

SHARE INVESTMENT MASTERCLASS



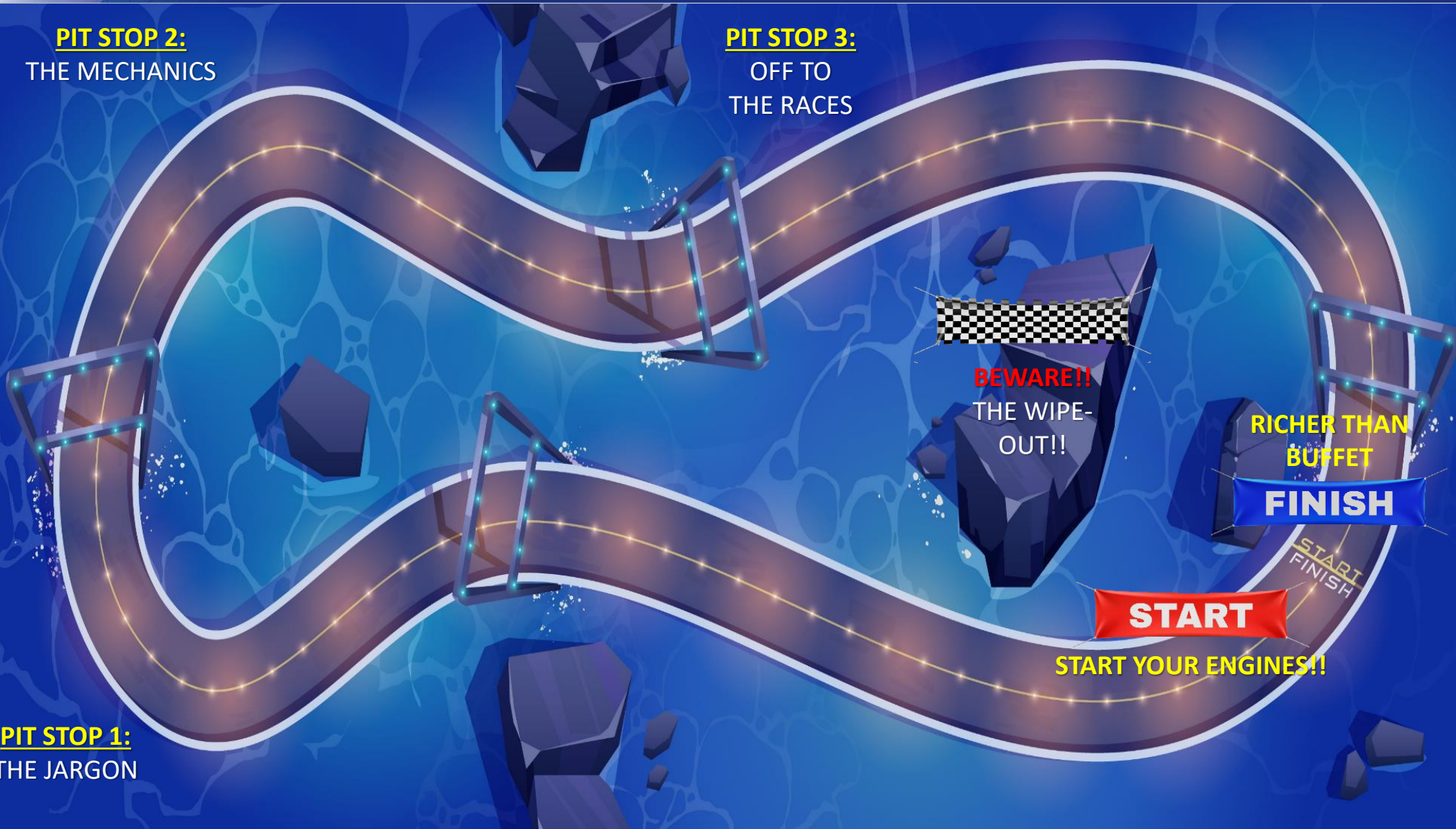
SHARE INVESTING THE JOURNEY



PIT STOP 2:
THE MECHANICS

PIT STOP 3:
OFF TO
THE RACES

PIT STOP 1:
THE JARGON

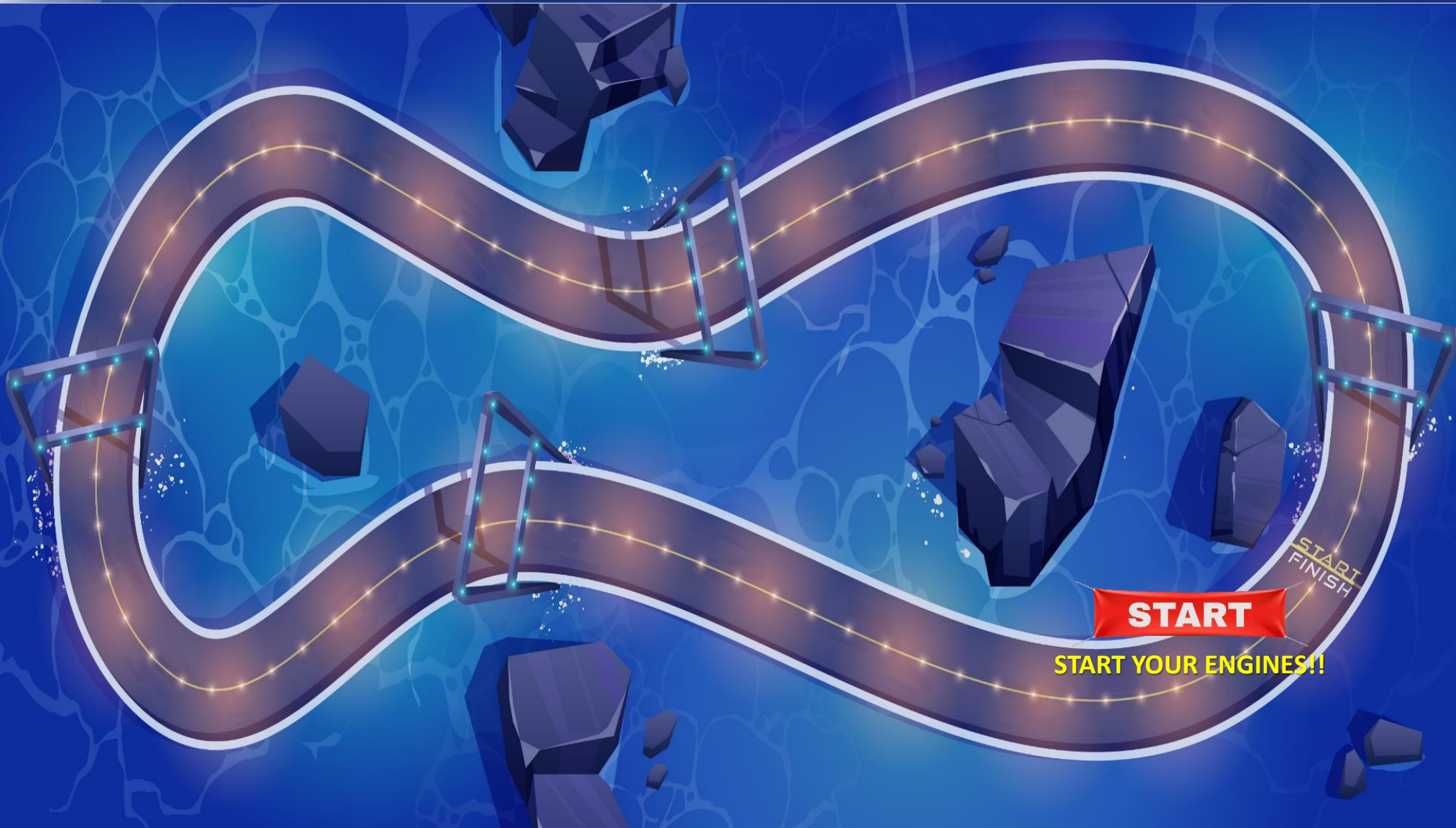




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SHARE INVESTING THE JOURNEY



THE GOAL FINANCIAL INDEPENDENCE



Financial independence is ...



