

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 local GDP growth
- Poor management of State Owned Enterprises e.g. Eskom and SAA
- High unemployment rate
- High political uncertainty

- 2019**
- All Share Index ▲ 12.0%
 - All bond index ▲ 10.3%
 - Global equities up 24.1% in rands



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

Strong end to 2019 on the back of positive global sentiment:

- US/CHINA phase 1 trade deal
- BREXIT finalised
- Strong positive performance from local and global markets in 2019



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.