



LONG, LONG-TERM INVESTING IS THE TOOL YOU NEED TO GROW YOUR ASSETS!

OLDMUTUAL

Just as physical fitness is a lifelong journey, so too is financial fitness. Long, long-term investing is all about staying invested even when you think there is reason to withdraw your investment, says **Zain Wilson, Investment Strategist at Old Mutual Investment Group**.

Staying invested for the long term allows your investment to benefit from compound interest.

WHAT IS COMPOUND INTEREST?

Compound interest is what you earn on an investment that has been reinvested. To simplify, compound interest is when you make money off your money. It is a powerful tool to grow your assets. In fact, Albert Einstein termed it “the 8th wonder of the world”.

Money needs time to benefit from the full potential of compounding growth – and this is where long-term investing comes in.

So, start saving as soon as you can, leave it for as long as you can, and let compounding do the work for you. Remember though, it’s also about investing in the right assets, which we learnt about a few weeks ago.

GROWING YOUR WEALTH OVER TIME

Using the long-term nominal average return of 13.7% a year, look at what happens when a lump sum is invested in SA equities over time.