You have created trees (assets) that will provide you with monthly fruit (income) that will outstrip your monthly expenditure today, and will continue to do so into the future.

You are thus not dependent on your monthly salary anymore.

Ultimately you will leave your plantation behind for your children.

1% reaches financial independence, 4% covers basic needs, 22% keep on working, 28% live of government grants, 45% live of family support.

Why do more than 95% of people not reach financial independence?

KEYS TO FINANCIAL INDEPENDENCE

START EARLY – THE WARREN BUFFETT STORY



Warren Buffett's Wealth

Net Worth of Warren Buffett



99% of Wealth Creation after 50!

\$58.5B

\$36B

\$17B

\$3.8B

\$2.3B

\$1.4B

\$620M

\$376M

\$67M

\$19M

\$34M

\$25M

\$10M

\$8M

\$7M

\$3.4M

\$2.4M

\$1.4M

\$1M

\$140K

\$20K

\$10K

\$6K

\$5K

14 15 19 21 26 30 32 33 34 35 36 37 39 43 44 47 52 53 56 58 59 66 72 83

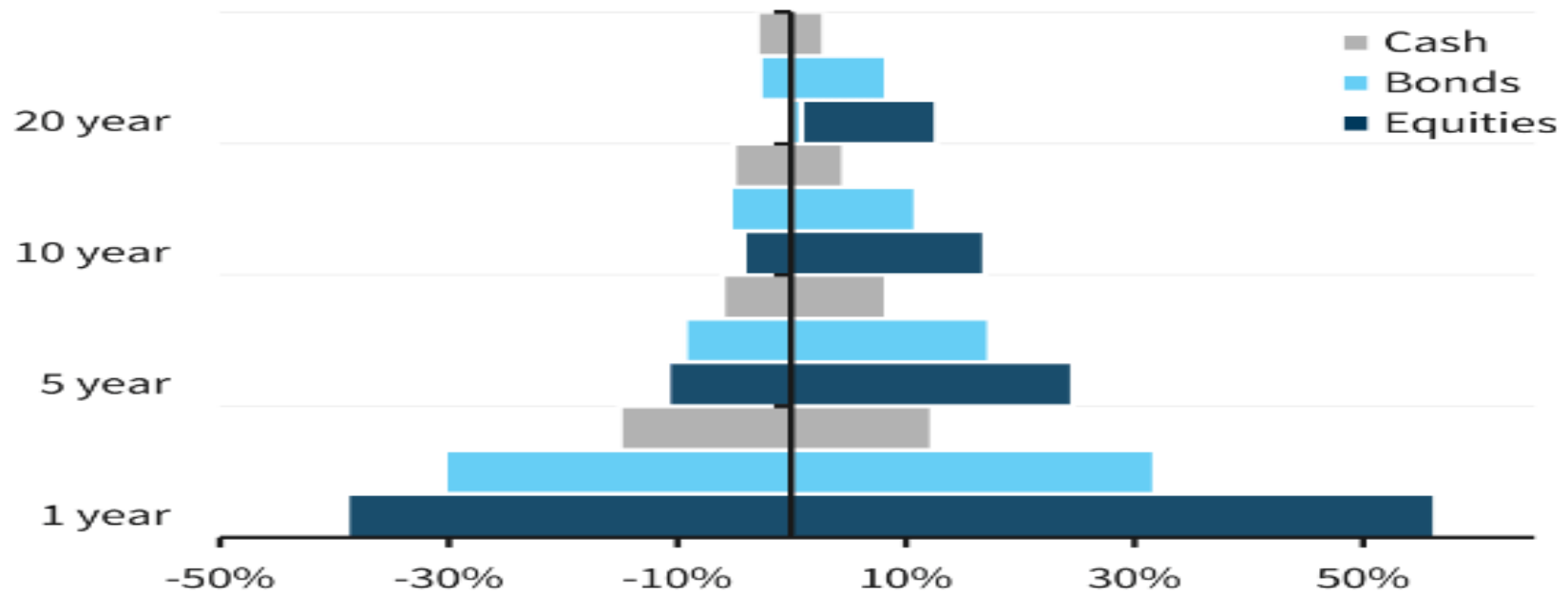
Warren Buffett's Age

KEYS TO FINANCIAL INDEPENDENCE

WHY INVEST IN STOCKS?

