

# STOCKS FOR FROCKS

Get Your Money Working Hard For You

AND JOCKS

JS

*Ann Wilson*

THE  
WEALTH  
CHEF



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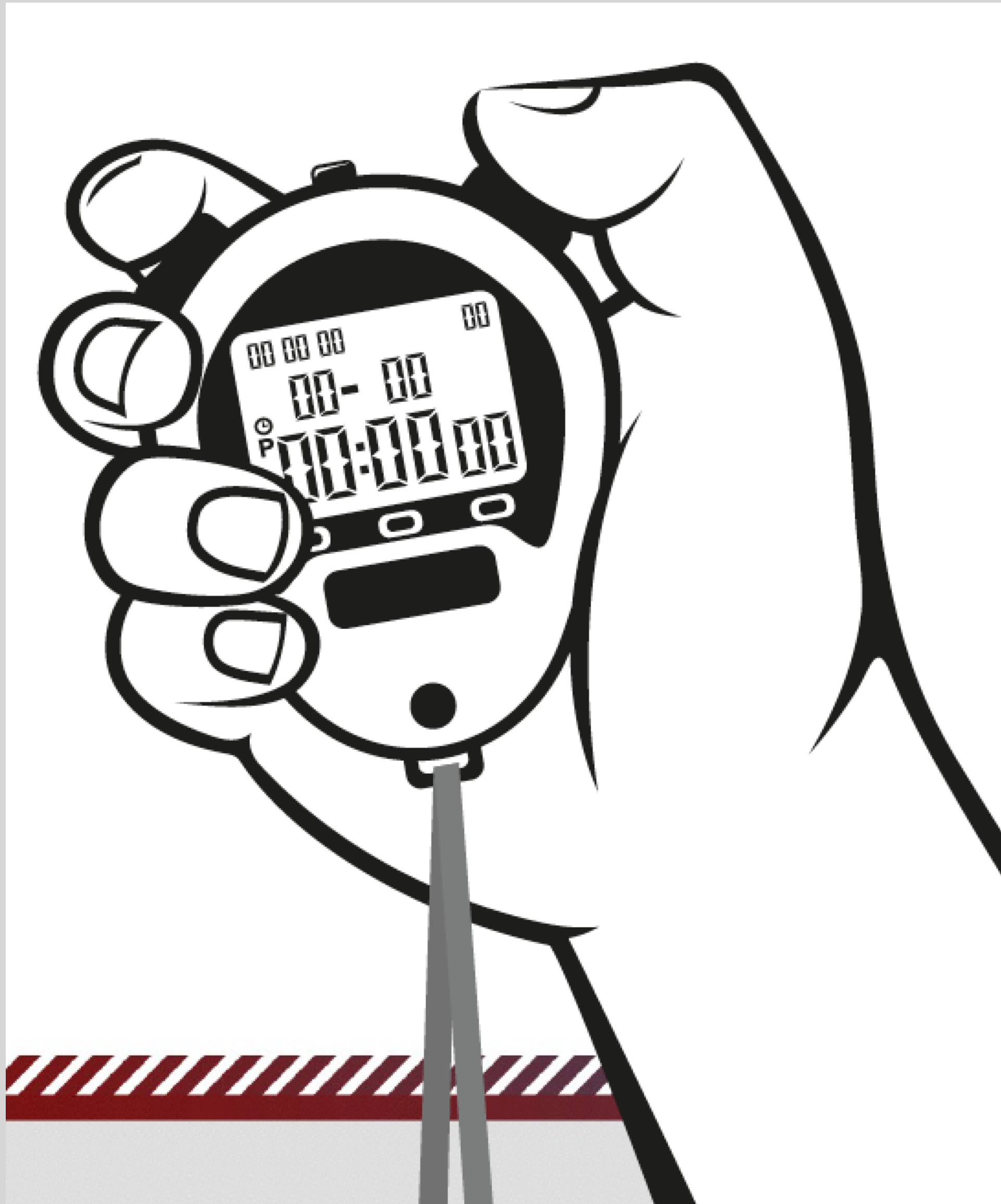




# My promise to you...

You will...

- ① Know your **unique financial freedom target** and how to create it.
- ① **Understand what passive investing actually is.**
- ① Know why **you need to be actively passive** to achieve your financial freedom.
- ① Have the skills to significantly increase **the return on investments** you currently have, and if you have not yet started investing, you will have the **strategy to get your wealth growing safely & easily.**



We will give you everything we can in the time we have available and also give you information on how you can take this further and become a Passive Investing Master with your money working hard for you.



