



**Online Share Trading,
AutoShare Invest & Tax-
Free Investing**



Before we begin

Identifying good investments

**Understanding the broader
market**

**Diversification, Exchange Traded
Funds and Tax-free investing**

Our Investment Platforms

Where to find us

Questions

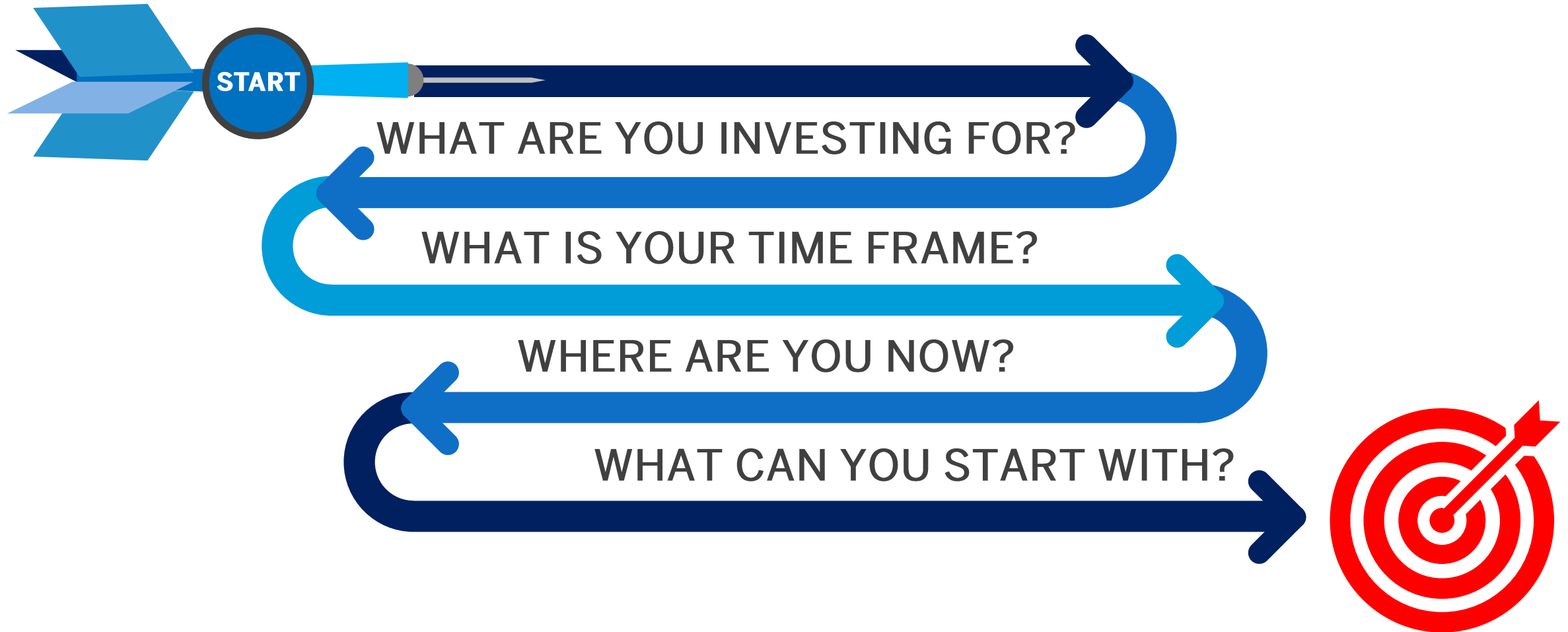


Before we begin



Start with why

Investing with a goal in mind





Setting S.M.A.R.T. Goals

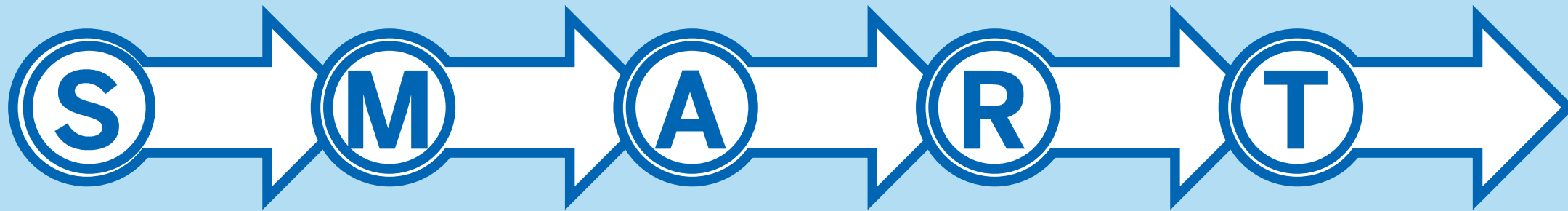


MEASURABLE

Progress toward objective can be measured in time or units (rands).

