



Lessons from a market crash

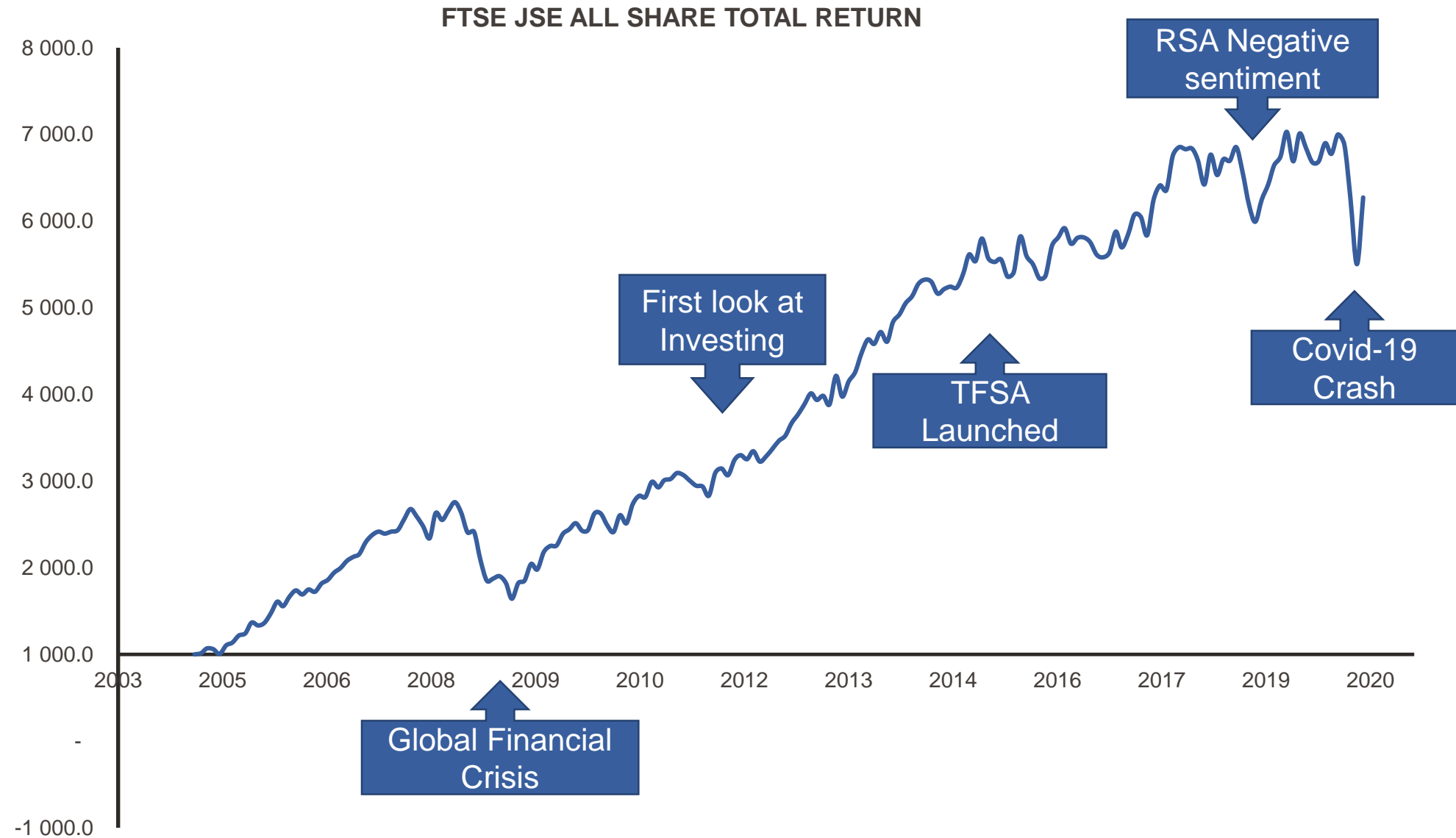
Do's and Don'ts for your portfolio

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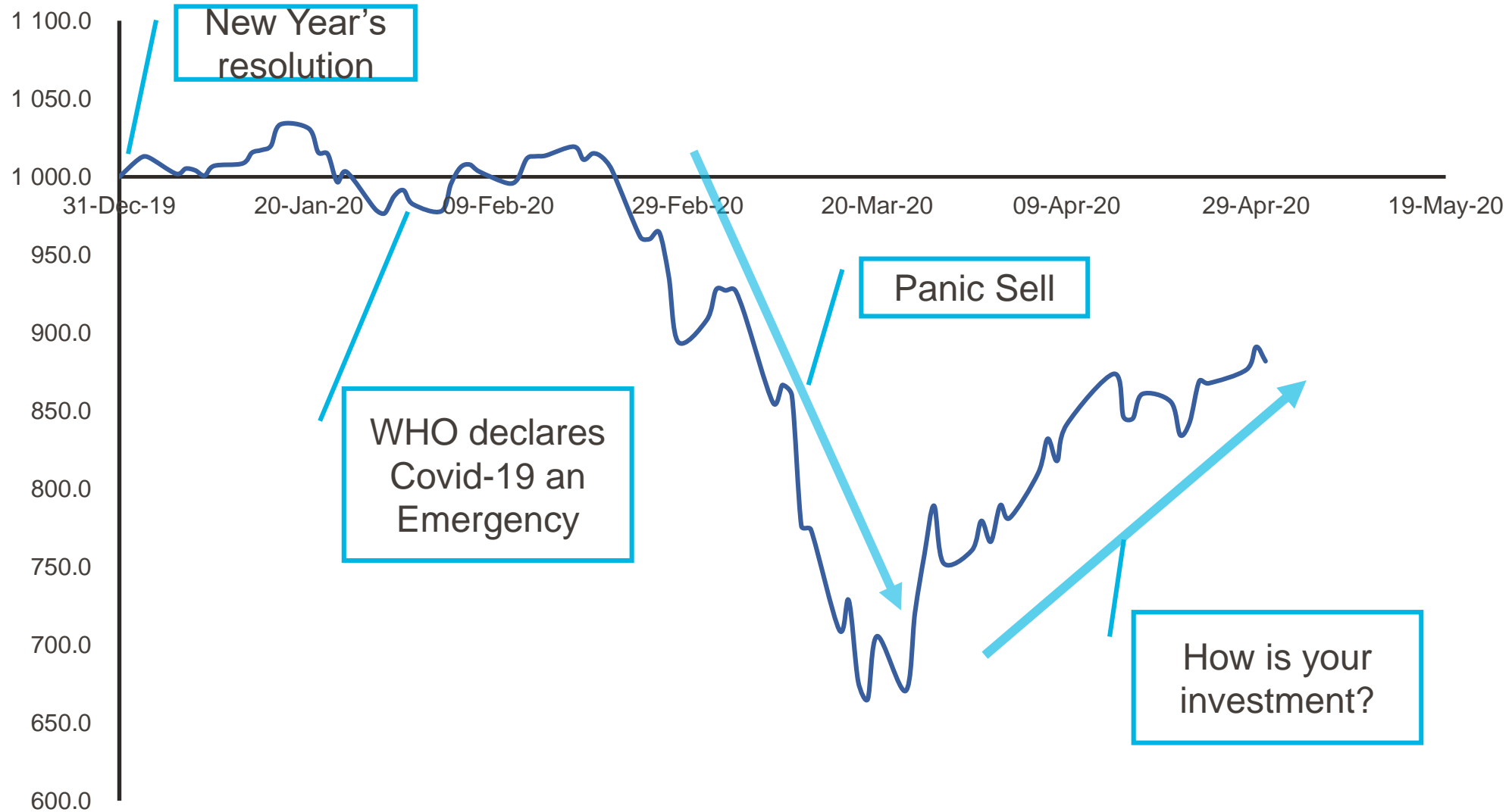
First investment & New Investment Products



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R1000 IN THE RSA EQUITY MARKET SINCE JAN 2020



Covid-19 impact and market reaction



GLOBALLY

MSCI
World
Index \$
(-21.1%)

MSCI
Emerging
Markets \$
(-23.6%)

MSCI
Brazil
Index \$
(-50.2%)

MSCI
Europe
Index \$
(-24.3%)

US Bond
Yields
record low
(0.5%)

Oil prices
plummet
(\$20/b)

LOCALLY

FTSE/JSE
Top 40
Index
(-19.2%)

FTSE/JSE
Capped
SWIX
(-26.6%)

