

With market uncertainty comes a window of investment opportunity

With current market uncertainty, investing could be the last thing on your mind right now. But hidden amid the storm are golden opportunities to grow your wealth. An expert sheds light on how to spot them, and what to do next.

Tip #1: Look out for discounted shares

A market crash undoubtedly sees investors panic-selling their shares to exit the market out of fear and uncertainty, but the very nature of this economic climate opens doors for you – if you're willing to wade through the noise.

Mansoor Narker, research and investment analyst at Glacier by Sanlam, says: "It is precisely these waves of panic-selling that unearth investment opportunities for investors, as the shares of quality companies are effectively on sale at attractive discounts."

So, what to look for in a company worth investing in?

According to Narker, these are some common characteristics of companies worth your consideration:

- Stable profits over the longer term;
- Good management teams who deploy capital effectively;
- The ability to generate sustainable, free cash flow;
- Low levels of debt during market episodes – "This also becomes increasingly important, as these companies can see themselves through difficult times without added risk," adds Narker;
- Larger companies with diversified exposure to more than one location or sector are often better able to withstand sudden downturns.

Tip #2: Know what you're getting into

While the long-term outcome of investing during market uncertainty could be rewarding, don't

forget that, in principle, it's still a high-risk move. One of the most important reflections to do right now is practising honest self-awareness about your investment risk appetite.

"While it can be difficult to not let emotions cloud investment decisions, investments should be made on a rational basis with the focus on the longer term," says Narker. "Perhaps the most important trait needed for wealth creation, in good times and bad, is patience." To add, he cites legendary investor Warren Buffet: "The stock market is a device for transferring money from the impatient to the patient."

Tip #3: Weigh up the pros and cons

The pros

"Investing at the market lows has, historically, provided the opportunity to earn above-average long-term returns over subsequent periods," says Narker. Your two allies are to take a phased approach and practise patience by staying the course. By applying these two strategies, "investors are able to accumulate assets at lower prices and position their portfolios to take advantage of the eventual recovery when it comes."

The cons

Uncertainty in a bear market (when markets are down) impacts many facets of the investing process, which makes it challenging to determine the short-term outlook of your investment. No one knows when the volatility will end, which means you could be watching your investment for months or even years to come without positive returns – hence the importance of patience and staying the course.

"The chances of further drawdowns are heightened with the increased risk of capital loss before markets turn around," says Narker.

Are you worried about the markets and want to know more? Read [this](#) for expert insights.

Tip #4: Do this before committing your capital

As with any financial decision – even in a bull market (when markets are up) – it's important to reflect on your unique needs and circumstances before investing. Did you have short-term goals you were ready to put cash towards before the idea of investing came to mind? Think carefully and consult a qualified financial planner before you invest.

Narker adds: "Funds that may be needed for shorter-term goals should not be allocated to higher risk investments, as you may be forced to liquidate your investments at unfavourable prices when the need arises."

“Having a clearly defined investment plan, developed in conjunction with a financial planner, and sticking to it to achieve your goals can greatly assist in the creation of wealth over the long term, and it becomes particularly important during times of crisis by providing a roadmap with which to navigate.”

Are you worried about your retirement savings during these uncertain times? Experts answer your pressing questions [here](#).

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