



Finansiële Beleggings • Financial Investments  
Sustainable Long-term Investments

## Whereto with my savings?

---

This is the question on everyone's mind. Uncertainty in equities, weak property prices and low interest rates concern everyone. Prospects do not look very rosy with a fragile world economy, government debt spinning out of control and politicians fighting for power and protection. Discussions of land expropriation without compensation and nationalization of mines in South Africa don't lift the morale either.

In spite of everything, John Doe still needs a decent return on his investments to ensure that he has enough earnings in order to pay for food, fuel and electricity.

Answering the question of whereto with my savings, is actually quite simple: Invest where you

1. receive regular returns and receive a stable monthly income
2. the income has growth potential
3. the risk is at an acceptable level.

Your options are therefore

1. fixed interest,
2. property or
3. shares.

A combination of the three is the best answer.

Earnings from fixed interests, whilst not currently high, are paid out monthly and usually safe. Property provides a regular income and has the potential for income and capital growth.

Shares should, over a medium to long term period, provide capital and dividend growth. The choice of shares should have preference to a growing dividend policy.

Nothing in the world has really changed. Rather, all that was wrong is now being resolved. The economy is not stimulated because the confidence of investors and consumers is so low that nobody will take the first step towards recovery. (Support packages are artificial stimulation and not a sustainable solution.) What every investor should keep in mind is that the world excessively focuses on short-term performance whilst investing requires time to reach its goal.

A common mistake that investors make is to withdraw their investments when markets plummet. In doing so, there is a halt in investor's growth by selling at low prices and then returning to the markets when prices are high. It's vital to have a strategy and asset allocation and to stick to it. A financial advisor is useful to ensure that the investor does not make emotional decisions based on the wealth of information that is daily available. Remember to evaluate your asset allocation regularly to ensure that it will not fall beyond the scope of the risk you are willing to take.



**Guillaume Oberholzer**

*CFP ®, B. Com Hons. Management Accounting*

*Investment Advisor and Financial Planner*

*Boshoff Visser Financial Services Pty. Ltd.*

The above is for information purposes only and is not advice. Boshoff Visser Financial Services (Pty) Ltd. encourages every reader to contact their financial adviser before making any financial decision. Boshoff Visser Financial Services (Pty) Ltd. is a registered financial services provider with FSB license number: 11969