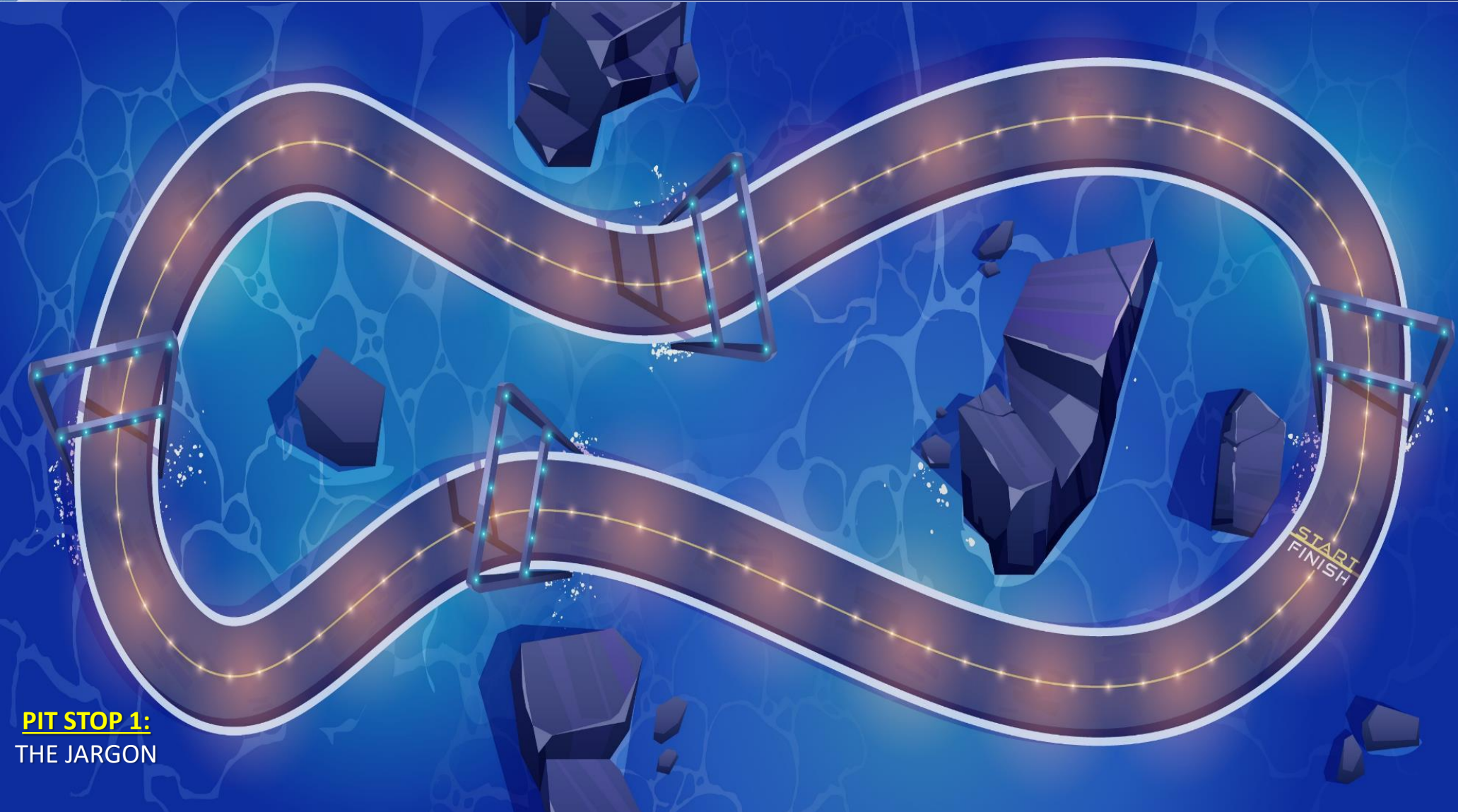


Figure 7. Maximum and minimum real returns over different periods



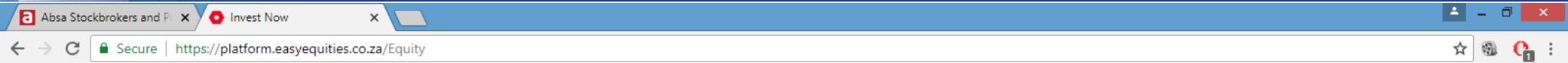
Source: CRSP, Barclays Research













SHARE INVESTING THE JOURNEY



PIT STOP 1:
THE JARGON

THE LANGUAGE WHAT IS A SHARE?



 Discovery Limited (DSY)	 FirstRand Limited (FSR)	 Growthpoint Properties...	 Intu Properties PLC (ITU)
 Investec Limited (INL)	 Investec PLC (INP)	 Kumba Iron Ore Limited (KIO)	 MMI Holdings Limited (MMI)
 Mondi Limited (MND)	 Mondi PLC (MNP)	 Mr Price Group Limited...	 MTN Group Limited (MTN)

I want a piece of that!!!

THE LANGUAGE WHAT IS THE SHARE MARKET?



THE LANGUAGE: BULLS VERSUS BEARS



THE LANGUAGE LET'S GO OLD SCHOOL



Name	Close (cents)	Day move (cents)	Day move (%)	High	Low	Volume traded (000)	12 mth high	12 mth low	Market Cap	Dividend yield	P/E ratio
FirstRand	1187	51	4.5	1189	1112	44511	1774	1056	66922.4	6.09	7.18



Example 1:

Cost of Business = R10 000

Average profit of business = R1 000

How many years before you recoup your purchase price?

Example 2:

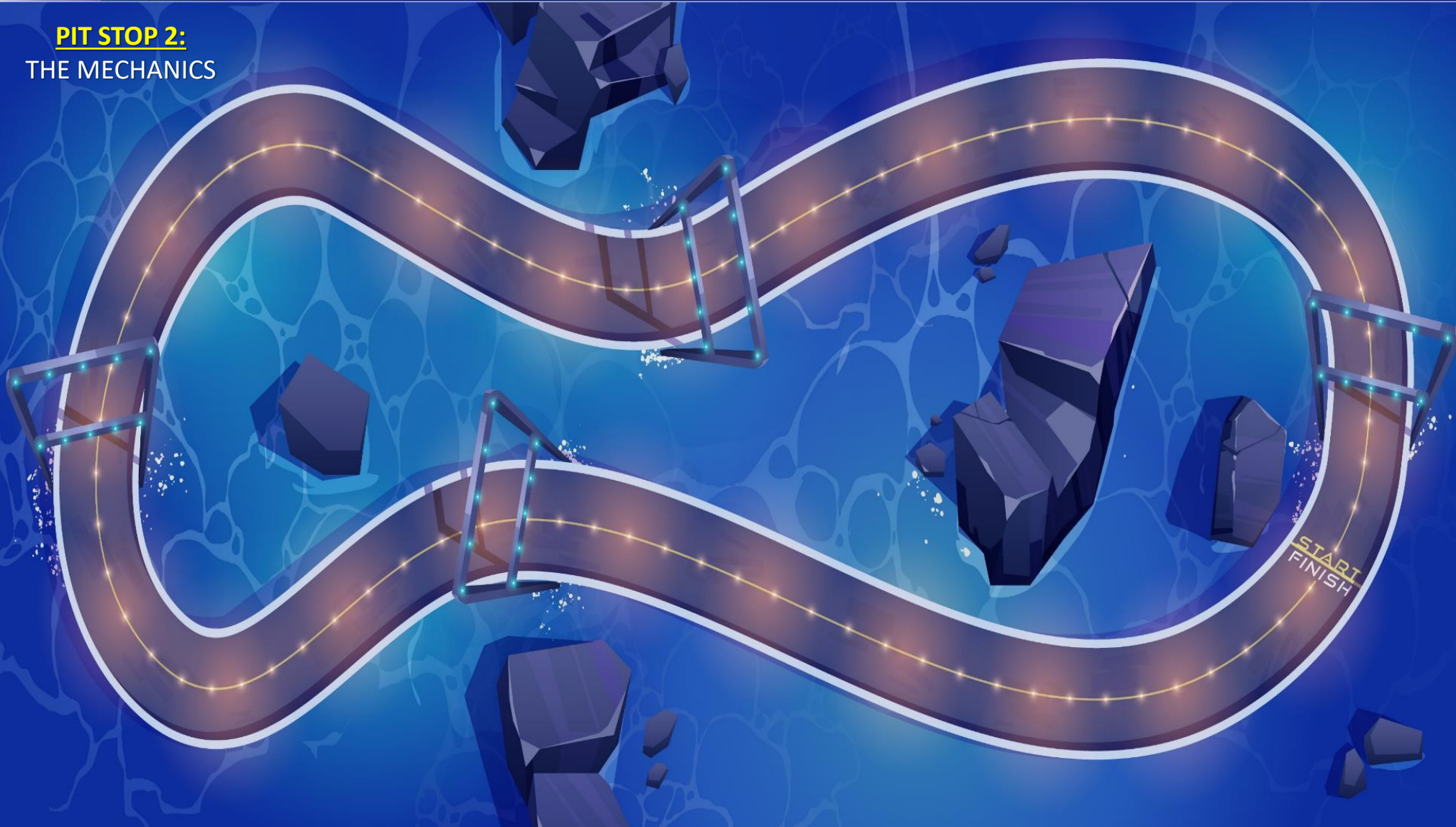
Of the R1 000 profit you withdraw R500 in cash and re-invest R500 in your business

What is the cash yield on your initial purchase price?

SHARE INVESTING THE JOURNEY



PIT STOP 2: THE MECHANICS



LET'S GET GOING



How to open an Easy Equities Account



How to buy and sell a share

TRADING COST



Secure | https://platform.easyequities.co.za/Buy/Confirm

Amount to Buy R 517

Trade Value	R 517.00
Investment Costs	R 3.23 >

+ Add Insurance to this instrument ⓘ

AMOUNT DUE	R 520.23
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Invest Now

1. Unfortunately we are not responsible for this fee. This fee is charged at flat rate of 0.075% of the value traded, ensuring the lowest possible cost to the investor. This fee includes the electronic settlement of your transactions through the electronic settlement authority for whole shares and the administration fee represents an upfront recovery on the fractional share rights (FSRs) portion.

