



ASISA



FOUNDATION



L+EARN

FINANCIAL LITERACY FOR YOUNG ADULTS

# SAVING AND INVESTING

## Asset Classes

### Shares also called Equity or Stocks

- If you buy shares, you buy part of a company – a portion of ownership.
- Companies issue shares to raise money to grow their businesses, which are then bought and sold by investors on stock markets such as the Johannesburg Stock Exchange (JSE).
- If you buy shares, you share in the company's profits or losses.



### Bonds

- A bond is a financial tool that is used by governments, municipalities, State Owned Enterprises and companies to borrow money from investors.
- When investors buy a bond, they in essence give a loan to the organisation issuing bonds, who then repays the loan with interest.



### Property

- You can invest in property by buying a physical buy-to-let property where you become a landlord and find tenants.
- You can also invest in property by putting some money in a property fund or Real Estate Investment Trust. These funds invest in different kinds of properties including commercial (office blocks), industrial and retail (shopping centres).



### Cash

- Investing in cash could mean investing in high interest accounts such as fixed deposits at the bank or money market accounts.
- Cash is usually lower risk and lower return.
- It may not be suitable for long-term investing.