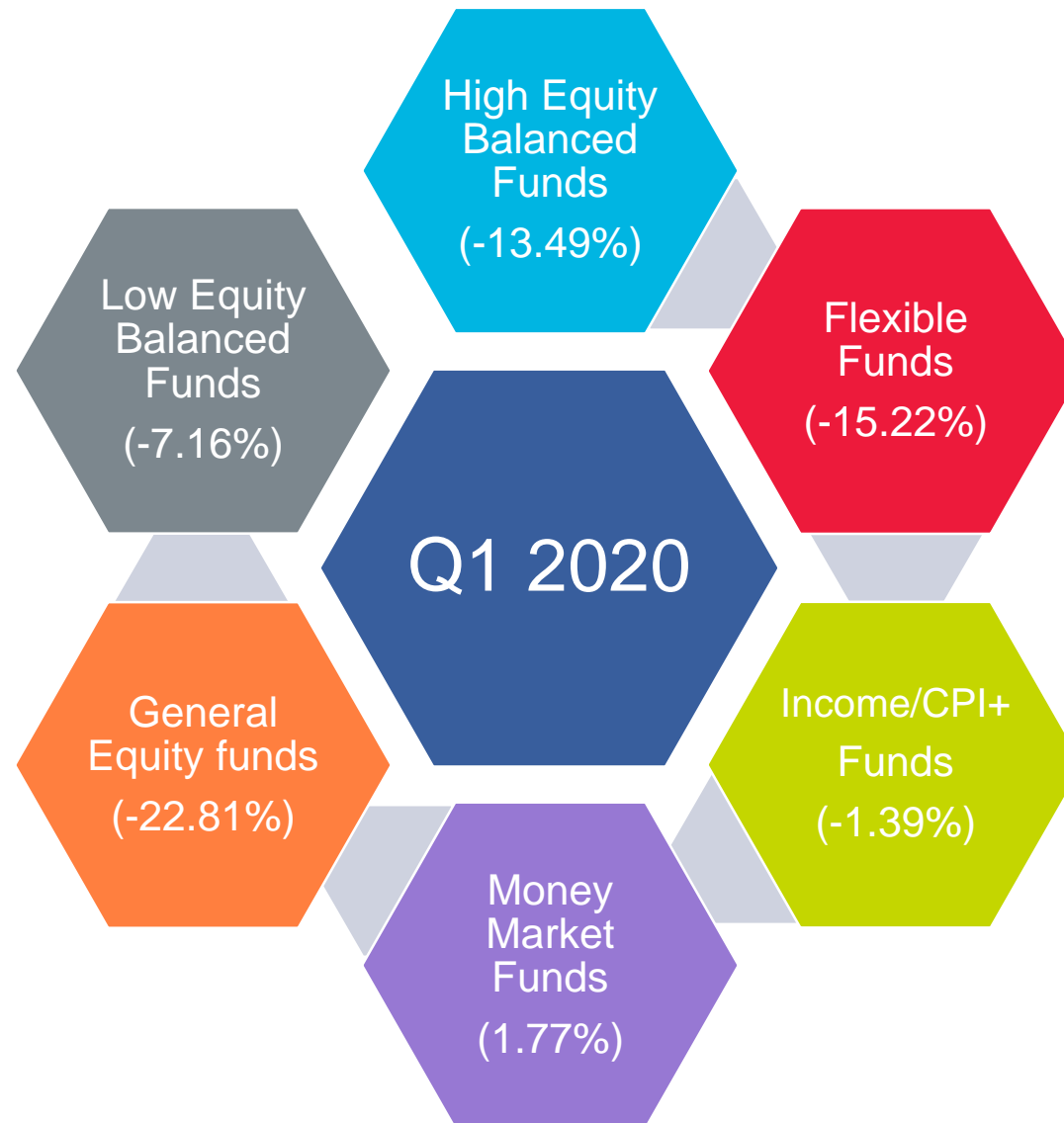
FTSE/JSE
Listed
Property
(-48.2%)

All Bond
(-8.7%)

Rand
Depreciated
(27.4%)

STeFI
Index
(1.7%)

Covid-19 impact On fund (Average performance)





Long term

Very important to get your investment horizon right

Did you invest in the right vehicle for your investment term?

What are your investment **goals** and **targets**?

