



The Ultimate Guide:

A parent's guide to saving for your child's future

Watching your child grow comes with dreams – and costs. Whether it's university fees, a first car or helping them get started in life, the earlier you begin saving, the more time their money has to grow.

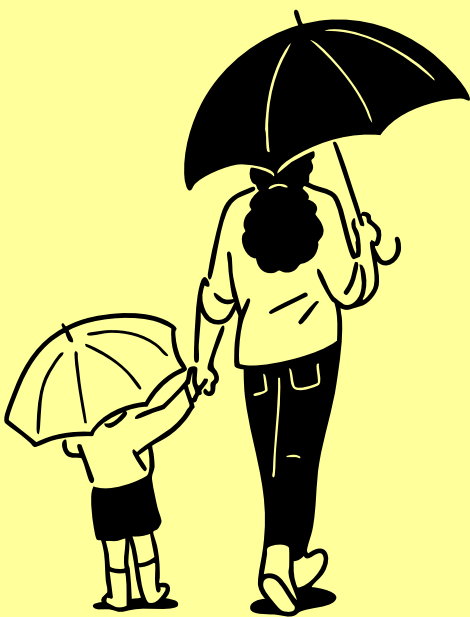


For Your Kids

Contents

Here's how South African parents can start building for their child's future.

01	Start early, start small	Page 03
02	Choose the right investment for your child	Page 04
03	Make it automatic	Page 05
04	Keep fees low	Page 05
05	Stay flexible	Page 06
06	Getting started is easy	Page 07



Start early, start small

You don't need a fortune to begin. Even R500 a month can grow significantly over 18 years thanks to compound interest – earning returns on your returns. The key is consistency, not perfection.

Quick math:

R500 a month invested over 18 years at an average return of 10% per year could grow to around R300 000. And if you start with R1 000, you're looking at closer to R600 000!

Start thinking about money early – really early

Surprising though it might sound, research shows that children start forming financial habits as early as age five – or even younger. A 2013 University of Cambridge study found that "the age window is zero to seven" for developing money habits, and "it's very hard to reverse those habits later in life."

What does this mean for parents? Even when kids are little, give them a small allowance for toys and sweets. For teenagers, this could be a clothing or entertainment budget. The goal isn't perfection – it's practice. Letting children make small money mistakes early can help them avoid costly ones later.

The key is keeping it simple and age-appropriate. Children this young can absolutely develop financial skills, as long as the strategies aren't overly complicated.

Be an optimist about your child's future

When you invest for your child's education, you're betting on the future – and that's a bet worth making. Every morning, billions of people around the world wake up wanting to make their lives better. When you invest in shares, you're giving your child a stake in that energy and dynamism.

Sure, markets go up and down. But over the long haul, the world economy keeps growing. Your child will have decades ahead of them to benefit from that growth.

Think of it this way: if the global economy collapses, everyone loses. But if it keeps growing – as it has for generations – those who own a piece of it through shares will build real wealth.

Use tax-free savings to your advantage

South Africa allows you to invest up to R46 000 per year (R3 833 per month) into a tax-free savings account (TFSA) without paying tax on the growth or withdrawals. Over a lifetime, you can invest up to R500 000.

For parents, this is gold. Any growth in a TFSA belongs entirely to you – no tax when it grows, no tax when you take it out for university fees.

The Sygnia Stargazer TFSA is designed specifically for parents saving for their children. You can open an account in your child's name and invest on their behalf until they're old enough to take over.

Pro Tip:

Open a TFSA in your child's name. They get their own lifetime allowance, so you can invest on their behalf until they're old enough to take over.

Think long-term

Education costs rise faster than inflation. What costs R50 000 a year today could easily be R100 000+ in 10 years. That's why leaving money in a low-interest savings account won't cut it.

Investing in growth assets like shares gives your money the chance to outpace inflation. Yes, markets go up and down—but over 10+ years, they've historically delivered strong returns. Sygnia recommends a time horizon of at least five years to help your investment reach its full potential.

Use your superpower: Think long-term

Are the talking heads warning about a market crash? That might be unnerving if your child starts university next year. But if they're still in primary school, you can safely ignore the noise.

The ability to play the long game is the everyday investor's superpower. Most professional money managers can't do it – they're worried about their year-end bonus and keeping clients happy. But you can think in decades, not quarters. That patience is what turns small monthly contributions into life-changing amounts.

And here's a secret: whenever markets drop sharply, your monthly contributions actually buy more. You're getting investments on sale. Over time, buying through the ups and downs – especially the downs – is one of the biggest contributors to long-term growth.

Choose the right investment for your child

Sygnia Stargazer offers three portfolio options, each designed to invest in companies shaping the world your child will inherit.



Sygnia Stargazer Eco

Invests globally in companies focused on sustainability, clean technology, fair labour standards and low carbon emissions. Perfect if you want your child's money growing alongside a positive environmental and social impact.

100% offshore

Focus: Growth

100% strategic allocation to global equities



Sygnia Stargazer Tech

Focuses on future technologies like robotics, cybersecurity, clean energy and genetic engineering. Ideal for parents who believe technology will drive tomorrow's growth.