## **Keep Moving Forward In The Direction Of Your Dreams**

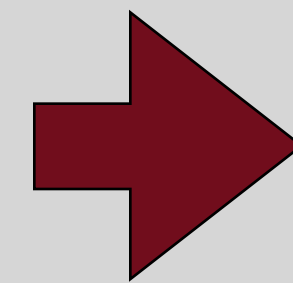
**Get the support you and your  
dreams deserve**

**Jot down your questions which we  
will answer at the end**

**Exciting prizes and giveaways**

# WELCOME TO THE WORLD OF ASSET GENERATED WEALTH

Income Generated By  
YOU”



Income Generated By  
ASSETS”

**Your goal is to remove yourself from the money for  
time exchange**

# **THE MILLION DOLLAR QUESTION?**

**How Much Is Enough?**

**How much money do you need invested to be financial free?**

# FINANCIAL FREEDOM DEFINED

You are **Financially Free** when you have a big enough **pot of assets** that **earn money for you** and pay for **your chosen lifestyle** without you having to work.



**AND THE ANSWER IS.....**

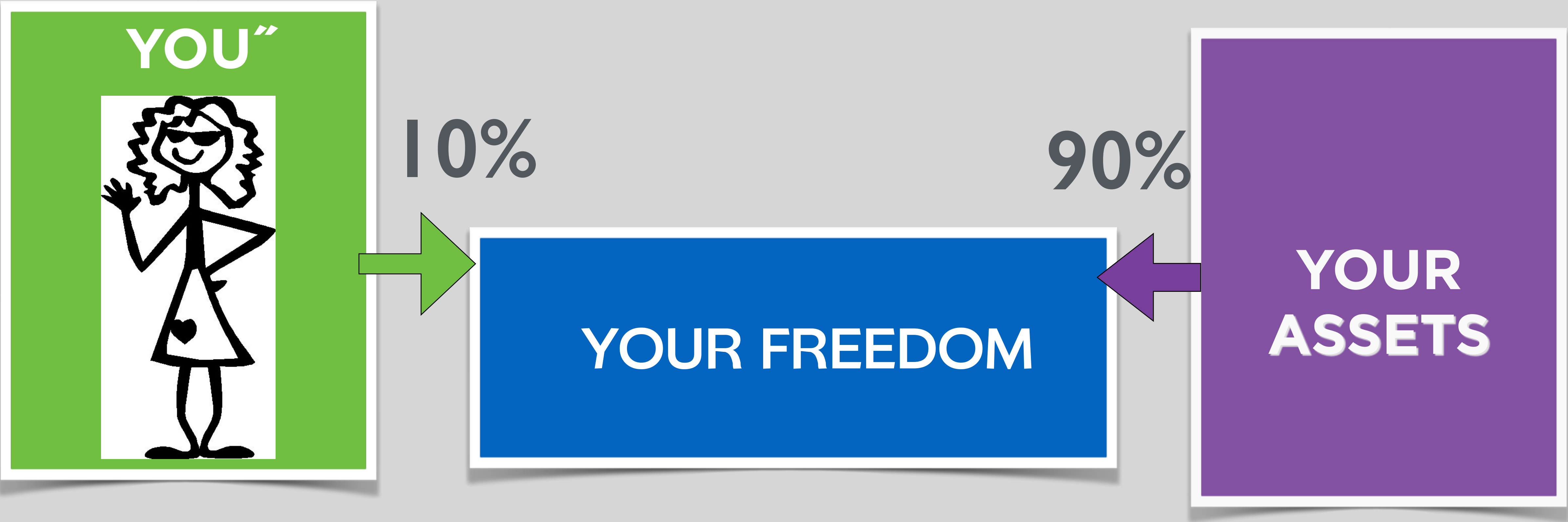


# **Your Unique Financial Freedom Number**

**Monthly Freedom Income x 12 = Annual Income**  
**Annual Income / 0.08 = Target Net Worth**

**Net Worth = Assets - Liabilities**

# ASSETS CREATE YOUR FREEDOM NOT YOU!



# **How Much Must You Add And How Long Will It Take?**

## **7 Habits of Highly Successful Investors**

### **1. Minimise Costs and Maximise Returns**



# WHY PASSIVE IS SO SEXY!



# **WHAT IS AN INDEX TRACKER INVESTMENT**

**BASKET OF SHARES THAT ACHIEVES THE SAME RETURN AS THE STOCK MARKET INDEX IT TRACKS**

- **SPECIFIC MARKET**
  - **JSE Top 40**
  - **FTSE 100**
  - **S&P 500**
- **SPECIFIC SECTOR**
  - **Industrial**
  - **Financial etc**

