

How to invest amounts ranging from R1000 to R1 million

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Investing can seem limitless when you have excess money at your disposal. But debt unfortunately chokes your financial ability to save or invest, no matter what the amount may be. Every household should have an investment strategy and one that includes consultations with an accredited financial adviser year-to-year.

Below are quick tips on how to invest different amounts. Before you start your financial journey of investing, ensure that you pay all debts first, especially credit and store cards as they attract high interest.

How to invest R1000

Now, you have paid off all your debt and have a bit of spare cash to invest, a unit trust is a good start if you don't have the skill or time to manage your investment - your fund manager can do it for you. The best financial advice will come from a qualified adviser, so speak to one before you invest a single cent.

How to invest R10,000 to R100,000

If you're young, consider an equity unit trust: although riskier and more volatile, they can yield high returns if you stay in the market long enough. Equity growth has outpaced every other asset class over the last 30 years. If you're middle aged, consider a balanced fund with reasonable exposure to equity. If you're close to retirement then it should be cash or a fixed income unit trust: this is safer as these assets are less exposed to fluctuations in the market, something you can't afford close to retirement.

How to invest R500,000 to R1 million

Consider investing in a retirement fund. These saving vehicles are specifically designed to grow and protect your retirement nest egg. They also carry tax advantages. It's better to plan for your retirement as soon as possible: it will save you money in the long run and secure your financial future.

Ensure that you know where you are placing your money and that you understand the financial terms and jargon of what each investment vehicle means and offers; what the pros and cons are, the interest its able to bear, who to go to, how to keep track of it etc.

Never forget to do your research first and invest with a reputable investment house that offers you longevity as well as good returns, one you can trust and that has good balance sheets and pay-out records.

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