



Prudential Investment Managers

DECEMBER 2018

How to survive investing in 2019

Never mind your New Year's resolutions, your 12-month goals or your get-fit-by-February checklist. With 2019 being an election year, your aim should be – amid the inevitable political uncertainty – to avoid making rash investment decisions and to end the year with your financial plans still on track. That, however, is easier said than done, especially given all the negative news around South Africa's political and economic situation.

While the media love a good “bad news” story, markets hate uncertainty... and there's likely to be plenty of both as the country's political parties go through their election campaigns. As most smart investors will tell you, your best approach during a time of uncertainty and sensationalist social-media headlines is to [simply ignore all the noise](#).

It's very tempting to panic when you read those news bulletins, and to want to disinvest or move all your money [offshore](#). Both of those decisions may cost you dearly in the long run, if you react emotionally and lose sight of your long-term goals. For

example, [moving money offshore shouldn't be a knee-jerk reaction](#) to short-term changes in the local environment, but rather a considered move that's driven by your longer-term investment goals.

Seasoned investors will tell you that South Africa has been in similar situations before, rife with political and economic uncertainty. And if history has taught us anything, it's that you stand to lose out on good long-term returns if you withdraw all your money from your investments when financial markets are down. Markets inevitably recover from political uncertainty over time. [It's just a matter of being patient.](#)

Remember, investing is all about spending time in the market. [Compound returns work their magic over the long term](#), and if you panic and sell too early, you could lose out on years of opportunity. Remember, too, that volatility is a natural feature of financial markets – equities, bonds and currencies alike – and that volatility works both ways. If you get overoptimistic in a bull market, you might lose sight of [risks](#); but if you're too pessimistic, you could miss out on opportunities. The key is to not let greed or fear influence your long-term investing decisions. Besides helping you with your investment decisions, a professional financial adviser can also prove valuable by helping you stay the course.

At Prudential we know that market volatility and negative news can seem scary, but these periods can also present excellent opportunities for investors to acquire high-quality assets at attractive prices. Prudential has the experience, expertise and long-term outlook required to take advantage of these opportunities without taking on unnecessary risk. Whether you're feeling optimistic, pessimistic or just plain confused about the year ahead, the key to investment success lies in keeping your [portfolio balanced, diversified](#) and in line with your risk tolerance and long-term objective. Stay focused on the long run and try to not get distracted by the short-term noise.

To find out more about investing, contact your financial adviser, our Client Services Team on **0860 105 775** or email us at query@prudential.co.za.

<https://prudential.co.za/insights/articlesreleases/how-to-survive-investing-in-2019/>