

# A Practical Guide to Investing

## Bilnor Staffing Solutions – Financial Wellness Resource

### DISCLAIMER:

This guide is provided for general informational purposes only and does not constitute financial, legal, or professional advice. Bilnor Staffing Solutions is not liable for decisions made based on this document. For personalised advice, consult a qualified financial professional.

## 1. Introduction

Investing is one of the most effective ways to build long-term wealth, secure your future, and create financial independence. This guide breaks down the basics of investing in simple, practical steps suited for South Africans.

## 2. Invest in Yourself First

Before you invest in financial products, your most important investment is you.

### 2.1 Skill Development

- Take short courses to improve your employability.
- Upskill in high-demand areas like digital literacy, project management, or industry-specific training.

### 2.2 Health & Well-Being

- A healthy body and mind keep you productive and reduce long-term medical costs.
- Prioritise sleep, exercise, and mental resilience.

### 2.3 Financial Education

- Learn the basics of budgeting, saving, debt management, and interest.
- Read reputable financial blogs, watch tutorials, or consult accredited advisors.

Why it matters:

Investing in yourself increases your earning potential — which increases how much you can invest.

## 3. Investing in the Stock Market

The stock market allows you to buy shares (small pieces) of companies. Over the long term, the stock market historically outperforms most other investments.

### 3.1 Ways to Invest in Shares

- Local platforms: EasyEquities, SatrixNOW, BrockStock or your bank's investment platform.
- Local indices: JSE Top 40, S&P South Africa 50.

- Global exposure: S&P 500, NASDAQ, MSCI World, etc.

### **3.2 Benefits**

- High growth potential
- Accessible starting amounts (from as little as R10 on some platforms)
- Easy to diversify across many companies

### **3.3 Risks**

- Values go up and down
- Best suited for long-term investing, not quick returns, “time in the market” is better than trying to “time the market”.

## **4. Unit Trusts and ETFs**

Unit trusts and exchange-traded funds (ETFs) allow you to invest in a basket of shares, bonds, or other assets — ideal for beginners.

### **4.1 What They Are**

- Unit Trusts: Professionally managed funds.
- ETFs: Track an index (e.g., Top 40), usually low-cost.

### **4.2 Benefits**

- Beginner-friendly
- Diversified (lower risk)
- Affordable monthly contributions
- Regulated and transparent

### **4.3 Popular Options in South Africa**

- Satrix Top 40
- Allan Gray Balanced Fund
- Old Mutual Index Funds
- 10X High Equity Fund

## **5. Investing in Property**

Property remains a popular investment option, both for personal use and generating rental income.

### **5.1 Buying Property**

- Requires a deposit and bond approval
- Long-term asset that generally increases in value
- Can generate rental income

### **5.2 Property Alternatives**

If owning physical property is too expensive, consider:

- REITs (Real Estate Investment Trusts)
- Property ETFs

These give you exposure to property at a fraction of the cost.

### 5.3 Risks

- High upfront costs
- Maintenance and rates
- Vacancies or unreliable tenants

## 6. Diversifying Your Investments

Diversification protects you from putting all your money in one place.

A simple beginner-friendly example:

- 40% ETFs or unit trusts
- 30% local and global shares
- 20% retirement or tax-free investments
- 10% alternative options (property, REITs, etc.)

Adjust according to your goals, risk tolerance, and time horizon.

## 7. Practical Steps to Start Investing

1. Set your goals: What are you investing for? (Retirement, wealth building, children, etc.)
2. Determine your risk level: Conservative, moderate, or high risk.
3. Start small: Even R100 per month makes a difference.
4. Choose a platform: Bank, unit trust provider, or low-cost app.
5. Invest consistently: Monthly contributions are key.
6. Review annually: Adjust your portfolio as your life changes.

## 8. Avoid These Common Mistakes

- Trying to get rich quickly
- Following social media “hot tips”
- Stopping investments during market dips
- Not diversifying
- Investing without goals or a plan

Investing doesn't have to be complicated. By starting small, learning continuously, and choosing sensible long-term investments, anyone can build wealth and create financial security. Whether you focus on the stock market, unit trusts, property, or personal growth, the key is consistency.

Your financial journey starts with one decision - start today.