

Should you move your investment?

Hi, I'm Don Kofoed.

With the current uncertainty in the financial markets, it is not surprising that many people are questioning their investment strategy. But is it best to move your money or to ride the storm?

The decisions you make today will have a lasting impact on the life you live throughout retirement, which is why you should avoid making investment decisions based on the emotion of the moment, or on stories from the media, friends or associates.

Experienced investors understand that superannuation is a long-term investment and that periods of volatility can be expected to occur from time-to-time. History shows that it generally pays to stay focused on your long-term goals, even in retirement.

If you are an accumulation plan or income stream member, and are considering moving your investment, it's important to understand that by withdrawing funds from super and investing that money in the bank, you are moving from a tax advantaged environment where investment earnings are taxed at up to 15%, to an environment where earnings are taxed at up to 46.5%.

Further, if you move from a growth investment option, with shares and property exposure, to a conservative investment option like cash, you may also be converting what is a loss on paper only to an actual loss of capital. Astute investors know trying to time the market is difficult, and can result in permanent losses.

Depending on your personal circumstances, there may be a number of strategies you could put in place to help protect your superannuation, especially if you are about to retire, or are currently retired.

If you are concerned about your investments, it is best to seek professional advice that takes into account your own personal financial situation, goals and objectives. This will allow you to make the decisions that best match your needs and goals.

At **ESSSuper** we have partnered with a licensed financial planning organisation to provide fee-for-service financial planning advice to our members.

To speak to one of our member education consultants or to find out more about the financial advice service, please call our member contact centre.

Thanks for joining me