



Want to **SAVE MORE?**
Free yourself from **DEBT** in **2018**

<http://yourfund.co.za/columbus>

It's within your power to become financially free

When we make the decision to manage our expenses, we will soon have enough money to clear our debt and to start saving. That is how simple the solution is.

On the other hand, if we do not have a spending plan, money is often spent on things that are not really important. We incur debt and pay interest – that means giving away your future income for things that you want now! And the worst is that you end up paying much more for it – in the case of credit cards, we often pay three times the original cost in interest.

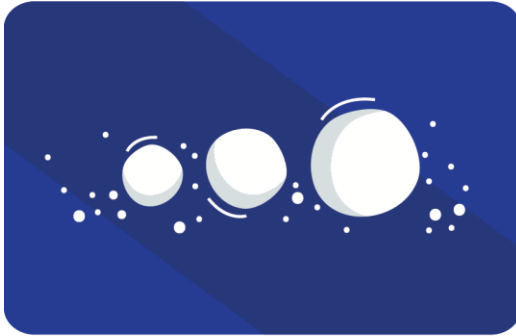
FOR EXAMPLE

If you have a credit card, you may be paying roughly **20%** in interest each month. That means that for every **R100** rand you spend on credit, you owe the bank roughly **R120**... And if it's not repaid, next month it goes up to **R144!!**

For example, in January 2018 one of the major South African banks advertised a 12-month fixed deposit interest rate payable to investors of **6.70%** ... while their charge rate for credit cards varies from 18.70% to 20.50%. That is a very expensive convenience!

There are two main approaches to paying off debt:

THE SNOWBALL APPROACH



Pay off the **SMALLEST** debt **FIRST**, then the next smallest, and so on.

THE AVALANCHE APPROACH



Pay off the debt with the **HIGHEST** interest rate **FIRST**, and then the next highest, and so on.

Every time you pay off one debt, you will have more money to pay off the next one... and hopefully, you can be free of debt that much sooner.

Because we are responsible for our own financial health, it is worth doing some research beforehand, in those instances where we MUST get into debt. The rates vary – sometimes substantially – and this is especially true when you have a good credit record. BUT first consider whether you can wait, save and pay cash.

Lastly, consider insuring your debt for when an unfortunate life event like disability or even death happens. And remember that you can arrange your own insurance, which may be cheaper than the standard version issued by the financial institution.

CONTACT US

Should you have any questions,
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Want to learn more?

Visit the Columbus Your Fund Website.

www.yourfund.co.za/columbus