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Imagine arriving in a foreign city and discovering there's only one form of transportation.

If it's something you're familiar with, great! But what if it's completely new to you? What if you can't figure out the routes or stops? Or what if you're in a hurry and need to make up some precious time? Wouldn't having a personal cab driver to get you to your destination be worth paying for?

This scenario is a lot like the debate between active and passive investing. Some people swear by having a skilled practitioner at the wheel, navigating the market's twists and turns. They believe that active management, with its focus on evaluating market conditions and driving portfolio outcomes, is essential. On the other hand, some argue that trying to beat the market is futile and that aiming for average market returns at the lowest fee is the way to go.



Why not both?

The truth is every investor is unique. We all have different circumstances, risk tolerances and investment goals. So, why not make the most of all available approaches? There are times when passive management, which captures market returns as cheaply as possible, is ideal. But there are also times when active management, which considers risk and reward, is necessary.

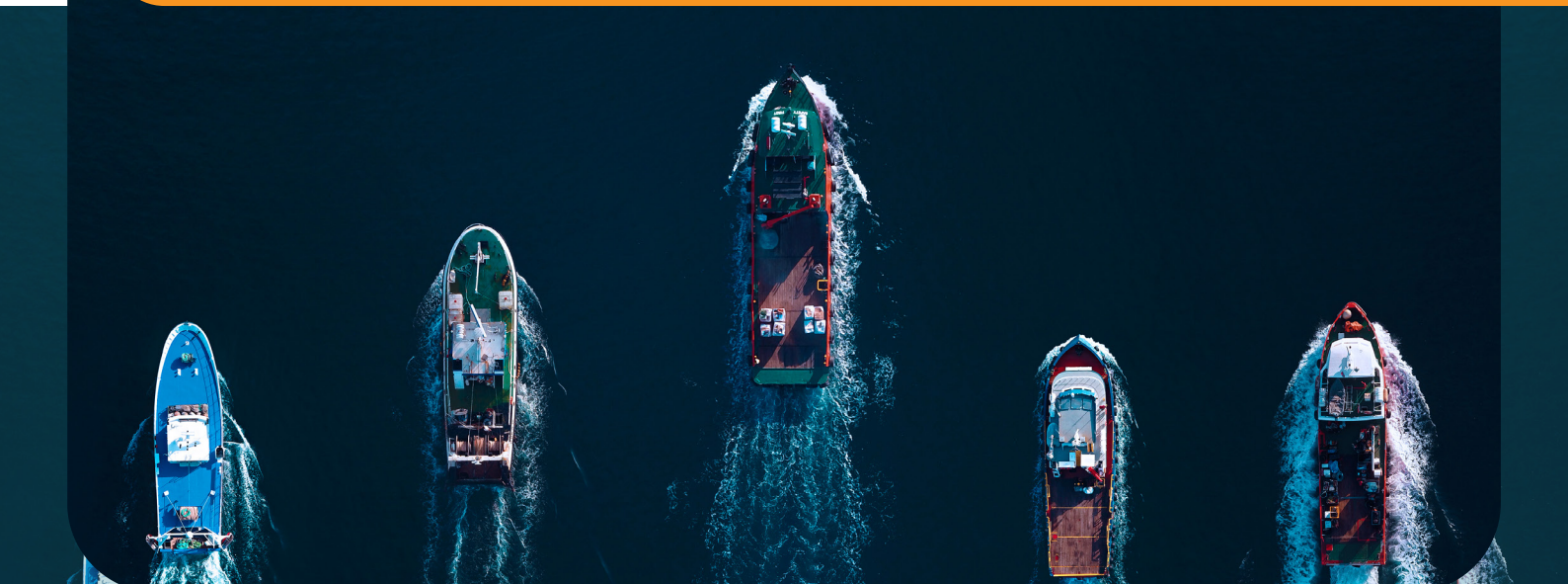
In South Africa, for example, the top 40 largest shares make up roughly 10% of the investable listed companies on the stock exchange, yet they represent more than 80% of the total market value. With such a concentration of value and risk, wouldn't it make sense to actively consider these factors?

We live in a world where both active and passive conditions exist across different geographies and market environments. Instead of debating which is better, why not acknowledge the advantages of both? By using the best fit for each market environment and investment objective, you can achieve a more balanced and effective investment strategy.

As the saying goes, if you want to go fast, go alone. If you want to go far, go together.

At Alexforbes, we believe in being smart with our active choices. We choose top asset managers and use passive strategies when active management isn't adding value. This balanced approach means we actively manage investments where it makes sense and use passive strategies where it doesn't. This way, you enjoy the best of both worlds—cost efficiency and growth potential.

With Alexforbes, no matter your investment destination, you're in the right place.





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