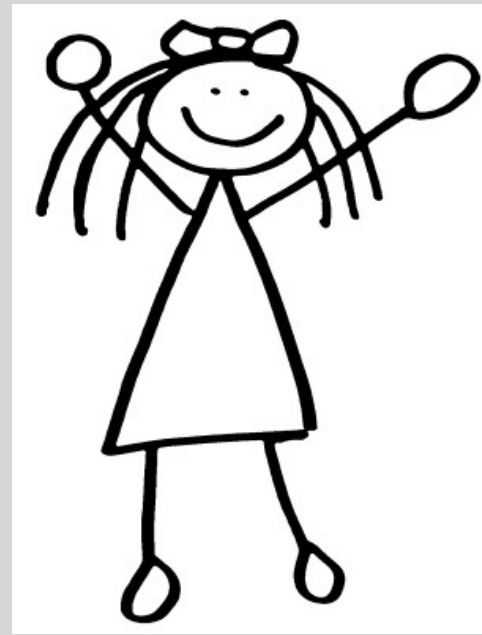
# PASSIVE VRS ACTIVELY MANAGED FUNDS

## Performance Why Average Is Extraordinary

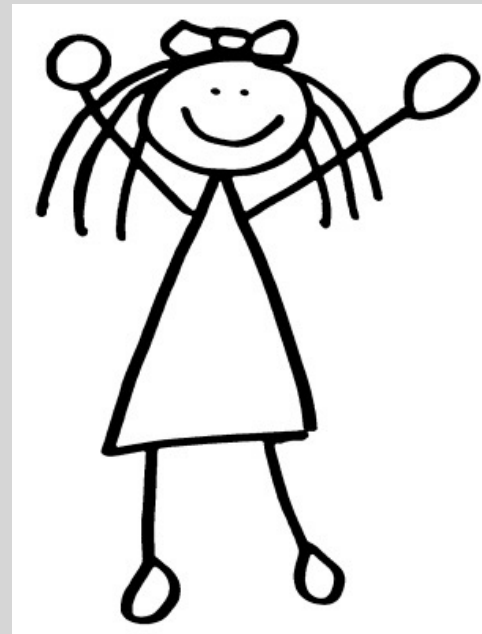
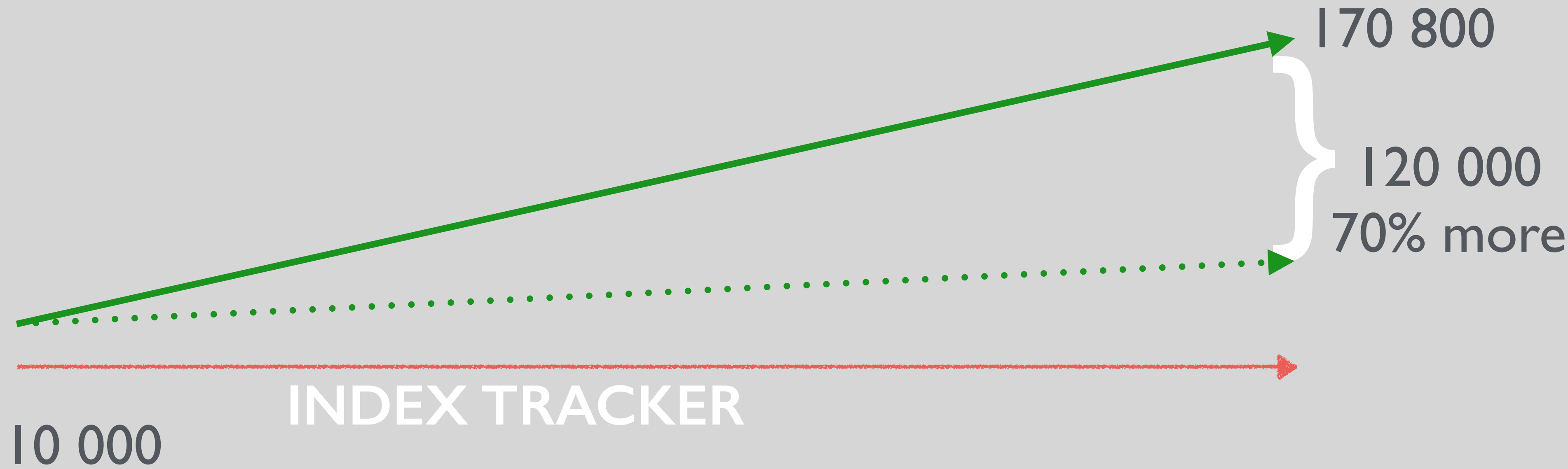
- 82% of actively managed funds FAIL to beat the index
- With Index tracking you beat 82%+ of the “professionals”