RELATABLE

Is it consistent with your life plan and other financial goals? Does it fit into your plan?



SPECIFIC

What needs to be achieved is clear

ATTAINABLE

Is the target realistic and achievable

TIMEOUS

A date by when your goal needs to be achieved (retirement, 40, 25 etc).



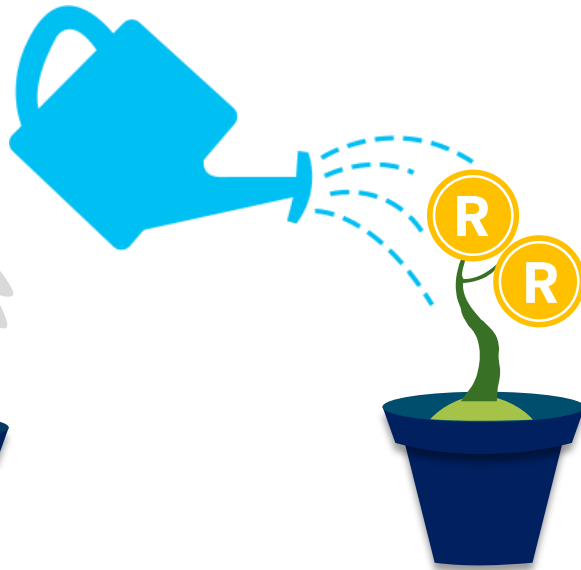
Golden Rules of Investing



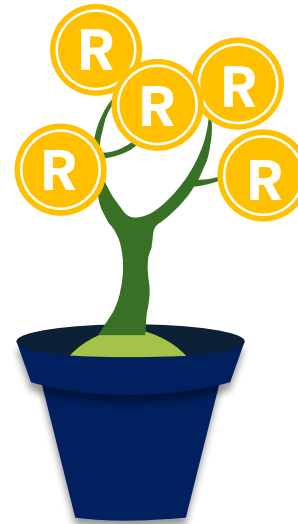
Basic checks and balances



Never borrow money to invest and do not invest what you cannot afford to lose



Use the stop-loss function for capital maintenance and diversify!



Know, understand and be comfortable with your investment.



Do your homework before you jump into an investment and be realistic about what you'll get out.



**Identifying good
investments**



Identifying good investments

Important investment ratios and what they tell you

RETURN ON EQUITY

- Measures how effectively management is using a company's assets to create profits.
- A good or bad ROE depends on company's peers/sector
- Investors can compare company ROE to the JSE's long-term average as the standard

$$\text{ROE} = \frac{\text{Avg Shareholder Equity}}{\text{Net income}}$$

EARNINGS PER SHARE

- Earnings per share is a company's profit divided by the number of common shares outstanding.
- Shows how much money a company makes per share.
- Higher EPS = more value > investors pay more for a company with higher profits.

$$\text{EPS} = \frac{[\text{Net Income} - \text{Pref dividends}]}{[\text{Outstanding common shares @ end of reporting period}]}$$



PRICE TO EARNINGS RATIO

- Generally, a high P/E ratio means that investors are anticipating higher growth in the future.
- Companies that are losing money do not have a P/E ratio.
- Both the forward and the trailing P/E ratios are used in practice.

$$\text{P:E} = \frac{\text{Current Share Price}}{\text{EPS}}$$

DIVIDEND YIELD

- Estimate of the dividend-only return of a share
- If value of dividend stays the same, the yield will rise when the share price falls, and it will fall when the share price rises.

