



Prudential Investment Managers
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How often should you check on your investments?

In sport and business, there's a rule of thumb known as Pearson's Law, which states: "When performance is measured, performance improves. When performance is measured and reported back, the rate of improvement accelerates." When it comes to your investment portfolio, it's important that you check in and measure how your investments are performing, so that you can make changes and course corrections if you need to. The question is, though: how frequently should you check in?

In our 'always-on', data-driven society, investors can get instant updates on how multitudes of stocks and indices are performing. If a stock dropped by 0.5%, you'll know within moments of that happening. The temptation, then, is to sit all day long at your computer or on your mobile device, tracking the apps, watching the numbers and reacting to the minute-by-minute changes. It's a temptation... [but it's also a mistake.](#)

Markets are volatile. The value of a share is likely to go up or down throughout the day. The losses, of course, will always seem bigger

than the gains. That's human nature and it's why so many novice investors react emotionally to bad news in the market.

If you have a well-considered financial plan and a [diversified investment portfolio](#), you don't have to check in on your investments every day. You'll be working towards a long-term time horizon, where a single day's dip in a 10-year journey is highly unlikely to make any difference at all. Remember, the [key attributes of a good investor](#) involves being consistently proactive, patient, self-controlled and curious.

So, if not daily, how often should you check in on your investment? This largely depends on your individual circumstances, but it's likely that your financial adviser will tell you to check in once a quarter. Check your quarterly statements, see if there have been any significant moves in the market, and look for opportunities... dips in performance often allow you to pick up quality investments relatively cheaply.

For most investors, an annual sit-down with your financial adviser should be just right. Think of your [financial adviser](#) as being your 'investment doctor': if you're fit and healthy, you'll see your GP once a year for your annual check-up; if you're sick, you'll see your GP more regularly until your health is back on track. Consider taking the same approach to your wealth as you do to your health. An annual check-up will allow you to track the performance of your portfolio and make adjustments where necessary.

But what if you don't have a financial adviser? While we are big advocates of the benefits of good independent advice, we realise that some investors prefer to navigate the investment landscape themselves. While this may seem like a lonely road, fortunately it needn't be. Most investment managers, such as Prudential, have really useful websites which are packed with investment tools and insights, as well as having industry professionals on hand to assist you with your investment related questions. So if you do decide to go it alone... know that help (and not advice) isn't far away.

When you do decide to check in on your investments, be sure to know what you're checking for. Sometimes, market movement can cause certain asset classes to grow faster than others, which means that your asset allocation may need to be rebalanced to

bring it back to within its target range. Another thing to look out for is whether or not you're still on track to meet your long-term investment goals, especially if your goals change along the way. If the growth of your investment hasn't quite met your expectations, ask your financial adviser about the reasons behind that performance. There's usually a good explanation behind short-term underperformance, the trick is not to panic and to remember that performance doesn't come in a straight line. When investing over the long term, ups and downs can (and should) be expected, and as mentioned earlier, could present a good opportunity to pick up a quality investment relatively cheaply.

If you aren't already investing with us, [click here to start investing online](#). Alternatively, contact your financial adviser or our Client Services Team on 0860 105 775 or email us at query@prudential.co.za