



INTRODUCTION



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In this edition of *The Wealth Perspective*, Chief Investment Officer Adriaan Pask talks about a few of his forecasts for 2017 and considers the potential surprises that could materialise to derail those forecasts. Our industry view, presented by Jac de Wet, Head of Sales: Southern Regions, explains how multi-asset funds can help you to avoid typical investor mistakes. Grant Meintjes, Head of PSG Securities, shares some of the common mistakes investors make when trading shares. Willie Fourie, Head of Estate and Trust Services, explains how the Budget proposals and recent changes in legislation have opened up new challenges in the estate planning process. In light of recent political and economic developments, we added a short note on the recent ratings downgrade. You might also find the guest contribution this quarter from our Head of Strategic Research and Support, Ronald King, especially insightful. Ronald explains how focusing on inappropriate timeframes in decision-making can lead to short-sighted investment decisions.

In this issue we explore the benefit of hindsight

Hindsight, the saying goes, is 20/20. This is equally true in life and in investing. The significance of events is often only revealed retrospectively. At the same time, life – and the markets – move in cycles. If there is one thing the history of investing has taught us, it is that there are clearly lessons to be learnt from past mistakes.

Using hindsight as foresight

In this edition of *The Wealth Perspective* we look at investing with the benefit of hindsight. Collectively, our team offers you a wealth of insights. We too have learnt some painful lessons over the years. The key to becoming a smarter investor is to learn from those mistakes and to avoid repeating them in the future. The benefit of sharing our diverse insights is that, collectively, we emerge wiser and stronger. This issue is therefore dedicated to helping you plan, and invest, better in future.

Key themes in this issue

Our contributions to this issue were thoughtfully selected and built around some key themes.

Being human does not always count in your favour

A common thread running through many of the articles is the extent to which our own behaviour can be our undoing. At PSG Wealth, a lot of our time is spent on embedding processes and instilling disciplines that help us to manage our own behavioural biases. Different aspects of these behaviours are explored in the articles by [Jac](#), [Grant](#) and [Ronald](#). A disciplined process is at the heart of better investment and wealth management outcomes.

Understanding the nature of risk is key to being a better investor

Another key theme I think is worth highlighting is risk. One of the great mind shifts you need to make when investing is understanding the risk/return trade-off. Risk can be your greatest ally when it comes to achieving your investment goals and objectives, but it can also be your biggest enemy. Misunderstanding the nature of the risk you are taking on – or its potential impact – can have a devastating effect on your ability to build long-term wealth. This theme also emerges in both [Jac's article](#) mentioned above and [Adriaan Pask's insightful article](#), [The risks to some of our 2017 forecasts](#). The latter article will also help you to gain a better understanding of the discipline we apply in our own business around understanding and managing risks – and using those insights to make better investment decisions for all our investors.

Investment success is not automatic – it takes work

As an investor, you either have to invest the time to upskill yourself, or you need a trusted adviser to do it for you. There are no shortcuts to achieving successful investment and wealth management outcomes. [Grant](#) makes this point forcefully in [his article](#). [Willie's article](#) also makes it clear that an estate plan is not a once-off exercise. Rather, it needs to be revisited and updated frequently to ensure it remains relevant, as your personal circumstances as well as legislation may change.

I hope you find the insights we have shared useful and insightful. Most importantly, we hope it will help you to make better investment decisions in future. Your investment success is, after all, a reflection on the fact that we have done our job well.