$$\text{DY} = \frac{\text{Annual dividend}}{\text{Share Price}}$$

PRICE EARNING TO GROWTH

- PEG ratio expands on the P/E ratio by adding expected earnings growth into the calculation
- Indicator of a stock's true value, and similar to the P/E ratio, a lower PEG may indicate that a stock is undervalued
- PEG ratios may vary for a single company may differ because growth estimates differ.

$$\text{PEG} = \frac{\text{P:E Ratio}}{\text{Earnings Growth Rate}}$$

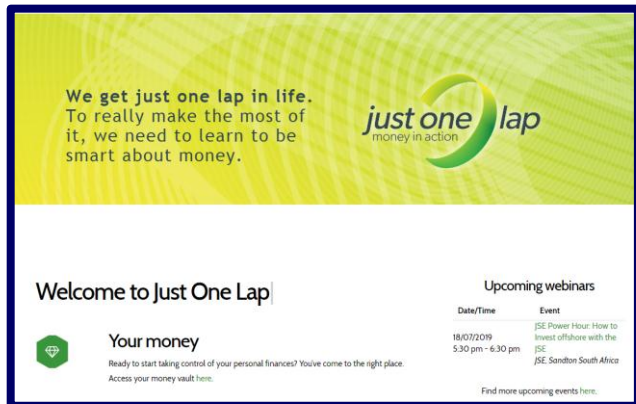
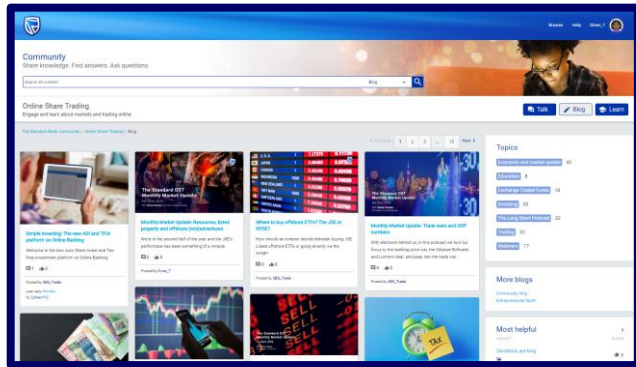


Identifying good investments

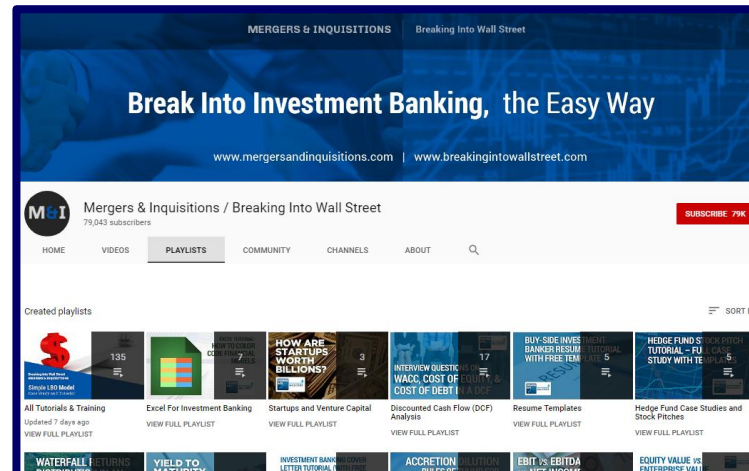


An education goes a long way

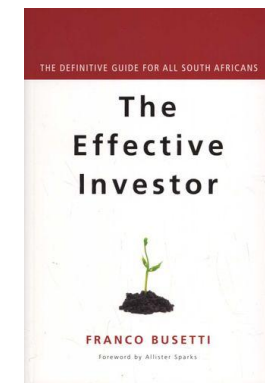
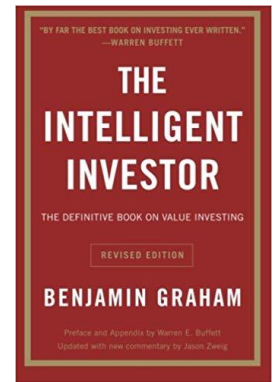
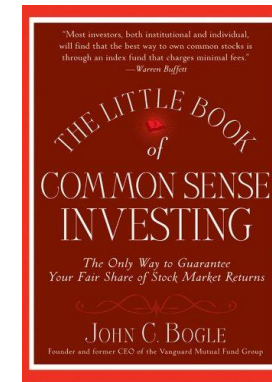
OST Community and online blogs



YouTube



Books





Identifying good investments



An education goes a long way

BizNews

Home News Opinion Investing Light Sponsored The Good Hope Project

JAWITZ REAL LIFE
WE KNOW THE VALUE OF YOUR HOME.