2. Unfortunately we are not responsible for this fee. The investor protection levy is a mandatory charge levied by the regulator at 0.0002% on the value of whole shares traded for the regulation of the securities market and in dealing with issues such as insider trading and market manipulation which is ultimately for the benefit of investors. The administration fee represents an upfront recovery on the fractional share rights (FSRs) portion.

3. Unfortunately we are not responsible for this fee. Security Transfer tax is levied by SARS at 0.25% and applies to the purchase and transfers of listed (whole shares) and unlisted securities (FSRs).

TRADING COST



Calculator

Instrument Finder

- Instruments by sector
- Shares
- Exchange traded funds
- Exchange traded notes
- Other instruments

... Bid and Offer for Sasol Limited - Today's VWAP: 51627.15c
 Last trade at 51626c -0.37% on previous close of 51820c

Name	Code	Bid Price(c)	Bid Volume	Offer Price(c)	Offer Volume	Last Price(c)	Last Volume	High(c)	Low(c)	Volume	Time
SASOL	SOL	51595	257	51623	23	51626	100	52448	51563	606 310	15:31
		51580	120	51624	357						
		51579	100	51625	349						
		51578	360	51629	195						
		51573	200	51630	76						

Holdings

Account Type	Smart Account
Trade with BDA Account	2233401
Cash available for trading	R 67 927.42
Current shareholding in portfolio	283
Open sell orders including pending cancellations	0
Open stop orders including pending cancellations	0
Net shares available for sale	283

Estimated Costs in Rands (ZAR) *

Estimated cost at a limit price of 51 550c	515.50
Brokerage	50.00
Strate Settlement Charge	10.71
Investor Protection Levy	0.00
VAT	9.11
STT	1.29
Total estimated cost	71.11
Total estimated cash outflow	586.61
Available in Account	67 927.42
Balance after this trade	67 340.81

New Order

Buy / Sell: Buy

Number of Shares: 1

Order Type: Limit Order

Limit Price (cps): 51550

Expiry Date: 01/08/18

Expiry Time: 17:10

* Please take note that the estimated costs do not factor in any pending/matched trades done today. Pending/matched trades for this share for today will be factored in on the Order verification page where you will see the total cost.

SHARE INVESTING THE JOURNEY



PIT STOP 3:

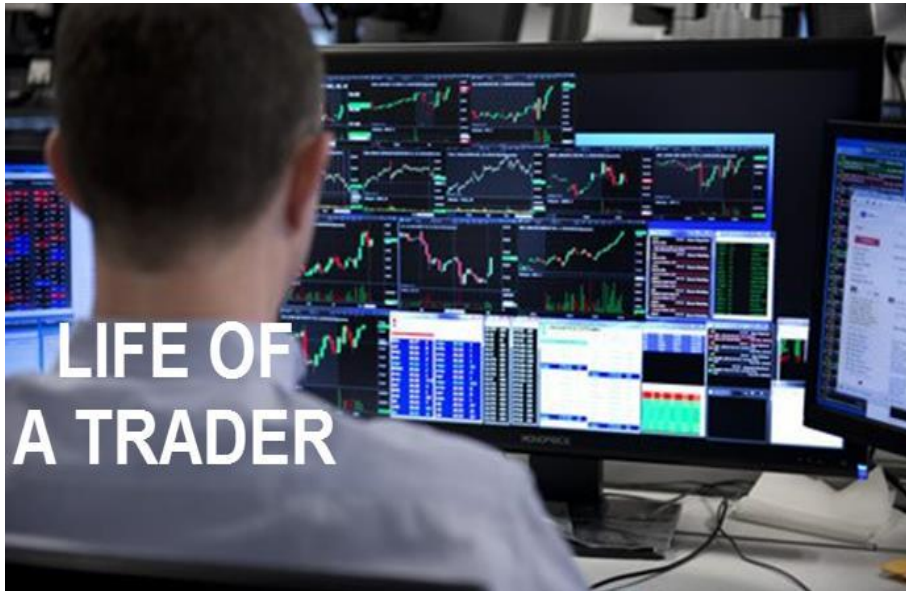
OFF TO
THE RACES



TRADER VS INVESTOR



VERSUS



Are you a trader or an investor?

YOUR INVESTMENT JOURNEY STARTING YOUR ANALYSIS



You want to invest
in the strongest
companies in the
strongest markets

Review
WORLD
ECONOMIC EVENTS

Review
Emerging
Market Events

Review
Country
specific events

Review
Industry
Specific Events

Review
Company
Specific
Events

YOUR INVESTMENT JOURNEY BUILDING A SHARE PORTFOLIO



My  WI...
Share Portfolio

MY “KWIS” share portfolio where the

“S” stands for “Sleep”



 **ATSJIENG®**

My “KWIR” share portfolio where the

“R” stands for “Relax”



Whilst
I

My “KWIP” share portfolio where the

“P” stands for “Play”



My “KWIW” share portfolio where the

“W” stands for “Work”



YOUR INVESTMENT JOURNEY BUILDING A SHARE PORTFOLIO



The ATSJIENG® Portfolio Lessons Learned:

- Develop a strategy and stick to it!
- Never be a forced seller of shares
- Be patient
- Understand your entry and exit points
- Be careful of Advice services (Recommended for South Africa: Prestige Bulletin (<https://www.prestigebulletin.co.za/>) and International: Seeking Alpha (<https://seekingalpha.com/>))
- Portfolio van 25 Aandele
- FOMO

THE INVESTMENT ENVIRONMENT

DIVERSIFY



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Global Cash 30.6	Global Cash 63.9	SA Listed Property 20.1	SA Listed Property 41.0	SA Listed Property 41.3	SA Listed Property 50.0	SA Equities 41.2	SA Listed Property 26.5	Global Bonds 56.6	SA Equities 32.1	SA Listed Property 29.6	Global Bonds 30.7
SA Listed Property 27.6	Global Bonds 58.7	SA Bonds 16.0	Balanced Portfolio 18.5	SA Equities 25.4	SA Equities 47.3	Global Equities 33.2	SA Equities 19.2	Global Cash 41.6	Balanced Portfolio 21.3	SA Equities 19.0	Global Cash 22.0
Global Bonds 24.9	SA Equities 32.6	1Inflation 2.4	SA Bonds 18.1	Balanced Portfolio 23.2	Balanced Portfolio 36.2	Balanced Portfolio 29.4	Balanced Portfolio 16.0	SA Bonds 17.0	SA Listed Property 14.1	Balanced Portfolio 18.0	Global Equities 15.8
SA Bonds 19.4	Global Equities 32.4	SA Cash 11.9	SA Equities 16.1	SA Bonds 15.2	Global Equities 23.4	SA Listed Property 28.4	SA Cash 9.6	SA Cash 11.4	SA Cash 8.0	SA Bonds 15.0	SA Listed Property 8.9
SA Cash 10.6	Balanced Portfolio 25.5	Balanced Portfolio 1.4	SA Cash 11.0	SA Cash 7.8	Global Cash 15.8	Global Bonds 16.9	Inflation 9.0	Inflation 9.5	Inflation 6.3	SA Cash 6.5	SA Bonds 8.8
Balanced Portfolio 7.9	SA Bonds 17.8	SA Equities -8.3	Global Equities 3.1	Inflation 3.4	SA Bonds 10.8	Global Cash 15.7	Global Bonds 8.2	SA Listed Property -4.5	Global Equities 1.6	Inflation 3.5	Inflation 6.1
Global Equities 7.3	SA Listed Property 14.0	Global Bonds -15.6	Inflation 0.3	Global Equities -1.9	SA Cash 7.1	SA Cash 7.7	Global Equities 7.0	Balanced Portfolio -9.9	SA Bonds -1.0	Global Equities 0.5	SA Cash 5.6
Inflation 7.0	SA Cash 10.1	Global Cash -27.2	Global Bonds -10.9	Global Bonds -5.9	Global Bonds 4.8	Inflation 5.8	SA Bonds 4.2	Global Equities -16.6	Global Bonds -20.8	Global Bonds -4.8	Balanced Portfolio 4.8
SA Equities 0.4	Inflation 4.6	Global Equities -42.4	Global Cash -22.2	Global Cash -13.7	Inflation 3.6	SA Bonds 5.5	Global Cash 2.0	SA Equities -23.2	Global Cash -22.2	Global Cash -10.4	SA Equities 2.6

