



Prudential Investment Managers

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Make a fresh financial start in 2020

Whether 2019 was a good one, or one you'd rather forget, the start of a new year is a great opportunity for you to set new financial goals and to put in place practical measures to achieve them. Knowing where to start can be tricky, so to help you out we've put together a checklist of things you may want to consider when putting together your financial plan for 2020.

Do you have a financial adviser?

Research has shown that working with a financial adviser can significantly help you achieve your long-term investment goals. Not only are they able to help you with some of the more complex investment decisions – such as planning for your retirement – but they can also help you set realistic investment goals and ensure that you stay on track to reach them.

Are you on track for retirement?

Some studies suggest that only 6% of South Africans will be able to maintain their standard of living when they retire. As scary as that might seem, it's time to face the fear! A financial adviser is a great place to start to help you get back on track. In fact, you may even be surprised at how achievable your goals are when you investigate them. Use our [Retirement Calculator](#) to get an idea at just how close (or far off) you actually are.

Do you have an emergency fund?

Life has a way of throwing curveballs every now and then. And when it does, it's a good idea to have some financial wiggle room to deal with them. Simply saving money in a cheque account may seem like a good idea, but it's not the best way of putting your money to work. Fixed-income investments, such as the Prudential Money Market and Income Funds, are low-risk investments that typically offer significantly higher returns compared to leaving your money in a bank account. There are no penalties to withdraw your funds and they are easily accessible, too – which means that you don't have to take out expensive short-term loans while you wait '30 days' for your money to 'clear'.

Do you have the correct asset allocation?

They say 50 is the new 40 and 40 the new 30, and while this may be true when it comes to fitness and health goals, the same doesn't necessarily hold when it comes to your investments.

History has shown us that certain asset classes tend to perform significantly better over the long term when compared to others. For example, over the past 10 years (as at 30 November 2019) equities (FTSE/JSE All Share Index TR) has delivered an annualised return of 10.7% while cash (STEFI Composite Index) has returned 6.5% over the same period. Of course, that's not to say that history will always repeat itself or that you should invest in equities over cash. Your portfolio should be structured according to your risk profile and investment objectives. But having said that, if you have a 30-year time horizon and you're invested 100% in cash, you may want to consider relooking at your investments to check that your asset allocation is appropriately aligned. Our **Fund selector tool** can help you find a fund with the right asset allocation that is best suited to your investment needs.

So there you have it! A few simple questions that will hopefully help you when putting together your new financial plan for 2020. There's no better way to start the year fresh than to feel more in charge of your financial situation.

For more information, contact your financial adviser or our Client Services team on 0860 105 775 or at query@prudential.co.za.