Category

Wealth Building

Kirsh, Oppenheimer, Rupert dominate Africa's latest Rich List

26th June 2019

Natie Kirsh got his from wholesaling and property, starting again from scratch in the US after losing his SA operations to the interest rate crisis of 1986.



Moneyweb DATA JSE ALSI 58,002.78 USD/ZAR 13.979
2019-07-17 09:48 2019-07-17 09:47

Why British American Tobacco could represent a value opportunity

15 July 2019 / Patrick Cairns


The risks to the company may have been overstated ...

1 81

Small caps to watch

Keith McLachlan / 8 July 2019

Analyst Keith McLachlan lists his top 10.



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Dad passed on (his legacy).

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ANCHOR

JSE inches lower after Trump's tariff threats

MARKETS BusinessDay 20 minutes ago


Oil prices turn up after earlier steep falls

MARKETS BusinessDay 1 hour ago

Asia shares in subdued mood

MARKETS BusinessDay 1 hour ago

Rand hovers under R14/\$ amid US-China trade jitters



INVESTMENT

2019-07-16 16:40

Invest in reality, not your personal views

Yes, the environment in SA is challenging, but it's far too easy to tumble down the well of despondency, writes Simon Brown. He cautions against getting caught up in the fear mongering.



Understanding the broader market



Economic Indicators



GDP and Real GDP

- Measure of the value of the goods and services produced in the country adjusted for price changes.
- An increase in GDP may not reflect the true growth in an economy or an increase in purchasing power if the price of goods and services is also rising.
- Real GDP removes the inflation rate from GDP to get the real growth percentage

Unemployment numbers

- Businesses hiring signals good performance to market participants
- Lead to predictions that more people will have more money to spend
- Conversely, when unemployment rate goes up, stock prices may decline => cash-strapped companies are tightening their belts.

CPI and PPI

Consumer Price Index (CPI)

- Measures the prices of a basket of goods and services bought by consumers
- It helps economists gauge inflation.

Producer Price Index (PPI)

- Measures the price change from the perspective of the seller, looking at the sale price received by producers of goods and services.
- Markets may sometimes use this index to predict inflation before it shows up in the CPI.

Interest rates

Determined by the reserve bank
Influenced by inflation
Rate movements depend on domestic economic indicators and global impact