THE INVESTMENT ENVIRONMENT FEAR VERSUS GREED



The risk of client-driven asset allocation
Money comes in when returns have been good (and vice versa)



YOUR INVESTMENT JOURNEY

STRATEGY: BUILDING A INVESTMENT PORTFOLIO



Goal:

You have created trees (assets) that will provide you with monthly fruit (income) that will outstrip your monthly expenditure today, and will continue to do so into the future. You are thus not dependent on your monthly salary anymore. Ultimately you will leave your plantation behind for your children.

How much do you need at retirement age:

Example: R60 000 per month

Withdraw rate: 5%

Total Assets Required (Calculated): R14 400 000

Split between:

- Cash or cash related instruments: $\frac{1}{3}$ (R14 400 000 X $\frac{1}{3}$) = R4 800 000
- Shares: $\frac{1}{3}$ (R14 400 000 X $\frac{1}{3}$) = R4 800 000
- Retirement Annuity + Tax Free Account = $\frac{1}{3}$ (R14 400 000 X $\frac{1}{3}$) = R4 800 000

YOUR INVESTMENT JOURNEY

STRATEGY: BUILDING A SHARE PORTFOLIO - For a 55 Year old



Focus Area	Examples	Percentage
High Dividend Shares and ETF (4% Plus Yield)	Cigarette Companies, Communication companies, Energy companies, Property Companies, Business Development companies, Pharmaceutical companies, Banks	55%
Growing Dividend (Grow dividend above inflation)	Pepsi, Visa, Nike, Microsoft, Facebook, Mastercard, Domino's Pizza, Starbucks	25%
Capital Appreciation (Long Term Capital Growth)	Magnificent 7: Meta Platforms, Tesla, Amazon.com, Alphabet, Apple, NVIDIA, Microsoft Other: Berkshire Hathaway	10%
Speculative (Theme Based or Opportunity)	Artificial Intelligence: Taiwan Semiconductor Manufacturing, Super Micro Computer, NVIDIA Life style: Eli Lilly Disrupters: AirBnB, Netflix	10%

Notes:

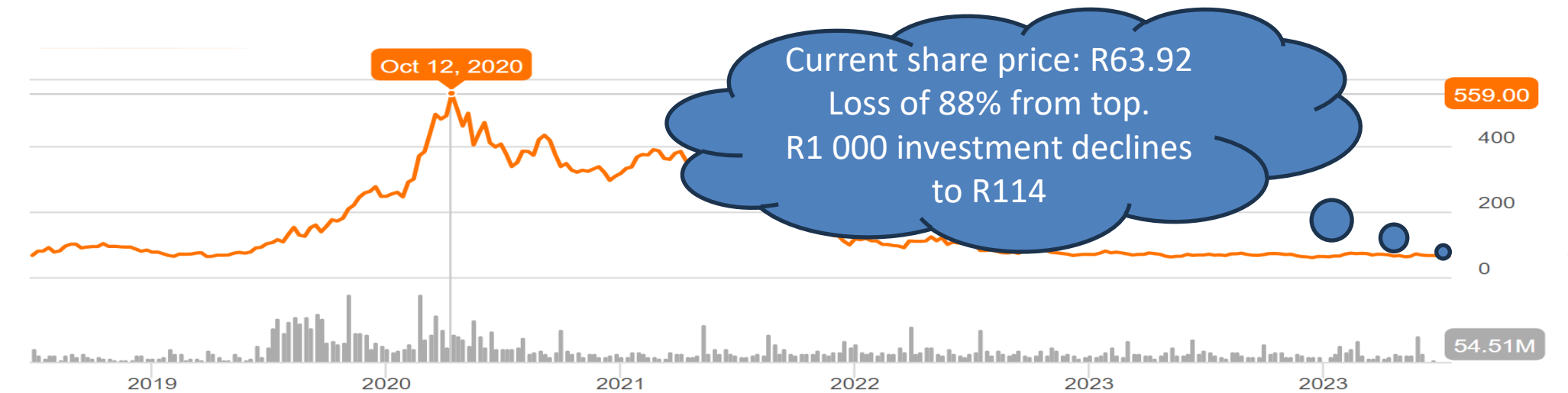
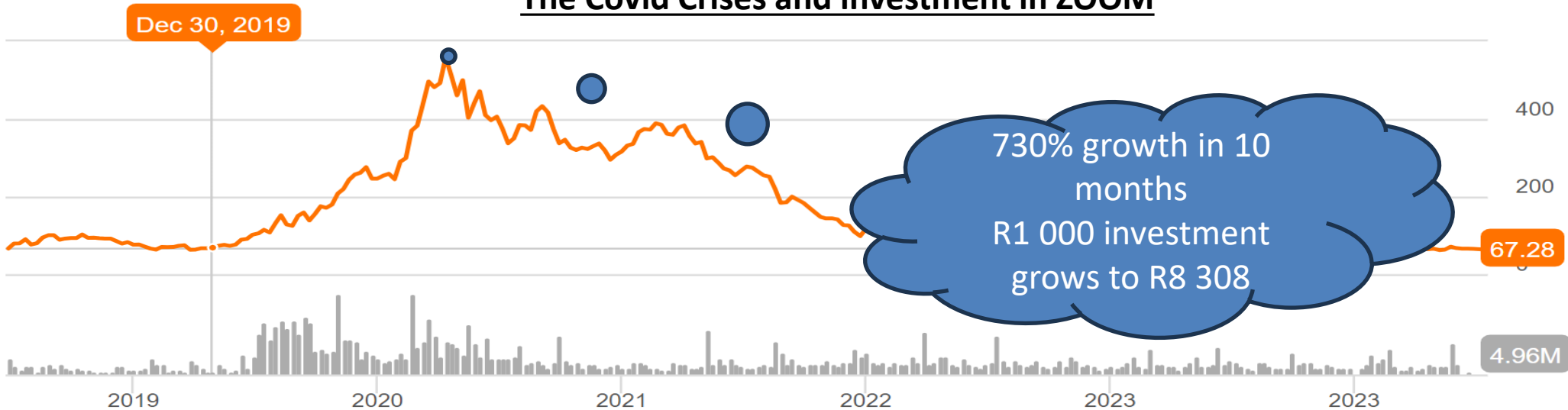
- Allocate your age to High Dividend Yielding share to generate income (as a percentage), for example if you are 20, you will allocate 20% to this category, rest split between dividend & capital growth)
- Build a portfolio of about 25 to 30 shares

YOUR INVESTMENT JOURNEY

THEME BASED INVESTING



The Covid Crises and investment in ZOOM



YOUR INVESTMENT JOURNEY THE IMPACT OF DIVIDENDS



FIGURE 8
Returns of S&P 500 Index Stocks by Dividend Policy: Growth of \$100 (1973–2023)



As of 12/31/23. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. For illustrative purposes only. Data Sources: Ned Davis Research and Hartford Funds, 1/24.

