

# Navigating back to the saving and investing path.

making the most out  
of your lump sum



# In the driver's seat!

When you're learning to drive for the first time you find yourself eager to practice. You start picturing yourself driving around with your friends and on endless adventures, always at a new location. You're eager to make it happen, and of course, no one likes those embarrassing moments when you forget to signal or put down your handbrake, so fewer of those and more fun driving time is what you want! Setting up a saving and investing routine is just like driving a car. You learn the basics, get started and before you know it, with some consistency and effort, you're moving closer to your goals.

Even though you drive regularly, sometimes you can't seem to find the time to get behind the wheel to drive somewhere fun. The same can happen with your saving and investment plan – you don't remember to stick to your budgets, make payments or manage your spending. You're often so caught up doing everything else that you neglect making time for both.

Then, sometimes along the journey while you're cruising to your destination, there is the occasional life surprise. Perhaps it may come in the form of a life challenge or maybe it's tied to a reason for celebration. No matter the cause, you're prompted to make a wise decision that'll ensure you reach the end of your journey as you planned. Lumpsums that derive from unexpected life events can be like that sometimes. The BIG question is always, "Do I save/invest it or spend it?" Making a wise decision on how you use this sum of money can either propel you to your goal or delay you from arriving as you envisioned.

The good news? Whether driving a car or saving again, it's easy to get back on your path! What you'll need is a good plan of action and some dedication to get you going and to keep you on track.



# You are Here!

Every journey has a starting point and a destination. Whether you're driving to your favourite beach or saving toward a life goal – retirement or homeownership, you must start somewhere. Along the journey, it's sometimes both necessary and wise, to stop and assess where you are, how you're getting there and the route you planned to take.

Like any journey, you should always plan for the unexpected. Bonuses and other lumpsum payments can be an opportunity to jump start your savings plan and keep you en-route to your goals.

If you've fallen out of the habit to save and invest, you can treat this as an opportunity to assess your plan, review your goals and possibly your investment portfolio before starting again. Here's an easy 3-step assessment you can do yourself –

## Quick Personal Financial Assessment

### 1. Review your goals

Things change, you change, what you want to achieve may not be the same. Evaluate your goals, decide whether these remain unchanged or whether you need to set new goals.

### 2. Assess your financial situation

Begin by listing out all the resources you have. Your list should include your salary, any savings or investments like shares and insurance products which might be tied to investment or savings offerings. You should also make a list of all liabilities or outgoing expenditure like household expenses, debts like loans, credit card payments, insurance premiums etc. If you've received a lumpsum, ensure you've fully grasped the pay out terms.

### 3. Meeting your goals

Take a look at your financial resources and assess whether you're progressing toward your goal and what it would take to get you there. If your goals have shifted, you'll need to re-calculate how much you need to save or invest. Understanding this gap is crucial to the next phase – planning!

## Managing your financial resources

So, you want to start saving again but you're worried that you'll fall prey to the same old habits. That's where we come in – we've got a plan to help you stay on track and get to your goals, whatever they might be!

### Set a budget

Remember to account for your basic living expenses as well as your savings and investments. A good tip is to exclude money you're uncertain about earning, like bonuses and commissions.

### Trimming your expenses

The less you can spend, the more you can save. Switching household brands, conserving energy and managing discretionary spending on items can help you cut your expenses.

### Tools to help you

Services like salary deductions, transfers and eStatements are available to help you save and invest conveniently and consistently.



# 'Saving' Your Future

Once you've gotten your driver's license and you've enjoyed some time behind the wheel, you start thinking about your next goal - owning your own ride. In the same way, if you're committing to a financial or life goal, you might need to start considering opportunities to take your saving and investments to the next level. Once you've done your personal assessment, you should have a better idea of how much financial resources you have and how much you'll need to achieve your goal. Understanding this gap will help you progress to the next phase – finding an investment solution that can help get you there.

## Next Steps – Helping You Get There!

Not every investment solution out there is right for you. Even if you're no stranger to investing, having a little help to point you in the right direction can never hurt. Here are some opportunities you can consider:

1. The Unit Trust's TT\$ Income Fund is a short-term investment vehicle that invests in a diversified range of moderate and high-quality fixed income securities. It requires a minimum initial investment of TT \$100.00 and you can start earning income as soon as your funds are received by the Unit Trust Corporation.
2. Your employer can help by sponsoring contributions to the Universal Retirement Fund (URF). These contributions may match your contributions up to a certain percentage of your annual salary. What's good about the URF, is that you get the maximum value of the investment in the Fund.
3. The Growth and Income Fund is a medium to long term investment solution that's great for a 3 to 5 year investment horizon. The Fund is tax-free, giving you full access to your total investment, plus the contributions are flexible, so you can progress at your own pace.

## Staying the course!

It might seem like a trite thing to do but visualizing your future goals is a great way of helping you to stay on track and motivated toward achieving them. You can consider setting up calendar appointments with yourself to do regular progress reports on your finances; this is especially if you've received a lumpsum payment. To avoid those anxious moments when you review your finances at the end of the year for example, these personal check-in moments will keep you in gear!

Remember, it's not too late to get behind the wheel and steer your savings and investing habits back on track even in the instance of an unexpected life events. Whatever you do, which ever tools and systems you implement to help you keep on track, keep in mind the key to achieving your goals is consistency! After all, those lofty goals won't get achieved without your investment, so make the time now, while you can still save your future.





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