Diversification and Exchange Traded Funds



Risk vs reward

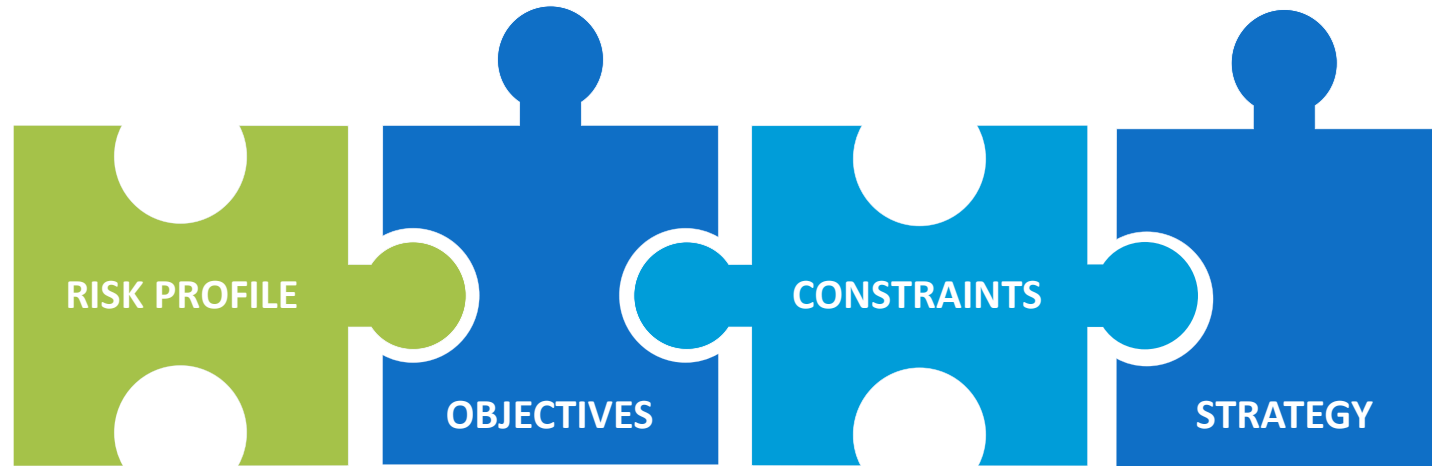
Managing risk and you reaction

WILLINGNESS TO TAKE RISK	LOW ABILITY TO TAKE RISK	HIGH ABILITY TO TAKE RISK
LOW	LOW RISK TOLERANCE	RE-ASSESS WILLINGNESS TO TAKE TISK
HIGH	RE-ASSESS WILLINGNESS TO TAKE TISK	HIGH RISK TOLERANCE



Diversification

Asset allocation



ASSET CLASS	PROJECTED TOTAL RETURN	EXPECTED RISK	ASSET ALLOCATION		
			PORTFOLIO A (LOW RISK)	PORTFOLIO B (MED RISK)	PORTFOLIO C (HIGH RISK)
CASH	5%	5%	30%	20%	10%
BONDS	10%	10%	30%	20%	15%
EQUITY	15%	13%	40%	60%	75%
			100%	100%	100%



Exchange Traded Funds



What are ETFs and why should you consider them?

Definition:

Exchange Traded

- Traded on a exchange, JSE, NYSE etc
- Bought and sold like normal shares

Fund

- Collection of many shares, bonds etc into a single pool (fund)
- Similar to a unit trust

Considerations:

Less risk than trading individual stocks

- Selection of stocks or bonds is chosen for you
- Minimise losses because one stock's bad performance won't affect your entire portfolio

Less work

- Saves time and effort, don't have to go through each company's financials
- **Know and understand** the ETF's objective and align it to your goals

Lower cost

- No active management fees





Benefits of ETFs



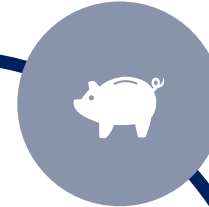
JSE Index

You can get access to ETFs that track JSE indices such as the Stanlib40



Dividend Income

Most ETFs pay a dividend, which you can reinvest to add to your portfolio's growth



Offshore exposure

You can access ETFs that invest in offshore indices such as the Stanlib S&P500 Index Feeder



Low cost and safer

ETFs are generally safer than investing in stocks and come at a lower cost since you're not buying individual shares



Tax-free investing

You can get access to the stock market via ETFs that are listed.



Balanced funds

You can choose what kinds of ETFs to put together to give you the portfolio balance you need to have to achieve your goals





Tax-Free Investing

Benefits of investing ETFs in a tax-free account

NO DIVIDEND WITHHOLDING TAX

Comparatively faster growth rate of the investment

NO CAPITAL GAINS TAX

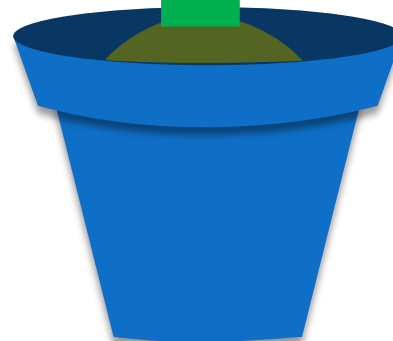
Ensures that you keep all of your investment at maturity

NO TAX ON INTEREST

All interest earned contributes to investment growth

NO SECURITIES TRANSFER TAX:

Lower transaction fees, and thus more money is invested





Tax-free investing

INVESTOR BEWARE!



Contribution limits!

- R33,000 annual limit, so you can invest R2,750 a month
- R500,000 life time limit

Penalties

SARS will penalize you for over contributions and withdrawals!

- You'll be charged 40% of the amount by which you exceed your contribution limit
- You will not be able to replace funds once you withdraw them (your annual limit decreases by the amount you withdraw)



What is withdrawal?