YOUR INVESTMENT JOURNEY

THE IMPACT OF DIVIDENDS - EXAMPLE



Mr Price Case Study:

In May 2007 Mr Price Share Price hit an high of R33.40.

During the Financial Crises of 2008 the Share price dropped all the way to R14.

In 2008 David Shapiro on Stock Watch (DSTV channel 412) mentioned Mr Price was undervalued. I agreed and bought more Mr Price Shares. My average purchase price was **R21,02**

The current Price of Mr Price in 2025 is **R219,45**

The Gross dividend for the past year is R9,167 per share

The net dividend after 20% withholding tax is **R7,336** per share

The current return on my original investment is **34,89%**

This implies that every 3 years I get my full purchase price back in Dividends!

BUY GOOD QUALITY SHARES AND KEEP THEM FOR AS LONG AS POSSIBLE (FORE-EVER!)

YOUR INVESTMENT JOURNEY

WIDE MOAT INVESTING



ECONOMIC MOATS EXPLAINED

HOW SUCCESSFUL COMPANIES
STAY AHEAD OF COMPETITORS



COST ADVANTAGE MOAT

Company producing goods at the **lowest possible price.**

REGULATIONS MOAT

Regulations can make it **harder for competitors**

INTANGIBLE ASSETS MOAT

Branding, patents and trademarks make it hard for others to copy

HIGH SWITCHING COST MOAT

Company making it very **costly** for customers to **switch to a competitor**

NETWORK EFFECT MOAT

More users = More value

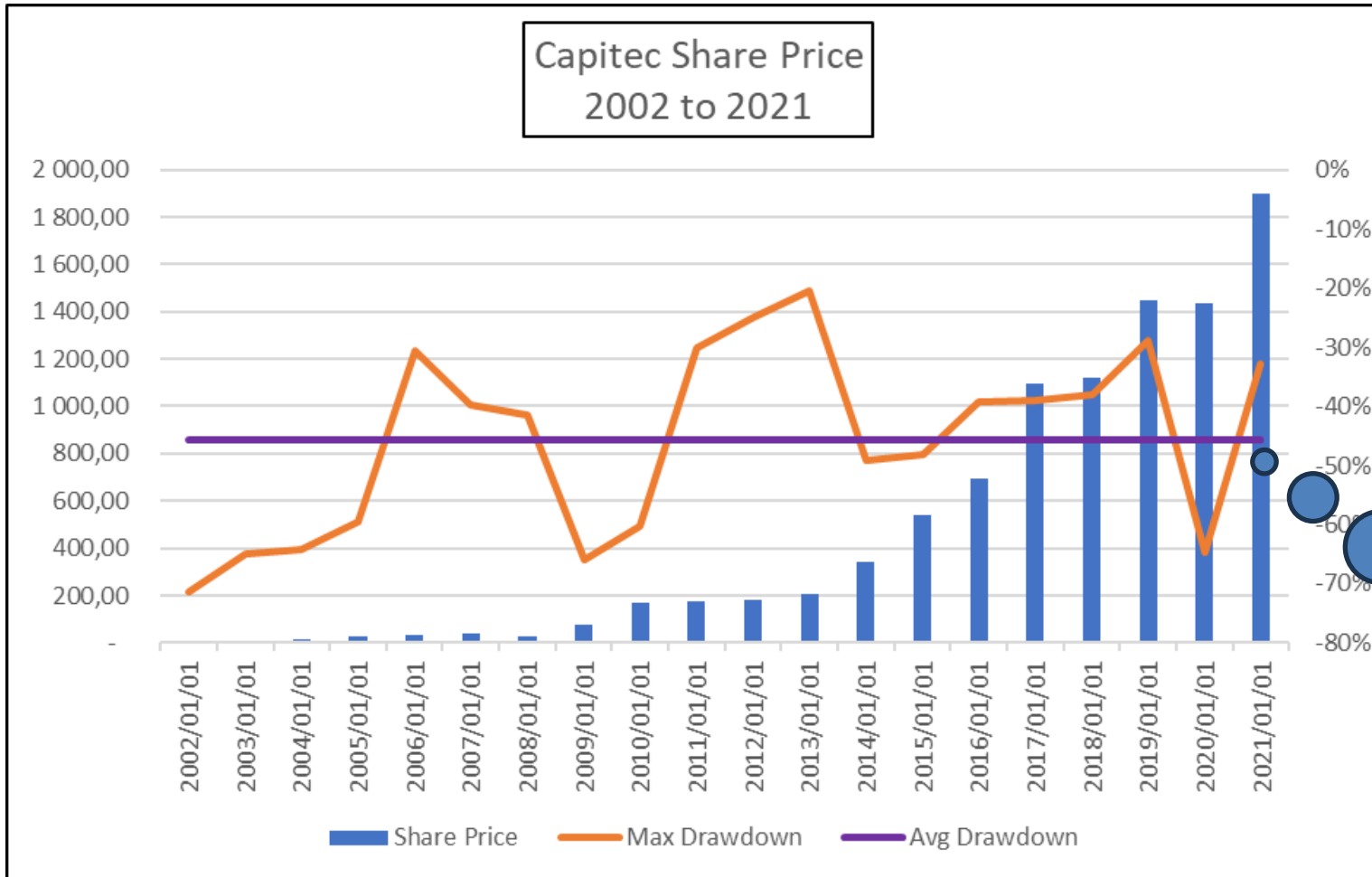
DIGITAL MOATS

Large **engaged audience**

and more...

THE INVESTMENT PRINCIPLES

PRACTICAL EXAMPLE: CAPITEC SHARE PRICE



R1 000 shares
bought in
Capitec in
2002 was
worth:
R1.85 million
in 2021

Average
Drawdown per
year is 46%

THE INVESTMENT ENVIRONMENT

SHARE INVESTMENTS: ETF's



Characteristics of the Exchange Traded Funds (ETF's)

- Exchange Traded Funds. Exchange Traded Funds or ETFs are listed investment products that track the performance of a group or "basket" of Shares, Bonds or Commodities. These "baskets" are known as indices. ... An ETF can be bought or sold in the same way as an Ordinary Share.
- Minimum Investment: You can make investments in ETPs from R1000 for lump sum (once-off investments), or you can do monthly (recurring) investments from R150 per month through debit orders utilising the etfSA.co.za Investor Plan transaction platform. No minimum on the Easy Equities Trading Platform.
- Examples: Satrix 40, Satrix S&P 500

Key Insights Relating to the ETF's:

- Benefit: Lower fees versus Unit Trusts. UT = 3,0% to 4,0% versus ETF = 0,68% to 0,98%.
- Outperformance = Over 5 year view: Outperform 89% of US Asset Managers, 82% of European, 85% of South African.
- If the Market drops – prices will decrease. Work well in bull markets.

