PRUDENTIAL **INSIGHTS**

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Prudential Investment Managers
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How to start investing when you think it’s too late

Adulting is hard. Most of the time, you’re measuring yourself against your peers, trying to figure out if you’re keeping up (launching a career, having kids, buying a house…) or falling behind wherever you’re supposed to be. Funny thing is, those lifetime milestones don’t have a fixed timeline. Everybody’s situation is different, so while one person might be married with children in their early 20s, others might choose to travel, study or focus on their career instead. It’s all basically down to what you want out of life! But regardless of what your life’s goals are, there’s one curve that you don’t want to fall behind: where you are with your investments.

If you’ve reached your mid-30s and you haven’t started investing yet, you may think that you’re in trouble. At least, that’s what the charts will tell you. By starting late, you’ll partly miss out on **the magic of compounding interest** further down the road – and, depending on who you ask, “late” may actually be too late.

The truth, however, is that while it's better to start investing early, it's never too late to start. You'll just need to be smart about how you invest.

Speak to your financial adviser, who can help you refine your investment goals and how much money you'll ultimately need for each of them. **Our online goal calculator** is another quick and easy way for you to figure out the details, including the investment goal, the regular investment amount, the amount of time needed, the rate of return, and so on. Once your have identified those variables, you'll be able to determine whether or not **your goal is realistically achievable**.

This will let you know how much money you'll need to set money aside for your monthly investment amounts, which could mean adjusting your household budget to make that money available.

Although you're starting late, you do still have time on your side. Remember, while 35-ish may seem old, **it really isn't**. You still have a 25- to 30-year time horizon until your retirement, and it's quite possible that you still have three or four decades of solid earning potential left– with hopefully very little debt (the less debt you have, the more you'll be able to invest).

Your risk profile at this age definitely shouldn't be a conservative one. You can still take on plenty of riskier assets in your portfolio, like equities and listed property, which generally require a 7-10 year investment time frame in order to deliver a potentially higher rate of return than bonds or cash. Speak to your financial adviser and see what your options are.

Once you've determined your investment goals, risk profile, time horizon and so on, you'll need to choose the fund or funds best suited to your circumstances. **Browse through our list of funds**, and – even better – **use our online fund selector tool** to see which funds meet your objectives.

Finally, put your investment plan into action. Start a debit order investment, which you're able to supplement as and when you have extra cash available in your household budget. Stay focused on your investment goals, and don't let short-term hiccups or bad-news headlines derail you.

Keep your investment goals in mind, and **check in at least once a year** to ensure you're on track to achieving them.

Ready to start investing? Speak to your financial adviser or feel free to call our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.