When you take money (withdraw) out of you TFIA

What isn't over-contribution?

- Buying and selling ETFs within the account doesn't count as withdrawal nor contribution
- Transferring your ETF account from one provider to another doesn't count as withdrawal

A man with short dark hair, a beard, and glasses is smiling broadly while looking at a laptop. He is wearing a blue denim shirt. The background is a modern office with a white shelving unit, potted plants, and a window with blinds. The lighting is soft and blue-toned.

Our Investment Platforms



Standard Online Share Trading



PRODUCTS

SHARES

DERIVATIVES

EXCHANGE TRADED PRODUCTS

VIEWPOINT

EDUCATION

COMMUNITY

RESEARCH

WEBINARS

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Access ViewPoint

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Terms and Conditions

Quicklinks

Tools & calculators >

Fees & costs >

Share price

UPDATED 9 JULY	16.0827+0	Standard Bank Share Price 186.75+0	USD 14.2590+0	GBP 17.8794+0	EUR 16.0827+0	Standa >
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Ask the community

Learn about our offering

Get started

Tweets by @SBGTraderZA

SB OST & Webtrader @SBGTraderZA

How do I calculate transaction costs and what should I look out for? bit.ly/2NGvVF

Embed View on Twitter

COST:

- Account: R105 per month
- No fee after three trades within a calendar month



ViewPoint Basic



Dynamic alerts



Search tools



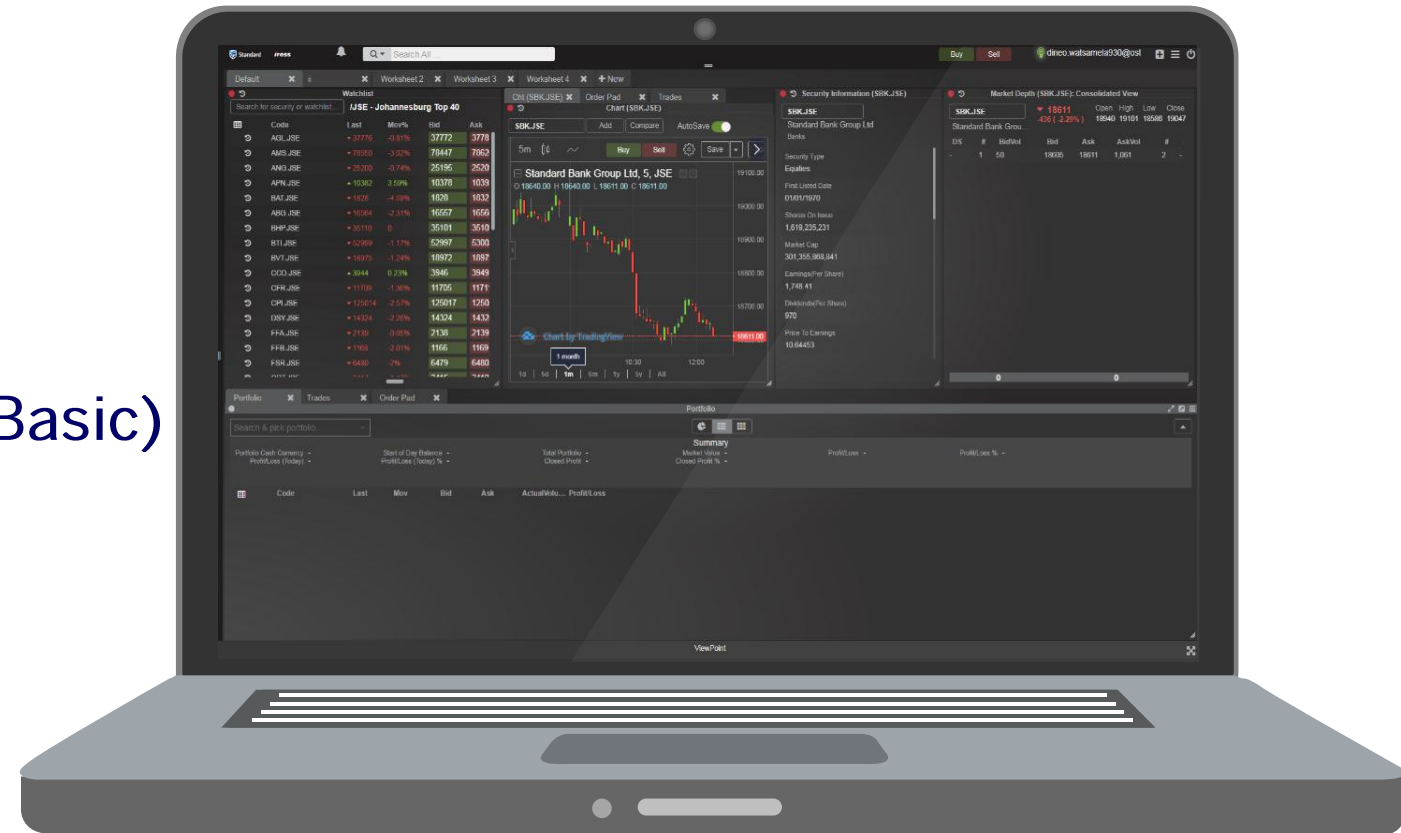
Charting



Delayed market data feed (Basic)



Customisable widgets





AutoShare Invest