**YOUR MONEY WORKS HARDER FOR YOU**

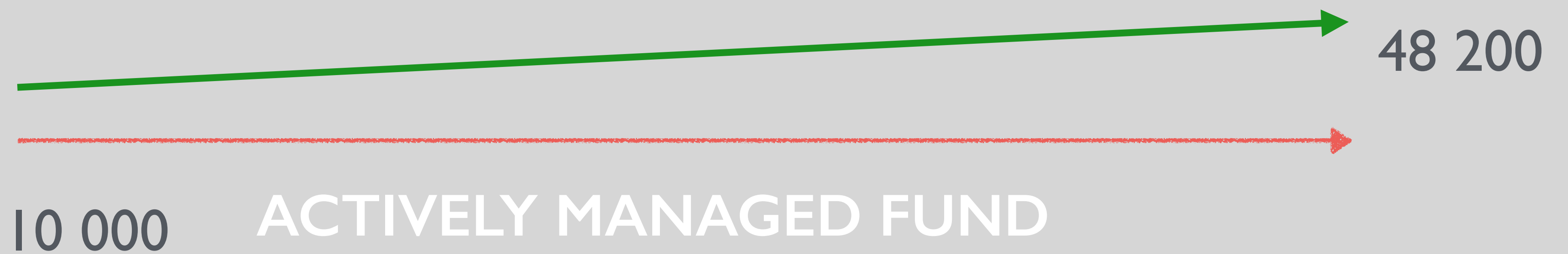
# PASSIVE VRS ACTIVELY MANAGED FUNDS



10 000



10 000





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# **COSTS DESTROY YOUR WEALTH**

**Actively Managed Fund Have Higher Costs**

- **Management team**
- **Trading costs**

**Actively Managed Funds - TER btw 2% to 5%**

**Passive Funds - TER less than 1%**

**Before you add Financial Advisor commission !!!**

**Ignorance Is Expensive**

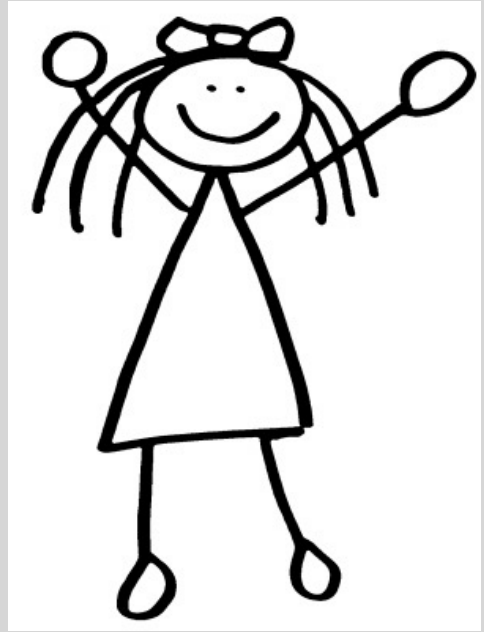
# 7 Habits of Highly Successful Investors

1. Minimise Costs and Maximise Returns
2. Regular Investment Contributions (periodic)
  - Pay Yourself First
  - Cost averaging
  - Automated



# SUCCESS PRINCIPLE 2

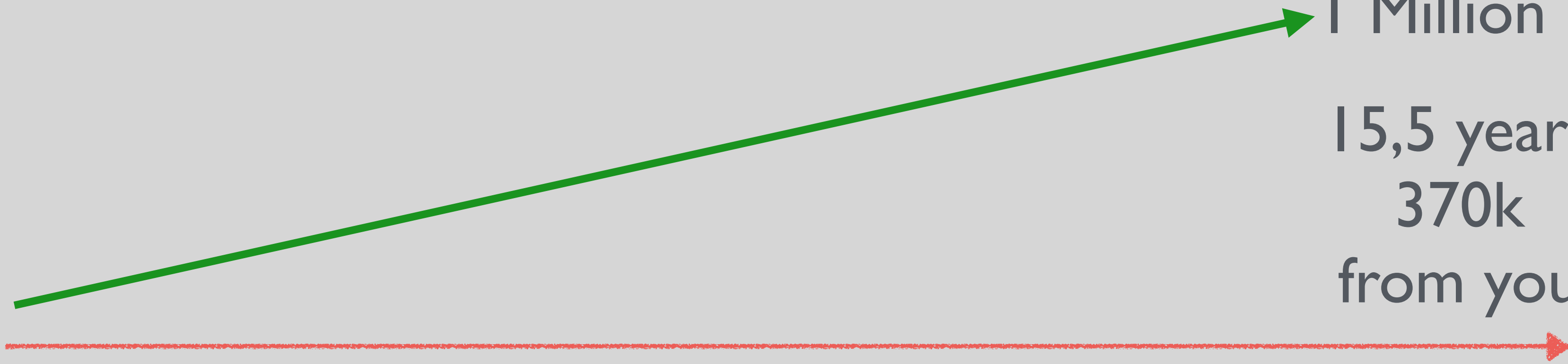
## Regular Automated Investment Contributions