Diversification

Not a perfect science and not a free lunch

How to apply diversification (Asset Class, Sector, Different Markets)

Recovery

Avoid changing your investment allocations when money is lost

Mathematics of recovery (75/300 rule) and locking in losses through a new allocation



Playing the Long term game

Have an **Investment horizon** range

Familiarize yourself with the concept of **Inflation** and how it impacts your investment decisions

Stay invested – this yields better results than attempting to time the market

Any money needed in the next 3 years should not be invested in **risky assets**. Don't gamble

Understand your Investments

Different asset classes yield different returns, at different times – manage your **risk appetite**

Understand the **fee structure** and be careful of performance fees after a market dip

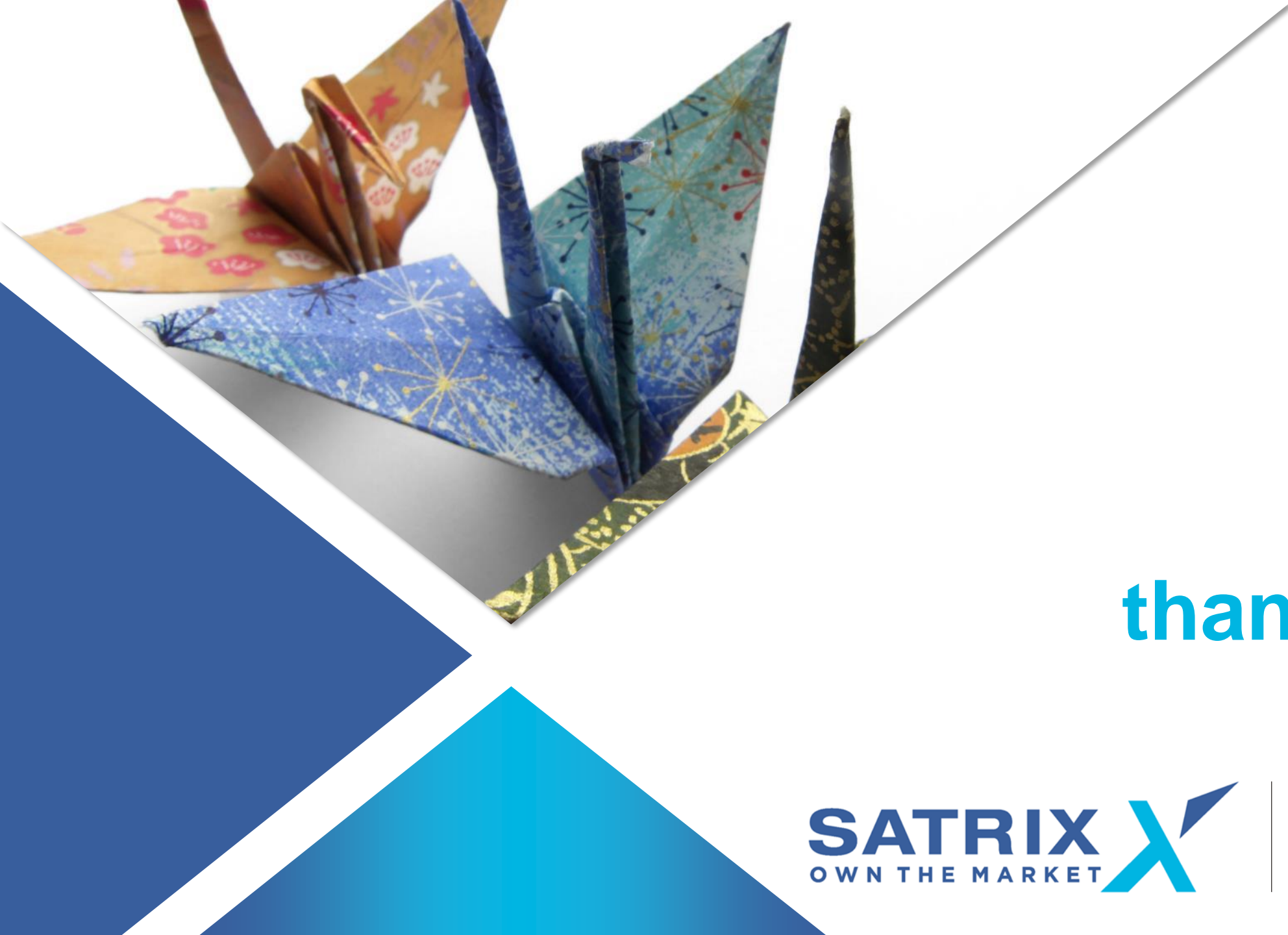
Recovery

Don't be an **emotional investor**, the investment game is older than any of us

If you have liquidity, **add more** to your long-term investment products



- Savings for retirement are for the **longest term** (30-35 years). Market recoveries take 4-5 years.
- Switching funds after substantial market turmoil can **easily result** in locking in losses
- TFSA account for your much younger dependent should still be in **risky assets**
- For very short term savings target, it's usually **best** to avoid risky assets



thank you





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