Low-cost investing platform that gives you the opportunity to buy and/or sell + 200 JSE listed Shares and ETFs

Clients can define the maximum amount to invest



Clients can instruct once-off purchases and sales at any point during a JSE trading day.

Clients can set up recurring investments in a low touch, 'fire and forget' manner on any day of the month

Clients have the option to automatically reinvest proceeds (dividends, interest etc) in the account into the next investment

Option to automatically pay out the proceeds of a sale or keep them in their account to be used towards a future purchase



ASI Fees



Reduced brokerage rate of just 0.25% no minimums (excluding statutory charges).

There are three different cost scenarios, namely purchasing shares (ASI), purchasing ETFs (ASI) and purchasing ETFs (Tax Free).

Statutory fees comprise:

- Securities Transfer Tax (STT) – 0.25% of trade value, only applicable to the purchase of shares (ETFs exempt)
- STRATE fees are 0.005787% on the value of the share transaction:
 - The minimum is R10.19 for trades with a value up to R176,000
 - The maximum is R73.49 for trades with a value over R1,270,000
- Investor Protection Levy (IPL) 0.0002% of trade value
 - VAT on Brokerage, STRATE and IPL



ASI and TFIA Fees



Monthly Fees

- ASI Accounts have no monthly fees, but do attract a R25 (VAT inclusive) fee for inactivity.
- If there are no investments in your account for 60 days then the inactivity fee will apply.
- Tax Free Investment Accounts attract a monthly fee of R10 (VAT inclusive)