10 000

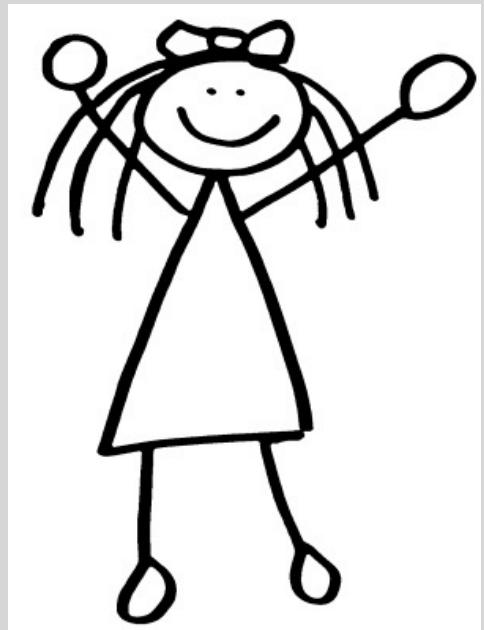
2 000pm

INDEX TRACKER



1 Million

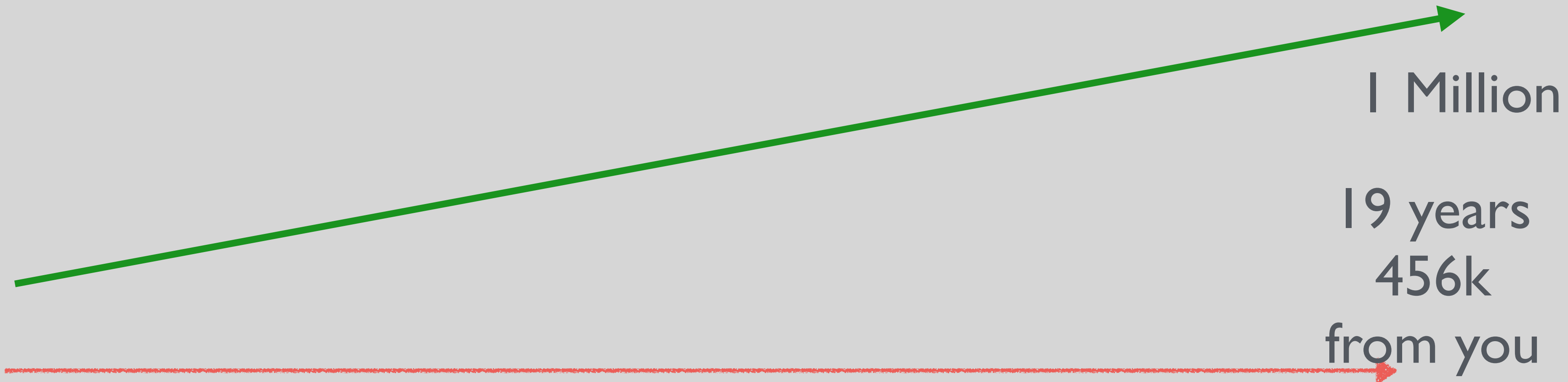
15,5 years  
370k  
from you



10 000

2 000pm

ACTIVELY MANAGED FUND



1 Million

19 years  
456k  
from you



# **PASSIVE VRS ACTIVELY MANAGED FUNDS**

## **Transparency**

- **Actively Managed Fund is a Lucky Packet with a fancy name.**
- **Passive Fund open basket clearly showing what you own.**

## Investment Mandate

The mandate of the Satrix Indi portfolio ("Satrix INDI") is to track as closely as possible the value of the FTSE/JSE Industrial 25 index. Satrix Indi is an index tracking fund, registered as a Collective Investment Scheme and is also listed on the JSE Securities Exchange as an Exchange Traded Fund. The Satrix Indi is an index tracker portfolio and provides investors with the price return of the FTSE/JSE Industrial 25 index, plus each quarter the dividends received for the shares in the index are paid over to investors, net of costs. The Satrix Indi Portfolio engages in scrip lending activities, so as to reduce its costs and thereby provide investors with the minimum tracking error. Manufactured (taxable) dividends could arise from such transactions.