100% offshore

Focus: Growth

100% strategic allocation to global equities



Sygnia Stargazer Moderate

Balances growth with stability by including money market assets alongside global investments. Great if you have a shorter time horizon or prefer lower volatility.

Mixture of global and domestic assets

Focus: Consolidation

Diverse money market assets to offset risk

Why global diversification matters

All three portfolios invest globally (or include global exposure), which means you own a piece of companies around the world. Which will shine - US or foreign stocks, tech or clean energy, large or small companies? With global diversification, there's no need to guess. As long as the world economy keeps growing, so will your child's education fund.



Make it automatic

Set up a debit order. When the money moves automatically each month, you won't miss it –and you won't forget to make a deposit. Life gets busy, and good intentions fade. Automation keeps you on track.

Don't pay too much attention

Once you've set up that debit order, resist the urge to check your account balance every week. Don't listen to market pundits. Don't fiddle with your investment mix. Set it, forget it and let your money do its work over time.

Keep fees low

Fees matter, because they eat into your returns over time. Sygnia Stargazer keeps things simple and transparent.

Management Fees:



Sygnia Stargazer
Eco

0.35%

per annum (excl. VAT)



Sygnia Stargazer
Tech

0.50%

per annum (excl. VAT)



Sygnia Stargazer
Moderate

0.35%

per annum (excl. VAT)

Annual admin fee
(across all portfolios)

0.35%

per annum (excl. VAT)

**No setup fees,
no exit
penalties,
no hidden
surprises.**





Stay flexible

Life can be unpredictable. With Sygnia Stargazer, you can make lump sum investments when you receive a bonus, set up monthly contributions that fit your budget, or do both. You can stop contributing at any time without penalties – your circumstances shouldn't lock you into rigid commitments.

Don't raid the piggy bank

It's tempting to dip into savings when life throws curveballs. But every withdrawal delays your progress. Treat your child's investment account as untouchable, unless it's for their future.

If you need an emergency fund, keep that separate. Aim for three months of living expenses rather than six—you don't want too much of your wealth sitting in cash when it could be growing for your child's future.

Adjust as they grow

When your child is young, you can afford to take more risks because you have time to ride out market dips. Sygnia Stargazer Eco or Tech portfolios are perfect for this stage – letting your money grow aggressively over the long term.

But as your child gets closer to needing the money (think high school), you'll want to protect what you've built. That's where Sygnia Stargazer Moderate comes in.

The easy shift to stability

This is what makes Sygnia Stargazer so accessible for parents. When the cash-out date approaches, simply switch from the growth-focused Eco or Tech portfolios into the Sygnia Moderate portfolio.

Sygnia Moderate balances continued growth with stability by including money market assets alongside global investments. It's designed specifically for this stage – limiting volatility while still delivering returns, so your child's university fund is protected when they need it most.

**No complicated decisions. No guesswork.
Just a straightforward, low-risk option when
the time is right.**

Track your progress

Sygnia's online portal lets you watch your child's financial future take shape 24/7. Check growth, review performance reports and manage the account easily – all at your fingertips.

But remember: checking too often can be counterproductive. Review quarterly or annually, not daily.

Getting started is easy

You'll need:

- Your child's birth certificate
- Your South African ID or passport
- Proof of address (not older than three months)
- Proof of bank details (not older than three months)

Apply online at sygnia.co.za or call 0860 794 642 (0860 SYGNIA) for help.

Final thought

Saving for your child's education isn't about being wealthy – it's about being intentional. Start where you are, with what you have. Small, consistent contributions today can open big doors tomorrow.

We may not all be wealthy families. But we can strive to lift up each generation that follows, so our families remain financially resilient and don't suffer the money stress that holds so many people back.



As Palesa Mabitsela from Sygnia says:

“We're not just investment professionals – we're moms and dads, too.”

Ready to start?

Explore the Sygnia Stargazer Tax-Free Savings Account and give your child's future a head start.



“I love the Sygnia Stargazer because it turns the hardest part, getting started, into child’s play while giving me control and world-class portfolio management at a fraction of the cost.”

Candice Daniels
Mom to Eden and Enzo

Sygnia

Sygnia Limited
Incorporated in the Republic of South Africa

Registration number: 2007/025416/06
JSE share code: SYG
ISIN code: ZAE000208815

Sponsor: The Standard Bank of South Africa Limited

Cape Town: 7th Floor, The Foundry, Cardiff Street, Green Point, 8001 | T +27 21 446 4940
Johannesburg: Unit 40, 6th Floor, Katherine & West Building, West Street, Sandton, 2196 | T +27 10 595 0550
Durban: Office 2, 2nd Floor, Ridgeview, 1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4319 | T +27 31 001 0650
London: 24/25 Grosvenor Street, Mayfair, London, W1K 4QN, United Kingdom | T +44 203 978 8673
info@sygnia.co.za | www.sygnia.co.za
Sygnia Umbrella Retirement Fund (Pension Section) FSCA Registration No. 12/8/35776
Sygnia Umbrella Retirement Fund (Provident Section) FSCA Registration No. 12/8/35801