

# The ups and downs of investment markets – Why this is and what you can do

## Overview

Factors that have been affecting investment in SA markets



- Weak GDP growth
- A high unemployment rate
- Political uncertainty

- 2018**
- All Share Index ▼ 8.5%
  - Listed property shares ▼ 25%
  - Most long-term investments have experienced negative returns



## The bigger picture

When there is weak equity market performance and investment markets are highly volatile, your fund savings may be lower than before.



## Do

- **Take a long-term view** » Saving for retirement is a long-term matter
- **Know there will be good times and bad** » Over 40 years there will be ups and downs
- **Tighten your belt** » Sit tight and ride the tough times out.
- **Speak to a financial adviser** » On how best to stick to your long-term goals

## Don't

- Be **tempted** to make hasty changes to your investment portfolios
- The **risk** is that you will miss out on any market recovery, which will have a devastating effect on your savings

## The good news

So far, 2019 has seen investment markets recovering.

- All Share Index ▲ 12.2% Jan - June
- Global shares delivering 14.7% in Rand terms



## How a lifestage investment strategy works

### Younger members

- Savings are invested in a portfolio that aims to achieve long-term capital growth.
- Short-term losses during this period aren't too worrying as savings have time to recover from any dips in the market.



### Older members

As you get closer to retirement, your savings are automatically switched to more conservative portfolios to provide a degree of protection against the volatility of investment markets.