THE INVESTMENT ENVIRONMENT

TAX FREE SAVINGS ACCOUNTS



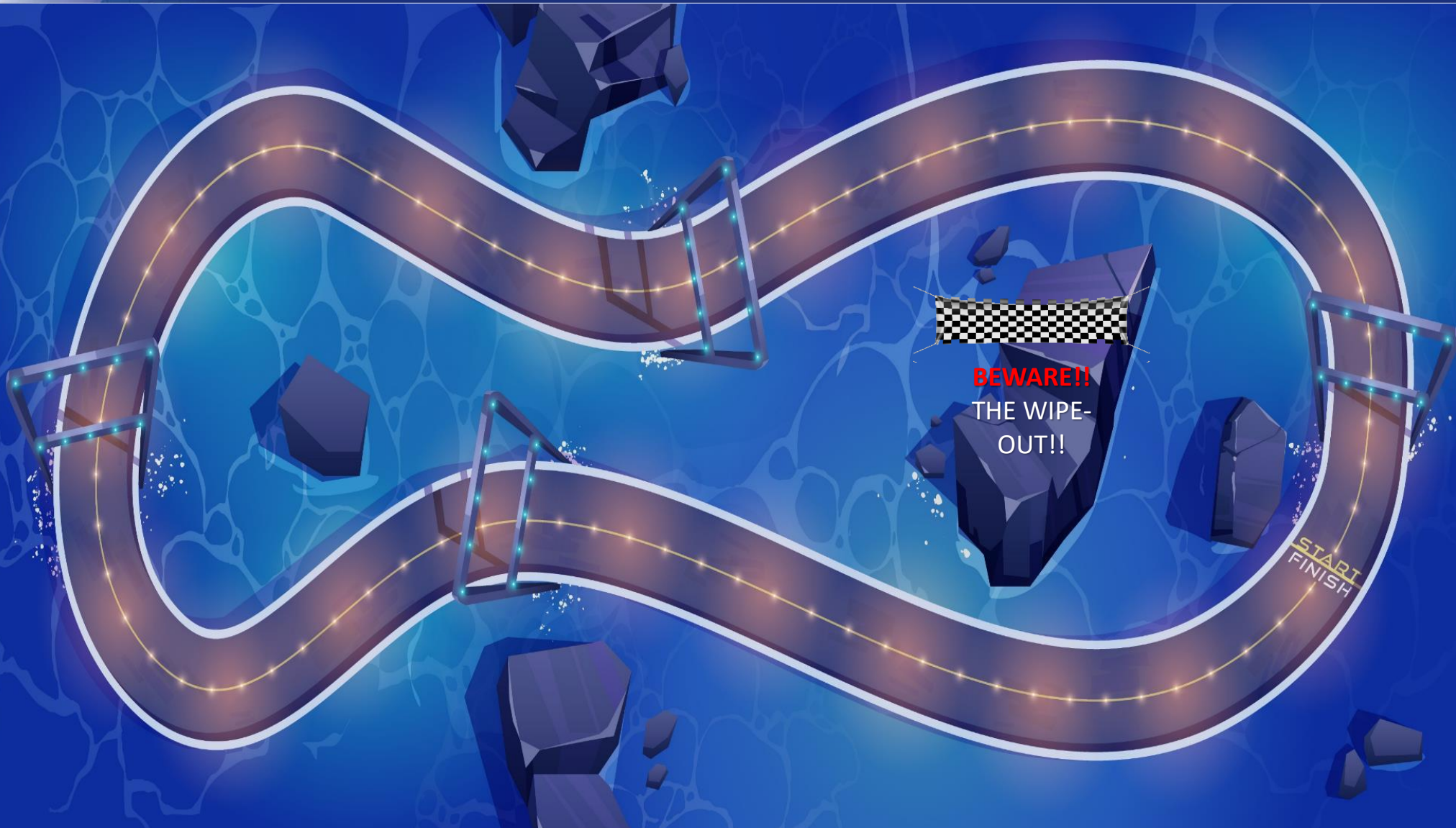
Characteristics of the New tax-free investment (TFI)

- Contributions limited to R36k pa.- limited to R500k per lifetime
- Transfer from another TFI excluded from contributions
- If R36k limit breached taxed at 40%
- Withdrawal not deducted from contributions
- Where can you buy – Any Investment Manager, ETFSA.co.za, Easy Equities Trading platform

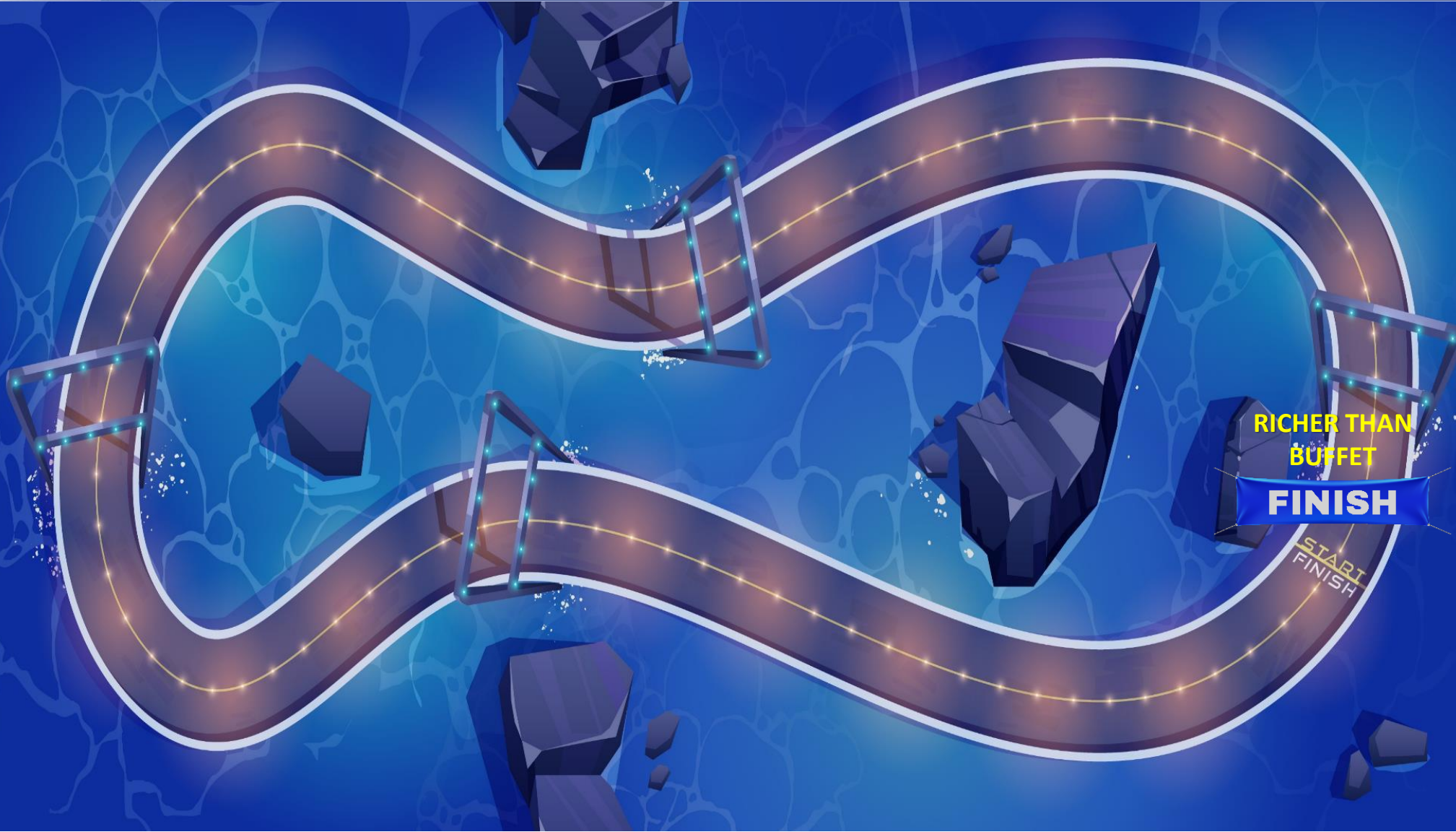
Key Insights Relating to the TFI:

- Make sure you achieve maximum tax benefit – Bank Deposit products is not the optimal vehicle if don't use your R23 800 interest exemption.
- See this the same as your retirement funds (tree) – Don't do any withdrawals.
- Save for your children, but don't tell them about it – Not an ideal vehicle to save for studies.

