

Moving forward with your investments after COVID-19

As the economy slowly starts to open up, many investors are left with questions around their investment portfolios and how to move forward after the first half of this year.

Linda Nel, Business Development Manager at Glacier by Sanlam, lends support to the argument that investors have more control over their finances than they think. There is a lot you can do to improve your current – as well as future – situation, with the right advice and solutions.

Learnings from the crisis

- An emergency fund is non-negotiable: Investors who have put off saving towards an emergency fund (preferably the fund must be equal to at least six months' expenses) have seen how critically important it is to have access to funds at short notice. This is applicable whether you work for an employer or are self-employed.
- We tend to spend more than we need to: Over the last few months we've only spent on absolute essentials and while this may not be sustainable going forward, you've probably identified areas in your budget where you can spend less. Channel these savings into your emergency fund if you don't have at least six months' expenses saved up.
- Don't wait for a crisis to draw up a budget: Do it today. Identify those areas for savings, and channel them into the right investment vehicle for your needs.
- Estate planning – including drawing up a last Will and testament – should be factored into your overall financial plan: Humans are wired to think that tragedies happen to other people, but the coronavirus has brought loss of life closer to home. Don't leave your family's financial security to chance.
- Medical aid and gap cover are equally non-negotiable: Enough said.
- Meet with your adviser more than once a year: Stay on top of your admin. Again, don't wait for a crisis to get things in order. Ensure your insurance policies are up to date, policies and essential documents filed and that someone knows where to access them. Meet with your financial adviser more than once a year to ensure you're on track.

Investing for the future

Yes, investment values have taken a knock, but those who remained invested would have benefited from the recovery in May. If your goal is a medium- or long-term one, then don't touch your investment – let it benefit from further recovery in the market. If your goal is a short-term one, discuss your options with your adviser before cashing out the funds. There may be a better option available to you, than locking in losses now and not being able to take part in market recovery.

If you are considering investing into the market now, you're no doubt considering which of the available vehicles is the best one for you, and whether to look locally or abroad.

Investors looking for a safe, cost-effective solution for in-between capital – while deciding where to invest – could consider the [Glacier Cash Option](#).

Cautious investors seeking more security could consider [The Sanlam Wealth Edge Endowment Plan](#) which offers an optional unit price guarantee on certain funds.

Investors could also consider our [Tax-Free Investment Plan](#) which allows them to grow their discretionary money, with no tax on interest or dividends received, and no capital gains tax on funds when withdrawn.

Advice could make all the difference

We acknowledge that the array of different solutions, as well as the rules and legislation pertaining to the investments – can be bewildering to an investor. We therefore urge you to speak to a licensed financial adviser before making any critical financial decisions. Add those meetings with your adviser to your list of financial non-negotiables.

Next week we'll take a look at retirement savings and income, after COVID-19.

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Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07

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Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com *|*Reg No 2002/030939/07

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Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

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