Prudential Investment Managers
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Five ways to grow your wealth

There's no secret recipe or winning formula for being a successful investor. But, if you follow a handful of basic steps (and avoid a few common mistakes), you'll start stacking the odds in your favour. Here are five simple rules to help you grow your wealth and move towards securing your financial freedom.

1. Have a plan, and stick to it

What are you investing for? Decide on a goal – whether it's a new home, your child's education, your retirement, or whatever else – and figure out what you'll need to do to achieve that target. Our online Goal Calculator is a great way to help you work out exactly what your monthly contributions should be, your time horizon, and all the other factors that you'll need to know. Once you've defined your investment goal and the steps you'll need to take in order to reach it, the next step is to choose a fund that matches your investment profile - our Fund Selector Tool can help you narrow down your options. Then the challenge is to simply stick to your

investment goals and not get distracted by short-term market volatility or disturbing daily news around you.

2. Be patient

You've probably heard it before, but time in the market is almost always better than timing the market. Sticking to your financial plan will inevitably require time and patience. After all, investing is a long-term game, so you'll need to sit tight and keep your focus, through bull markets and bear markets. By all means, check in on your portfolio regularly to confirm that you're on track (or to see if you need to make any changes!), but – as your financial adviser will tell you – avoid any knee-jerk reactions. Don't allow short-term ebbs to distract you from your long-term goals. As the legendary investor Warren Buffett has said, "The stock market is a device for transferring money from the impatient to the patient."

3. Take the emotion out of it

Fear, anger, greed, excitement, panic… Your worst investment decisions are usually made when you let your emotions guide you. Investing should be about hard facts and figures; not gut feel or emotional responses. As humans, we're biologically hardwired to look at past performance as an indication of future returns, but it's important to remember that past events are by no means a guarantee of future returns. That's why greed and fear are especially damaging emotions, as they trick you into running away when markets are down or chasing top performers. Investment guru Jim Cramer said it best: when it comes to investing, "bears make money, bulls make money, and pigs get slaughtered."

4. Look out for opportunities

There are always opportunities to invest, especially when markets are down. You just need to know where – and how – to look for them. Scary news headlines are usually a reflection of short-term market volatility, and while your focus should be on your medium- to long-term investment horizon, bear markets can present some

great opportunities to pick up high-quality assets at a discount. So instead of being anxious when markets are down, rather look at them as an opportunity to add to your portfolio.

5. Choose a manager you trust

Investing can be a difficult and emotional journey for many investors – which is why it's so important to choose a partner who you can trust. Look for an investment manager that has a proven record of consistent, long-term performance in managing funds across different asset classes and in different market conditions. Trust is, of course, built over time. At Prudential, we have a proud track record of having delivered consistent outperformance on behalf of our clients for over 25 years in South Africa. To find out more, visit the About Us section of our website.

For more information, speak to your financial adviser or call our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.