

LIFE INSURANCE



FIRST MUTUAL LIFE
ASSURANCE COMPANY
Creating Wealth For Life

A Member of FIRST MUTUAL HOLDINGS LIMITED






The Art of budgeting

Money management is a practice that should be learned early in life as soon as one begins earning or receiving money. C. Pete Benson defines budgeting as,

“A written spending plan for your money that includes giving, saving, and spending is essential to achieving financial freedom.”

Budgeting is one of the pillars of personal money management a strategic plan of action pertaining to the inflow and outflow of money and it is necessary for everyone regardless of age, personal circumstances, financial situation and one's needs. A good realistic budget enables one to do more with their income and not just make ends meet.



A budget will reveal to you all your income, your expenditures as well as the part of your income that is reserved for investment. It is a vital plan that can balance your income and expenses to achieve long-term financial goals. When you create a personal budget, you sort your monthly expenses into categories that can help you understand your spending habits and shift them to reach your goals. Budgeting is all about taking control of one's earnings in order to receive maximum benefit from any money received and earned.

Without taking effective budgeting measures, money earned and received will not be used efficiently, thus leaving one in arrears and debts. Budgeting should not be looked at as a 'punishment' or to make one feel guilty about treating oneself on activities or things that suggest you are wasting money or living lavishly. The ultimate goal of budgeting is to spend all income on things and activities that bring value and happiness. Like all good habits, good spending habits and budgeting, are learned over time with many mishaps, failures and eventually getting it right. A budget only works if you are honest about both your income and expenses.

The art of successful budgeting is to ensure you set realistic limits and review your progress on a regular basis. Budgeting is the process of taking control of your spending habits. That means working out how much you have to spend, and then building good spending habits over time.

Objectives of budgeting

- You have control over your finances
- Allocate resources adequately
- You do not spend money you do not have
- You plan adequately for the future
- You are prepared for any emergencies that might arise
- You pay your bills on time
- Measure performance
- Increase income if need be
- Peace of mind knowing your income is adequately made use of

Important aspects of a budget

Creating and sticking to a budget secures financial freedom presently and into retirement. There are aspects of budgeting that are crucial in ensuring financial freedom and peace of mind:

- Set realistic financial goals – short and long term
- Create an emergency fund that will come in handy during a rainy day
- Pay off debts to do away with interests that might keep accruing
- Estimate, seek guidance and make concerning your retirement needs
- Develop skills to improve your income
- Saving and investing
- Live in the now



Important aspects of a budget

By following our budgeting steps, there will be clarity on your spending habits and having confidence to spend on things that are important to you because you'll know when you can afford it.

- Record your monthly expected income
- Set specific your long- and short-term goals
- Track your expenses
- Evaluate your spending habits
- Evaluate, monitor and adjust

The right relationships matter

With the right partner, everything that's important can be neatly tied together, bringing you closer to your loved ones.

Life insurance designed,
With you and For You



With you, for you

FIRST MUTUAL LIFE

First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe.

P O Box 1083, Harare | Tel: +263 (242) 886018-36, 886038, 886040, 08677000157

E-mail: info@fmlzim.co.zw | Website: www.firstmutual.co.zw

WhatsApp: +263 772 187 438 | +263 719 703 211





THE ROLE OF PENSION FUNDS

Pension schemes are designed to ensure that retirees maintain their standard of living after leaving employment. This is achieved by setting aside(saving) a certain portion of a person's income during employment and investing it for growth. In an organised setting the employer also chips in with a contribution to enhance the pool of investments. Individual products are also available where the employer does not participate.

Pension schemes offer disciplined savings for members, instead of a member being personally responsible for stashing cash away for instance which usually fails because of family and medical emergencies as well as temptations for impulse spending. Those people who have tried investing by themselves often don't have enough expertise to analyse the markets nor the mass required to adequately take advantage of market swings. By pooling funds together, pension funds have the largesse to invest in something major and employ experts to invest the funds for higher yields at less risk.

