



Prudential Investment Managers
FEBRUARY 2020

The perfect Valentine's gift: Investing towards a romantic getaway

Yes... Valentine's Day is just around the corner. And what better way to show your love than giving your special Valentine the perfect romantic getaway? What's great about this idea is that, not only will you be exploring and sharing special moments together while you're away, but you can also use the time beforehand as a great couples' exercise by planning and investing towards it together. You'll get to know each other even better, while looking forward to an amazing experience. Sound good? Here's five practical steps on how to get started.

Step 1: Spice it up

A clever way of revealing the surprise is to give your holiday fund a romantic name like "Our romantic getaway fund", wrap the investment application form in wrapping paper and present it to your partner with a bouquet of their favourite flowers. Making the whole process special (from start to finish), is bound to earn you extra points with your better half.

Step 2: Choose a destination

Trips overseas can be magical, but also expensive. Fortunately, we live in one of the most beautiful countries in the world, so you can decide whether to go big overseas, or instead take a "shot left" and see what

Mzansi has to offer. From our scenic shorelines, tranquil game lodges to our picturesque mountainsides, there's certainly no shortage of romantic options to choose from. Once you've chosen your ideal destination, the next step is to figure out just how much money you'll need.

Step 3: Sorting out the finances

Ask yourself the question: "How much will the holiday cost?". Do your research and compare prices, keeping in mind that your holiday will likely be more expensive by the time you actually book it and "set sail". This is largely due to the adverse effects of inflation, and if you're travelling abroad, you'll also need to factor in the effects of currency fluctuations. To be safe, you may want to aim to save an extra 5% in case of rand depreciation. But for the sake of simplicity, let's assume that you're planning to keep it local and explore the beauty that SA has to offer.

Once you know how much your holiday will cost today, use our goal calculator to see how much you'll need to invest on a monthly basis (or as a lump sum, depending what your wallet allows), and how long it will take to reach your goal. Among the great features of our goal calculator are that it takes into account the effects of inflation (so that you don't have to do any of the calculations yourself), plus you can experiment with your monthly investment amounts. Not happy that it's projecting it will take a long time to reach your goal? See what happens when you increase your contributions just slightly every month – it's a great motivator.

Step 4: Choose your investment fund

Once you've worked out how much you'll need to invest, the next step is to open up an investment account. This involves choosing the right fund based on your time horizon and investment goal. Fortunately, our fund selector tool can help you find the best Prudential fund that meets your needs. It's easier than you may think: the shorter your timeframe, the less risky the fund should be.

Then complete an investment application form. In the past this used to involve loads of paperwork, but now you can open an investment online with Prudential in under 10 minutes. It really has never been this easy!

Step 5: Stay consistent

Now that you've established which Prudential fund to invest in, how much you need to contribute, and you've completed your new investment application – the next step is simply to stay consistent!

It's important to remember that markets can move up or down, so don't be put off by short-term volatility. There's ample research that shows how investors who sell at the wrong time end up with disappointing returns over time.

Stay the course and continue your contributions each month. And before you know it, the time would have come for you to spoil your special someone with that long-awaited romantic holiday.

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