

No time like the present – how to take advantage of the current higher yields on bonds.

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Global and domestic economic circumstances have increased the yields on bonds, but why is this important and what does it mean for investors? At Glacier, bond yields affect the return we are able to offer on some of our investment solutions. Jeanine Myburgh, product manager at Glacier by Sanlam, points out that the higher the yield, the greater the guaranteed rate of return. Securing the current higher rates could therefore be a good way to ensure better returns. Glacier offers various solutions that can help you take advantage of the current attractive rates. In this article, she examines some of them.

Of course, as with all investing, what you add to, and eliminate from your investment portfolio will depend on your current financial needs and investment objectives, and the assistance of a qualified financial intermediary is invaluable.

Life annuity

If you are retiring and want the peace of mind of a guaranteed income throughout retirement, now might be a good time to purchase a guaranteed [life annuity](#).

Currently, a 60-year-old can get over R9 000 per month for a R1 million investment in a level annuity guaranteed for life. This translates to a return of roughly 10.8% per year. A drop of only 1% in the bond yields would result in an income that is almost 10% lower.

The benefits of a life annuity include:

- An income that is guaranteed for life and not affected by movements in the markets.
- You can choose a term (5, 10, 15 or 20 years) over which the income will be guaranteed to be paid, even if you pass away.
- If you want to protect your income against inflation, you can choose to increase your income by a certain percentage every year or opt for an inflation-linked annuity.

The Sanlam Fixed Return Plan

If you have a specific financial goal in mind and want the comfort of knowing what your investment will pay out, the [Sanlam Fixed Return Plan](#) may be exactly what you need. With this plan there are no surprises, and in a time where markets are volatile, a low-risk investment may provide some peace of mind.

How it works:

- A lump sum investment, with a minimum amount of R100 000 is made upfront.
- A guaranteed maturity benefit that is disclosed at the outset is paid out after five years.

Keep in mind that, in general, the higher the yields on bonds, the higher the maturity benefit. Therefore, if you are in a position to commit your money for five years, now might be the time to do so.

Glacier Cash Option

If you want to make your money work for you and take advantage of the current returns offered, but you still need the flexibility to withdraw funds when needed, you may want to invest in the [Glacier Cash Option](#). This investment solution is cost-effective, low-risk and geared to achieve inflation-beating returns.

Some things to note:

- A minimum investment amount of R100 000 is required.
- You have the flexibility to withdraw or transfer your money to any other Glacier product at any time.
- A select range of top cash and income funds are available to choose from.

In all investing, the value of a professional financial adviser cannot be over-emphasised. They take a holistic view of your personal finances – your income, expenses, needs, shortfalls, risk appetite and goals. If you already have one, that's a big tick on your financial planning checklist! A good adviser becomes a coach and partner in your journey to financial fitness. So, before making any investment decisions, consult an appropriately authorised financial planner.

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Sanlam Life is a licensed life insurer, financial services and registered credit provider (NCRCP43).

The Sanlam Fixed Return Plan is underwritten by Safrican Insurance Company Ltd, a licensed financial services provider.

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