SHARE INVESTING THE JOURNEY



SHARE INVESTING THE JOURNEY



KEYS TO FINANCIAL INDEPENDENCE

Quotes from Warren Buffet



- “I will tell you the secret to getting rich on Wall Street. You try to be greedy when others are fearful. And you try to be fearful when others are greedy.”
- “No matter how great the talent or efforts, some things just take time. You can't produce a baby in one month by getting nine women pregnant.”
- “Rule No. 1 : Never lose money. Rule No. 2 : Never forget Rule No. 1.”
- “You never know who's swimming naked until the tide goes out.”
- “Games are won by players who focus on the playing field -- not by those whose eyes are glued to the scoreboard.”
- “In the business world, the rearview mirror is always clearer than the windshield.”

KEYS TO FINANCIAL INDEPENDENCE

Quotes from Warren Buffet



- “Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble”
- “Do not save what is left after spending; instead spend what is left after saving.”
- “The most important investment you can make is in yourself.”
- “If you aren't thinking about owning a stock for ten years, don't even think about owning it for ten minutes.”
- “If you buy things you do not need, soon you will have to sell things you need.”
- “I try to invest in businesses that are so wonderful that an idiot can run them. Because sooner or later, one will.”
- “It’s good to learn from your mistakes. It’s better to learn from other people’s mistakes.”
- “My partner, Charlie, says that there's only three ways that a smart person can go broke: liquor, ladies and leverage.”

KEYS TO FINANCIAL INDEPENDENCE

Quotes from Warren Buffet



- “Calling someone who trades actively in the market an investor is like calling someone who repeatedly engages in one-night stands a romantic.”
- “The more you learn, the more you earn.”
- “If you are investing in your education and you are learning, you should do that as early as you possibly can, because then it will have time to compound over the longest period.”
- “Never give up searching for the job that you are passionate about”
- “Our favourite holding period is forever. We are just the opposite of those who hurry to sell and book profits when companies perform well but who tenaciously hang on to businesses that disappoint. Peter Lynch aptly likens such behaviour to cutting the flowers and watering the weeds.”

KEYS TO FINANCIAL INDEPENDENCE

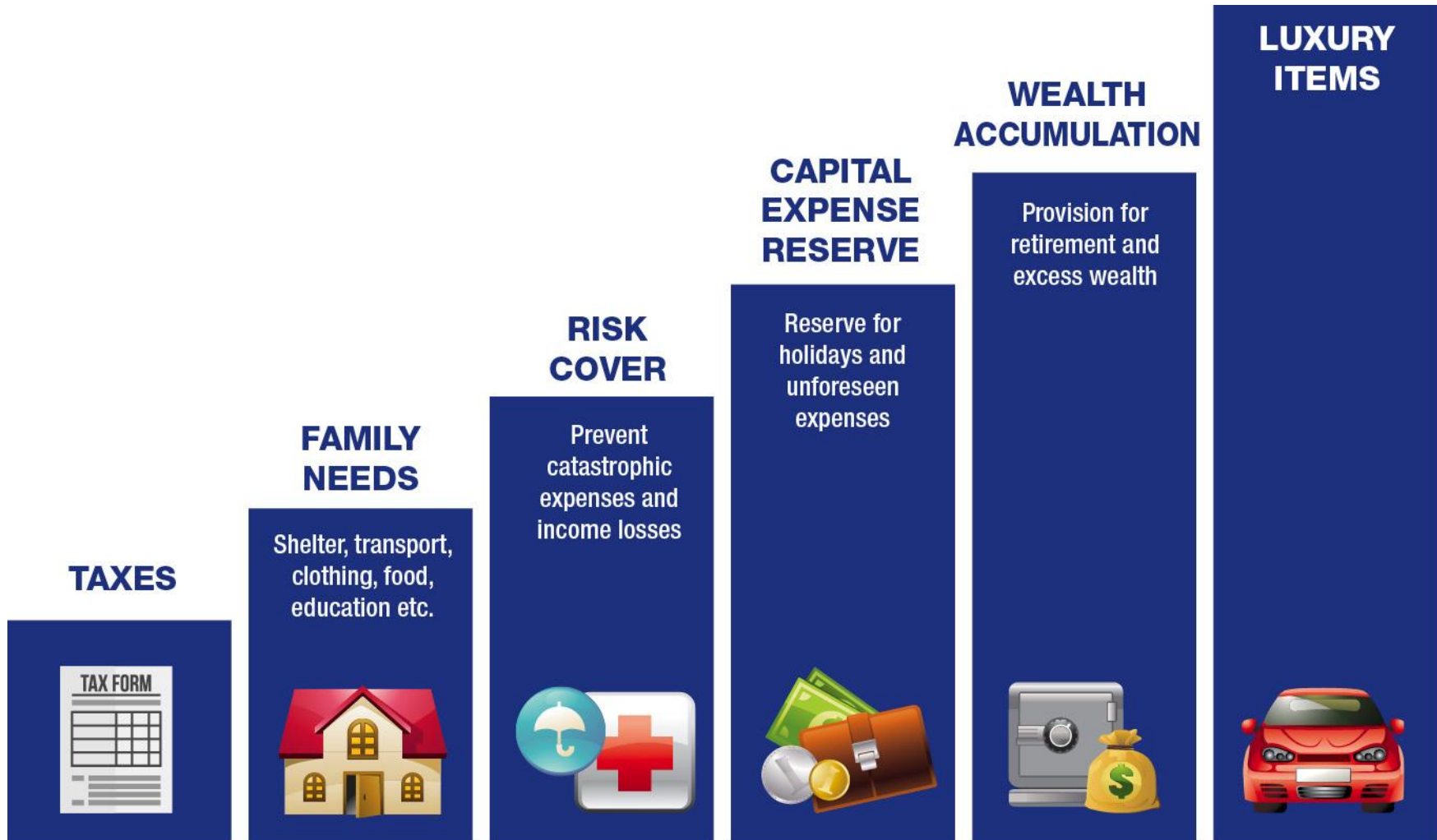
Quotes from Warren Buffet



- “If you wait till you know everything it's too late”
- “The stock market is a device for transferring money from the impatient to the patient.”
- “You should never test the depth of the water with both feet.”
- “The best investment you can make is in yourself.”
- “Don't work for money, make money work for you.”
- “Cash combined with courage in a time of crisis is priceless.”
- “I want to give my kids just enough so that they would feel that they could do anything, but not so much that they would feel like doing nothing.”
- “The happiest people do not necessarily have the best things. They simply appreciate the things they have.”
- “Go to bed a little smarter each day.”

KEYS TO FINANCIAL INDEPENDENCE

MANAGING YOUR BUDGET – THE PRINCIPLES





FINANCIAL TRAINING ACADEMY

INCREASE YOUR FINANCIAL SAVVY



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