



M&G Investments
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Spring: The perfect season to refresh your investments

Spring is an ideal time of the year to reassess, sweep away the old baggage and give things in your home, and life, a clean sweep. The same holds true for your investments. In fact, most financial advisers encourage their clients to review their investments at least once a year to ensure that their portfolios are still in line with their goals. This is great advice and something that all investors should consider doing. The challenge, however, is knowing where to start. So, in the spirit of spring this year, we've listed three questions to help you determine if your investments are still on track or in need of a well-deserved "refresh".

#1 Has your risk appetite changed?

A lot can change in a year. Perhaps you've celebrated a milestone birthday (like your fiftieth) and realise that you need to boost your retirement nest egg? Or you've just opened a new business and need to look at more conservative but consistent ways to invest your profits. Either way, one of the best methods to help determine your risk tolerance is to look at where you want to be financially in the next five, 10 or 15 years down the line. Generally speaking, the longer your investment time horizon, the more risk you should be able to take. Of course, the reward for taking on risk is the potential for greater investment returns, but the downside is more volatility along the way. Your financial adviser can help you re-examine your portfolio to give you an appropriate mix of assets (both conservative

and aggressive) based on your tolerance for risk and the rate of return that you'll need to achieve your goals. Our [Goal Calculator](#) is another great way to see just how much growth, time or capital you'll need to help to reach your investment objectives.

#2 Do you know where all your money is?

Everybody hates filing, but this is an easy and practical way for you to know just where all your investments are and how much you have saved collectively. For most people, this amount is usually more than they think, especially if you take into account your retirement savings with your current employer, provident or pension preservation funds from previous employers, tax-free savings and unit trusts with different investment managers... the list goes on. It's a good idea to have a central place where everything is stored. The good news is that you don't have to print out and save your statements any longer. Nowadays, most financial services companies operate over secure online systems, which allow you to access your investment information digitally. But, regardless of how you choose to consolidate your investments, the important point here is to know just how much you have invested across different products and providers, so that you can structure an appropriate plan that takes into account your entire portfolio. For example, you may have some money sitting in a bank savings account where it's earning very little interest. That money could be put to better use by investing in bonds (if you're more conservative), or equities (if you're looking for additional growth). Leaving it with the bank not only means lower returns (usually below inflation), but also the opportunity cost of missing out on better returns on offer elsewhere.

#3 Has the law changed?

You may be missing out on opportunities just because you aren't keeping up with the times. For example, when tax-free investments were launched in 2015, the maximum annual limit was R30,000. Since then, the limit was increased to R33,000 and currently stands at R36,000. If you didn't stay abreast of these changes, you may be missing out on the meaningful extra growth that an additional R6,000

can give you over many years. Having this information upfront can help you adjust your investment plan so that you can make the most out of the annual maximum limit. Another space to keep an eye on is the retirement industry, with several proposed changes on the horizon. Chat to your financial adviser about these changes, and more, to see if your investment portfolio is still correctly positioned.

So, there you have it. Three simple, but very practical, questions that you can ask yourself this spring to help you determine if your investment portfolio is still on track to reach your long-term goals, or in need of a change. As always, we encourage using a recognised independent financial adviser to help. But if you'd prefer to take the journey yourself, we have a range of [Investment Tools](#) on our website that can help identify the most appropriate options for you, and give you a good idea of how your portfolio should change if needed.

For more information on investing with M&G Investments, please contact our Client Services Team on 0860 105 775 or email us at info@mandg.co.za.