## Product

<b>Category</b>	Exchange Traded Fund								
<b>Instrument Code</b>	STIND								
<b>Number of Investors</b>	2,400								
<b>Total Expense Ratio (TER)**</b>	0.45%								
<b>Last four distributions</b>	<table border="0"> <tr> <td>Mar 2015</td> <td>12.33 cps</td> </tr> <tr> <td>Dec 2014</td> <td>23.86 cps</td> </tr> <tr> <td>Sep 2014</td> <td>44.53 cps</td> </tr> <tr> <td>Jun 2014</td> <td>25.20 cps</td> </tr> </table>	Mar 2015	12.33 cps	Dec 2014	23.86 cps	Sep 2014	44.53 cps	Jun 2014	25.20 cps
Mar 2015	12.33 cps								
Dec 2014	23.86 cps								
Sep 2014	44.53 cps								
Jun 2014	25.20 cps								
<b>Distribution</b>	Jun, Sep, Dec, Mar								
<b>Launch date</b>	08 Feb 2002								
<b>Benchmark</b>	FTSE/JSE INDUSTRIAL 25								

## Top 10

Securities	% Weighting
Naspers -N-	17.50
SAB Miller	15.83
Compagnie Fin Richemont	12.70
MTN	10.26
Sasol	6.35
BTI Group	5.09
Steinhoff	4.60
Mondi	3.28
Remgro	3.15
Aspen	2.80

*Top 10 Holdings as at 30 Jun 2015*

## Performance per annum

	Fund	Benchmark
1 Year Return	14.01	14.67
3 Year Return	29.63	30.38
5 Year Return	28.49	29.19
Since Inception (Mar 2002)	20.66	21.28

*Returns are calculated for lump sum investments. All dividends reinvested on ex-date.*

# 7 Habits of Highly Successful Investors

1. Minimise Costs and Maximise Returns
2. Regular Investment Contributions (periodic)
3. Reinvest Investment returns
4. Invest like an Egyptian - Stable structure (portfolio)
5. Minimise Tax Maximise Returns - Use the pots available to you
6. Time In The Market is what counts
7. Have a Strategy and Stick to It



**KISS**





# KEEPING IT SIMPLE IS SEXY

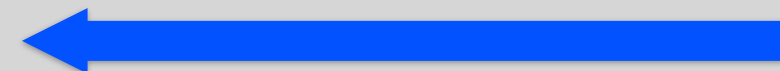
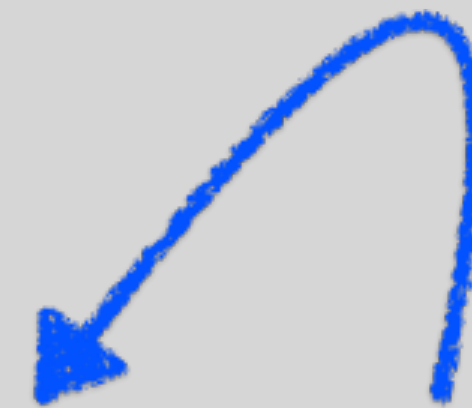
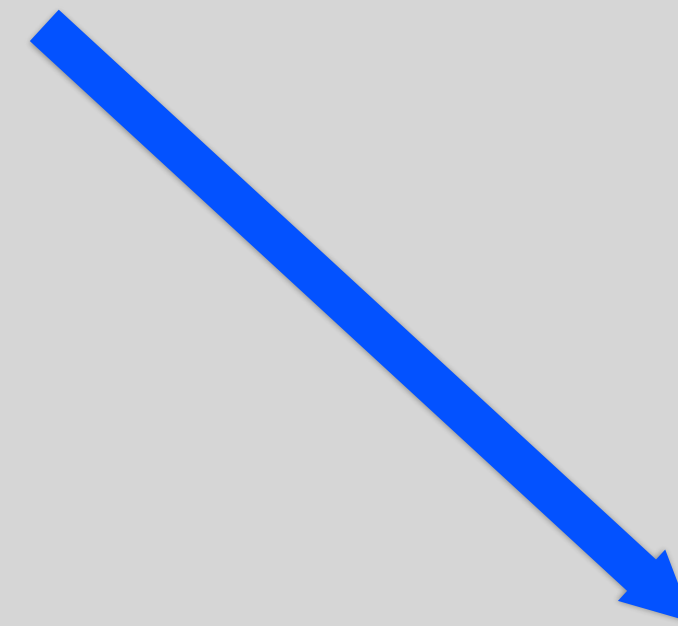
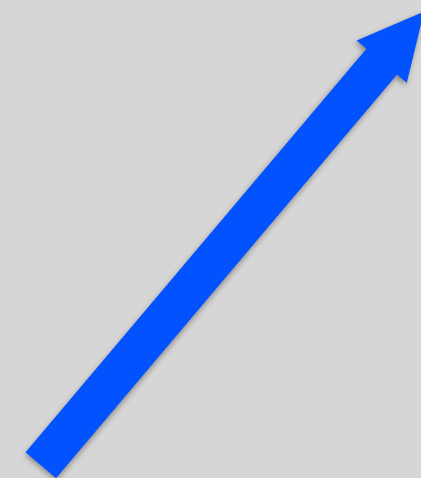


