware that the choices he makes about his savings goals as he goes through life will affect how much he will have saved and whether he'll be getting what he wanted out of his money.

How much Edward pays in tax and fees to invest and administer his savings is one important choice that could make a big difference to achieving his goal.

Edward is 40 years old and wants to start planning and saving towards the spiralling medical aid costs he may face when he's retired.

What happens if he chooses the Alexforbes tax-free savings account before retiring in 25 years' time?

If Edward invests **R1 000** a month, he can increase his savings by more than **R760 000*** - this is **R64 000** more than if he chose to save in a similar tax-free savings account.

Over a period of 25 years, Edward can save extra towards medical expenses by the time he retires. Thanks to paying only a small yearly investment fee, no registration fees and no administration fees through the Alexforbes tax-free savings account, Edward can make the most of his savings and feel confident about achieving the goal he has set.


*His investment is in a local equity fund. His expected investment return is inflation plus 4% before fees and his personal tax rate is 40%. Contributions increase with inflation. These values are not guaranteed and are for illustrative purposes only.

The help of professional experts

Deciding where to invest your savings is an important decision. It's also important to remember that saving for a goal is not just about what you want to create in your life, but also about who you are and what your personal preferences and circumstances are.

Although you can invest in a tax-free savings solution on your own, finding the answers to your savings options and considerations can be hard. Many people also find it helpful to talk to a professional to help hone in on the savings option best tailored for them. Almost four in five people we've asked see the benefit of involving a financial adviser in working out how much to save and where, depending on their desired goals.

[Find out more](#)



Create something new today

Tax-free savings

- Step 1: Apply **online**.
- Step 2: Choose your portfolio. There are a number of different investment portfolios to choose from.
If you need guidance, use the online risk assessment tool or speak to a financial adviser.
- Step 3: Fill in the application form.
- Step 4: Decide how much and how often you want to invest.
- Step 5: Submit the documents we need.

Alexander Forbes Financial Services (Pty) Ltd is an authorised financial services provider (FSP 1177 and registration number 1969/018487/07), an approved retirement fund administrator (24/472) and an accredited Council for Medical Schemes organisation (ORG468).



One of the great benefits of being connected with Alexforbes is having access to advice and assistance from knowledgeable and experienced financial advisers. They can help assess your risk appetite, discuss your objectives and evaluate your current situation. The purpose of our financial advice is to support individuals, like you, in making decisions that are right for them, based on their personal needs and circumstances.

If you would like more information or want to discuss your options, please contact us.

My Money Matters Centre

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