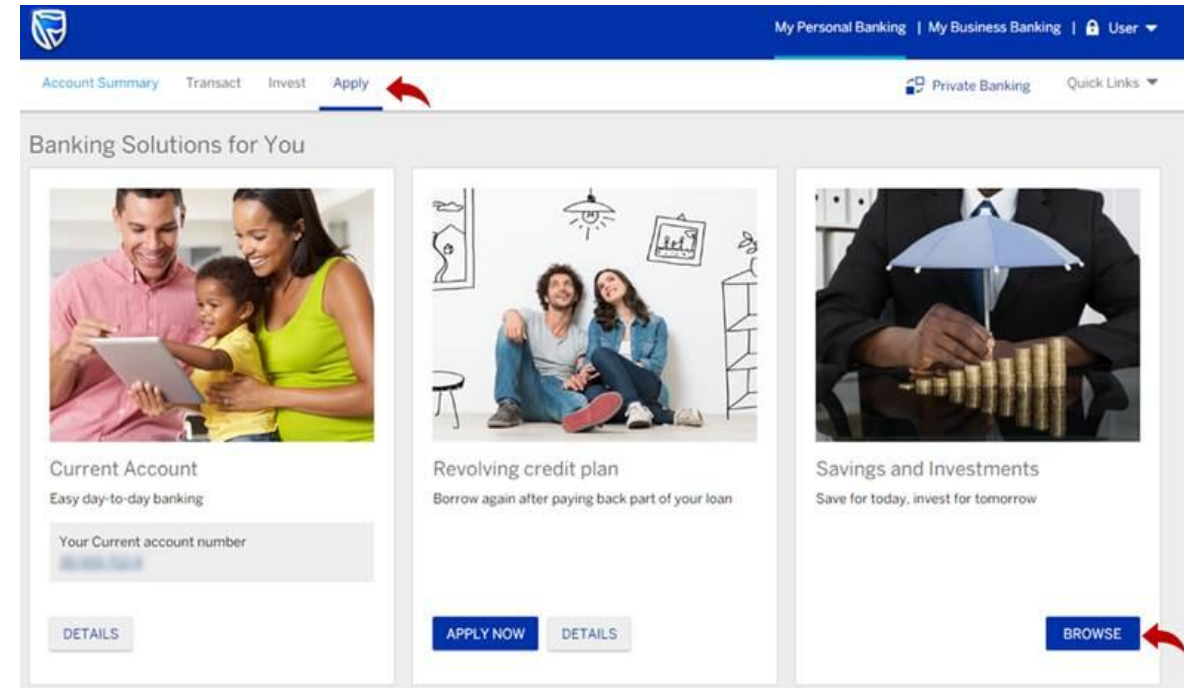
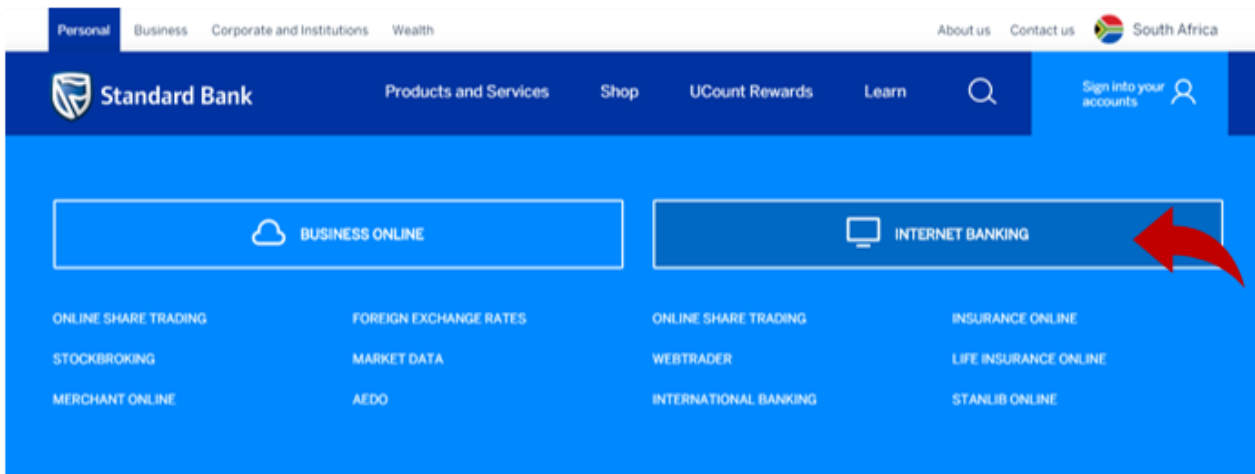


Account Registration



How does it work:

Log on to Internet Banking and select the “Apply” section



Click on “Browse” under “Savings and Investments”



Account Registration



The AutoShare Invest and Tax Free Investment Tiles will be listed in the available options.

AS	AutoShare Invest	TI	Tax Free Investment		
AutoShare Invest (ASI) is a low-cost trading platform that gives you the opportunity to buy and/or sell securities on the JSE on a month-to-month basis.		Invest online in a wide selection of Johannesburg Stock Exchange listed Exchange Traded Funds that are allowable for tax-free investing through our low-cost investment offering.			
Min. investment	Brokerage fee	Access to money	Min. investment	Brokerage fee	Access to money
R 500	0.25%	Anytime	R 250	0.25%	Anytime
TELL ME MORE		GET ACCOUNT	TELL ME MORE		GET ACCOUNT

- The “TELL ME MORE” option will provide additional information about the products.
- Select the “GET ACCOUNT” option to apply for the product under the logged in user.
- Confirm the details and accept the terms and conditions.
- The Account opening process will take up to 48 business hours



Where to find us



Where to find us



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Call centre: 0860 121 161



Community: community.standardbank.co.za



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“The best time to plant a tree was 20 years ago. The second best time is now.”

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QUESTIONS