**MONTHLY  
DIRECT DEBIT**

**RE-INVEST INVESTMENT  
RETURNS  
ACCUMULATION not INCOME**

**INDEX TRACKERS**

**ONLINE BROKER**



# INDEX TRACKERS COME IN TWO FORMS

## Exchange Traded Funds

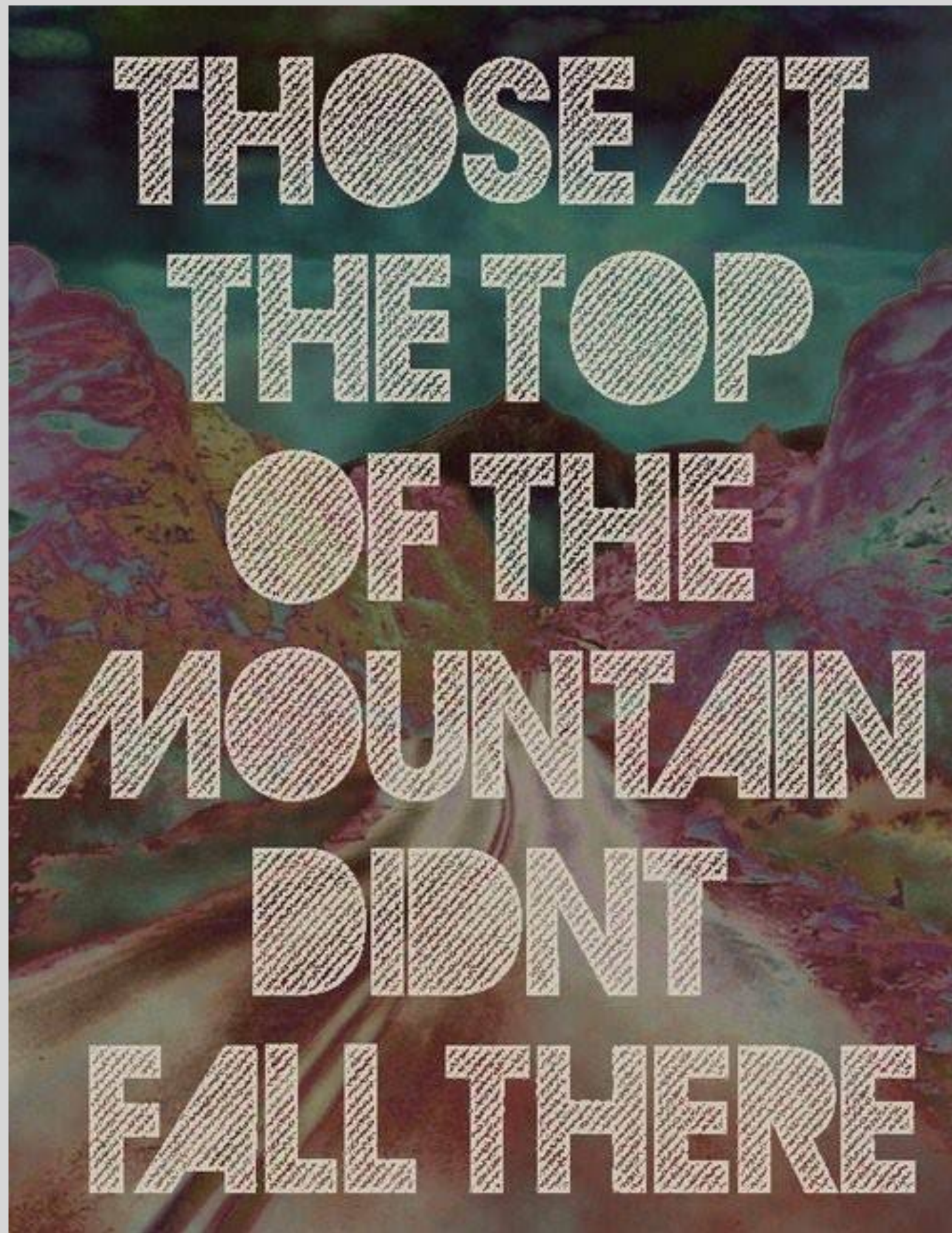
- Bought and sold on the exchange via broker
- Trade cost
- Lower ongoing charges

