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Investing for a
world of change

My investment journey – what I got right!



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In a recent article, I reflected on the investment mistakes I've made over the past 30 years and the valuable lessons they taught me¹. In hindsight, I may have left readers with the impression that I've mostly gotten it wrong. So, I thought it only fair to follow up with the things I did get right – decisions that have positively shaped my financial journey. I hope they offer some food for thought and encouragement.

1 Choosing my partner wisely

Beyond the obvious emotional and personal reasons, financial compatibility is a critical and often overlooked factor in a successful partnership. Sharing financial values, aligning on spending and savings goals, and having a common view of long-term wellbeing can dramatically reduce money-related stress and accelerate shared goals.

I've been fortunate in this regard. Being aligned with my partner financially has not only provided peace of mind but also allowed us to make meaningful progress together.

Takeaway: Financial harmony in a relationship doesn't mean you always agree – it means you share the same financial philosophy and work towards common goals.

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1. [Mistakes made, lesson learnt, January 2025.](#)

2 Committing to my primary residence (and car)

I have only owned three properties, the last one jointly, and for more than 20 years. Avoiding frequent moves meant I saved significantly on costs like estate agent fees, transfer attorney fees, transfer duties, bond registration fees, moving expenses, etc. It also allowed me to focus on paying off the bond, which has been a cornerstone of my financial security.

Pro tip: Keep records of any home improvements you make. These can help lower your capital gains tax bill when you eventually sell.

Similarly, I've kept my car for over a decade – one that was well within my means when I bought it. I was therefore able to avoid prohibitive financing costs with balloon payments, which improved my monthly cash flow and helped keep insurance premiums down.

3 Not accessing my retirement funds

Despite changing jobs many times, I've never cashed out my retirement savings. This single decision allowed my retirement investments to continue compounding over time. While I regret not always contributing at the required rate of 15% of income, preserving what I had has made a meaningful difference.

With the new two-pot retirement system, it's now easier to access one-third of your retirement savings. While this provides relief in times of financial stress, be cautious. If you plan to regularly tap into this portion, consider contributing at least 18% of your income to your retirement fund, or be prepared to work well beyond your planned retirement age.

Lesson: Discipline beats short-term convenience. Preserve your retirement savings, even when it's tempting not to.

4 Paying myself first

'Pay yourself first' is more than a cliché – it's a principle I've tried to live by. Throughout my career, I've always prioritised saving and investing. Every time I received a bonus, I would use the after-tax amount to first pay off any outstanding debt, then invest the bulk of what remained. Yes, treating yourself and your family is important but do it within reason.

This disciplined habit of 'paying myself first' has helped me build long-term financial stability.

5 Staying invested

While I may lack patience in many aspects of my life, I have fortunately demonstrated real patience with my investments, and this has paid off.

Patience is arguably the most powerful quality an investor can have. Yet, studies continue to show that investors hurt themselves by trying to time the market. DALBAR's 30th annual Quantitative Analysis of Investor Behaviour (QAIB) shows this clearly: in 2023, while the US equity market rose 26.3%, the average equity investor earned just 20.8%. Over longer periods, this 'behaviour gap' averages around 3.6% annually. Compound that over decades, and it can significantly impact your ability to retire comfortably.

The key takeaway? It's natural to want to 'do something' when markets fall. But often, doing nothing is the smartest move. Stay the course. Long-term goals are best achieved through time in the market, not by timing the market.

6 Investing offshore

South Africa accounts for just 0.3% of global equity markets. That's why diversifying offshore is not only smart – it's essential. It reduces exposure to emerging market risks, protects against currency depreciation (the rand has weakened by roughly 6% per year over the past two decades), and helps preserve your hard-currency purchasing power.

7 Embracing risk

People often associate 'risk' with danger. But in investing, risk is often the gateway to reward – especially over long time horizons.

Many investors underestimate how long they will be invested. A 20-year-old entering the workforce today could easily have a 70-75-year investment time horizon, factoring in 45+ years of saving and another 25+ years in retirement.

Even those in mid-career may still have 40-50 years of investing ahead. Failing to appreciate this can lead to overly conservative portfolios that miss the growth required to outpace inflation and taxes.

I've consistently maintained a maximum allocation to growth assets, which has made a significant difference. Over the long term, 'risky' assets – like equities – deliver a risk premium. For example, South African equities have historically returned around 7% above inflation annually, compared to just 1-2% for cash or bonds. That difference, when compounded over decades, leads to vastly superior outcomes.



Appreciating the value of independent financial advice

I have been fortunate to work with knowledgeable colleagues who have helped guide my financial thinking and journey. But more than that, I've learned the importance of partnering with an experienced, independent financial advisor. A good advisor helps you create a tailored plan – and just as importantly, helps you stick to it when emotions or markets waver.

If I had one regret? Not engaging with a professional advisor earlier in my journey.

Final thoughts

These lessons reinforce a fundamental truth: there are no shortcuts to building wealth. Time is your greatest ally. Combine it with patience, discipline, and sound advice, and the rewards will follow. Let compounding work for you – and stay the course.

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