Pension funds invest in four main classes of assets i.e., equity, property, bonds and alternative investments. For value preservation a lot of schemes trust property, lessons from the past also support investment in property as this is easy to reprice. It seems most pension schemes disregard the low yield in the property class for a convenience yield.



PENSION FUND PERFORMANCE IN ZIMBABWE

Equity is also a popular class and the main advantage with it is liquidity when it comes to publicly traded securities. In Zimbabwe too, the stock exchange is a favourite instrument for hedging against currency risks and in some cases the stock market growth has outpaced GDP growth. Members of pension funds are encouraged to start enterprises, monetise hobbies or upskill themselves sufficiently to sell those skills when retirement time comes to augment their pension scheme savings. Despite all the challenges that schemes have gone through, pension schemes still remain as the most sustainable way of providing for retirement income. All it takes is for investment strategies to align with the market conditions in order for contributions and investments to retain value for members. A fair number of schemes now have residential assistance facilities for members through pension fund guarantees and the rise of investments in alternative investments such as power generation and farming will only add to the menu of options available for the growth of assets for members. First Mutual Life's employee benefits department specialises in scheme design and administration for pensions to stay relevant in spite of the macro environment. Talk to any of our consultants today to explore the options.

NOTICE TO ALL OUR VALUED CLIENTS

8 July 2022

In order to keep up with inflation and exchange rate movements and to ensure provision of adequate funeral benefits or guaranteed funeral services in the event of bereavement, First Mutual Life is encouraging all existing policyholders to migrate to the **USD products** with effect from **1 August 2022**.

The USD products available are as follows;

1. E~ML GOLD FUNERAL CASH PLAN

- This is a unique annually renewal funeral product which provides a minimum **cash benefit** of **USD625** from as little as USD1.00 per month per life and maximum cash benefit of **USD6,000** for a monthly premium of USD9.60 per life.
- Premiums for children below 23 years are payable at **50%** of the Main Life Assured premium.

2. ETERNAL LIFE FUNERAL SERVICES PLAN

This is an annually renewable product which provides actual **funeral services** upon death of an insured person. The **family** packages available and monthly premiums payable **per family** are as follows;

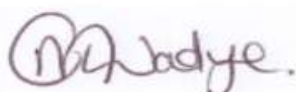
Family (Member, Spouse & Biological Children)			
Plan Name	Casket Type	Monthly Premium Without Bus per family	Monthly Premium with Bus per family
Basic Plan	Flat Lid Casket	USD1.30	USD1.60
Premier Plan	Flat Lid Casket	USD2.20	USD5.00
Executive Plan	3 Tier Casket	USD2.60	USD5.40
Elite Plan	Standard Dome	USD3.00	USD5.80
Deluxe Plan	Executive Dome	USD5.20	USD8.00

Premiums for All savings products, i.e. Early Harvest Savings Plan and Platinum Plan remain payable in ZWL.

For quotations and billing statements of the USD products, please contact us through your Account Administrator, **Moreblessing Maposa** on mobile **+263 773 935 575**, email address mmaposa@firstmutual.co.zw or your **Financial Advisor**. You may also send an e-mail to FMLILB@firstmutual.co.zw

We thank you for your continued support.

For and on behalf of First Mutual Life Assurance Company (Pvt) Ltd.



M Wadyewata
Individual Life Business Administration Executive

FIRST MUTUAL

FUNERAL SERVICES

Go Beyond

The rhythm of life continues

The song of your life never really ends.
With the right partner that melody
can live on in the right note.

Funeral services designed
With You and For You



With you, for you

FIRST MUTUAL FUNERAL SERVICES

1 Deary Road, Belgravia, Harare, Zimbabwe | P O Box 1083, Harare.

Tel: +263 (242) 764443, 0788 515 698/9, 08677009590

E-mail: info@firstmutualfuneralservices.co.zw | Website: www.firstmutual.co.zw

WhatsApp: +263 772 187 438/ +263 719 703 211