## Index Tracker Unit Trust / Mutual Fund

- Bought and sold from the fund house (via online broker)
- No upfront costs
- Higher ongoing charges than ETFs

**etfSA gives you the best of both worlds**





THOSE AT  
THE TOP  
OF THE  
MOUNTAIN  
DIDNT  
FALL THERE

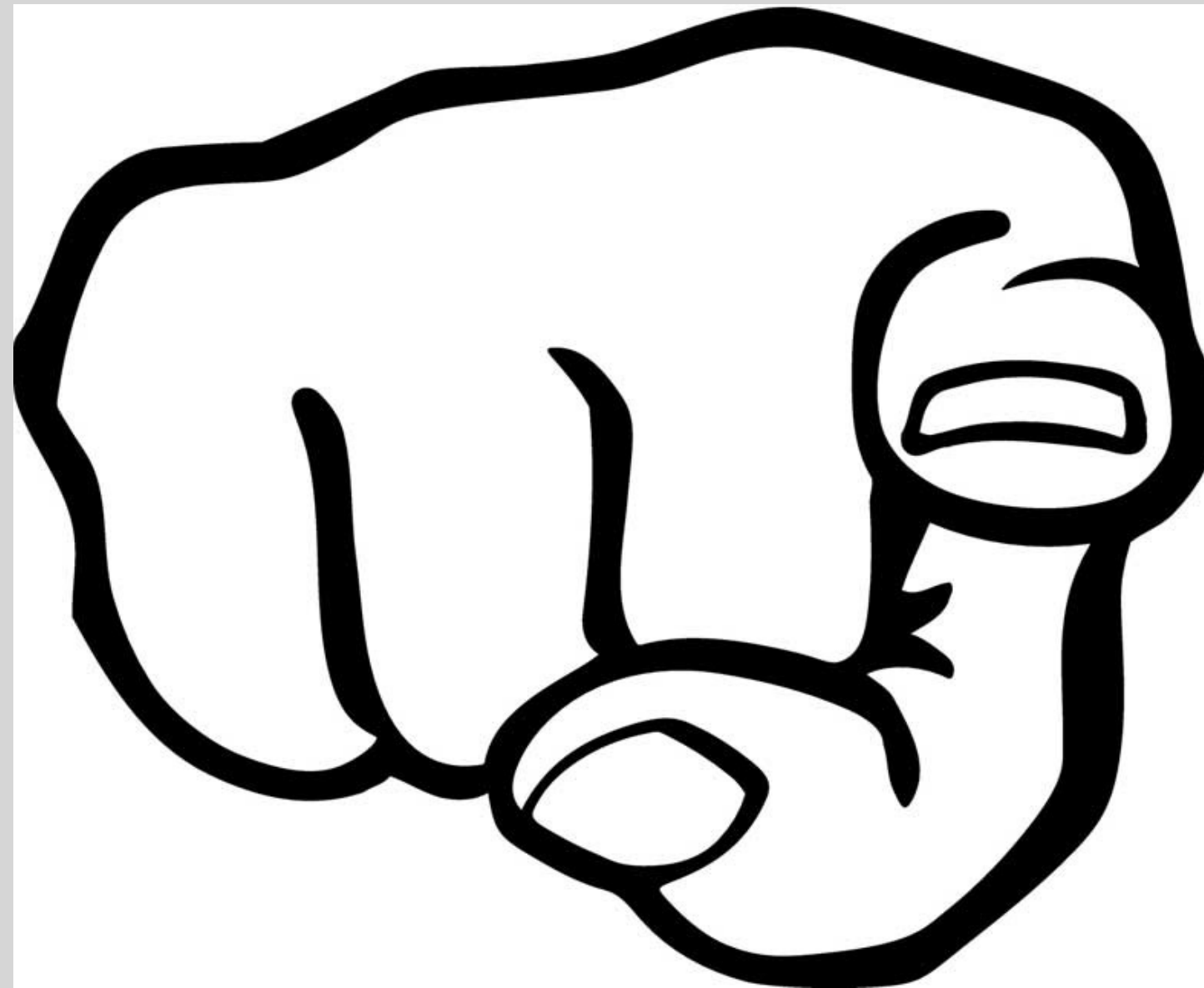
**BEING GREAT WITH MONEY  
AND CREATING WEALTH  
IS A LEARNED SKILL**



**The**

**Greatest Wealth Creation Asset**

**in the World**



***“Money seldom solves a person’s money problems.***

***Financial literacy solves money problems.”***