



## THINK TWICE BEFORE CASHING OUT YOUR SAVINGS!

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### *Avoid temptation...*

Despite all the warnings, cashing out remains the top reason that most South Africans can't maintain their standard of living in retirement. Simply put, your money needs time to grow, and if you take all or a portion of your savings before actual retirement, you are risking your future financial security.

#### Example:



Vuyo started working at the age of 25. He and his financial advisor decided that he would contribute 12% of his R10 000 salary towards retirement every month. This means he contributed R1200 monthly.



Over the first 20 years of his career, he consistently received returns above inflation. His salary also increased by 1% ahead of inflation per year.



When he eventually retired one day (age 65), he was expected to have around 9.6 times his annual salary (close to R2 million) saved up. This would have ensured him a comfortable income in retirement.



**But...**



At the age of 45, Vuyo had already saved a substantial amount of money. And with 20 years to go before retirement, he decided to cash out his retirement savings to buy a fancy vehicle.



During his annual visit to his financial advisor, he was informed that he would now have to contribute 35% of his salary (minimum R3500 per month, almost three times more) for the next 20 years to get back to where he was before.



Nobody wants to have money struggles when they retire. Retirement is supposed to be an enjoyable, relaxing time of life! **Invest wisely, contribute as much as you can afford to, get advice, and resist the temptation to dip into your retirement savings!**

### CONTACT US

Should you have any questions,  
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