

What early investing means for your future

Simon Brown
Just One Lap

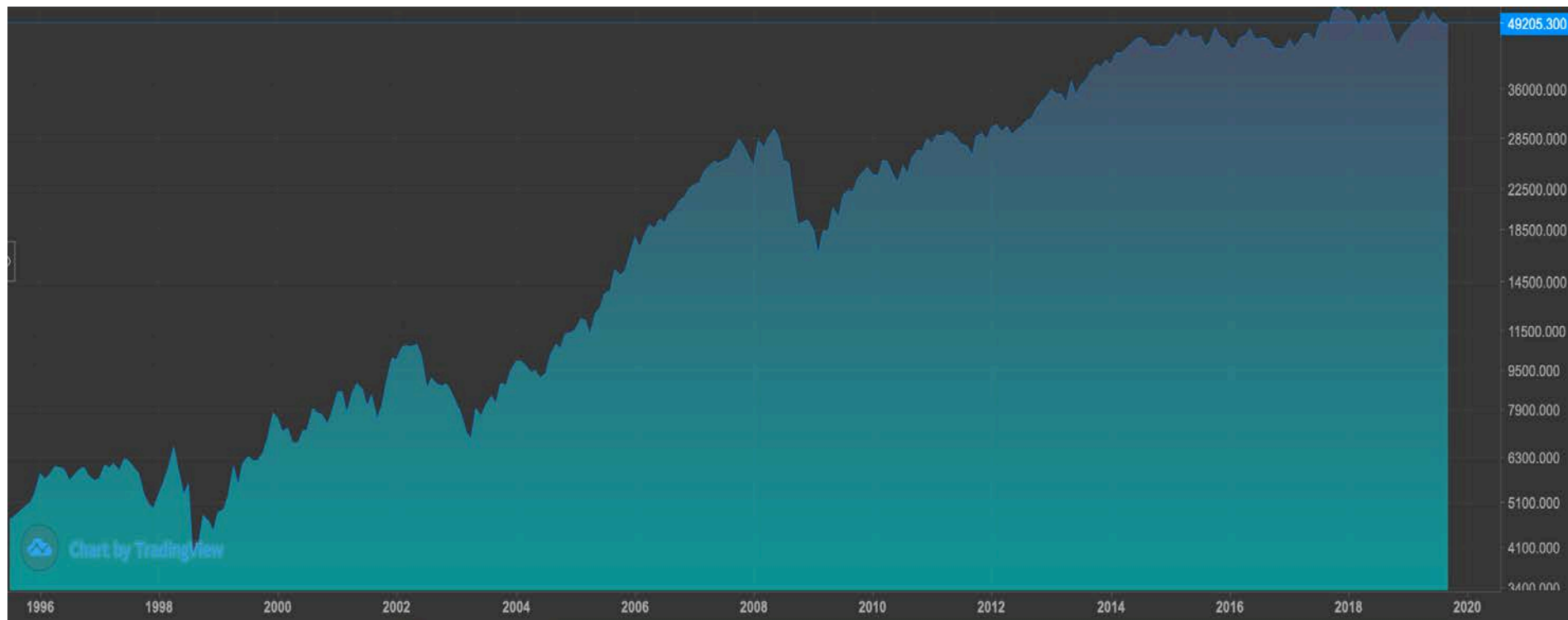




JS≡

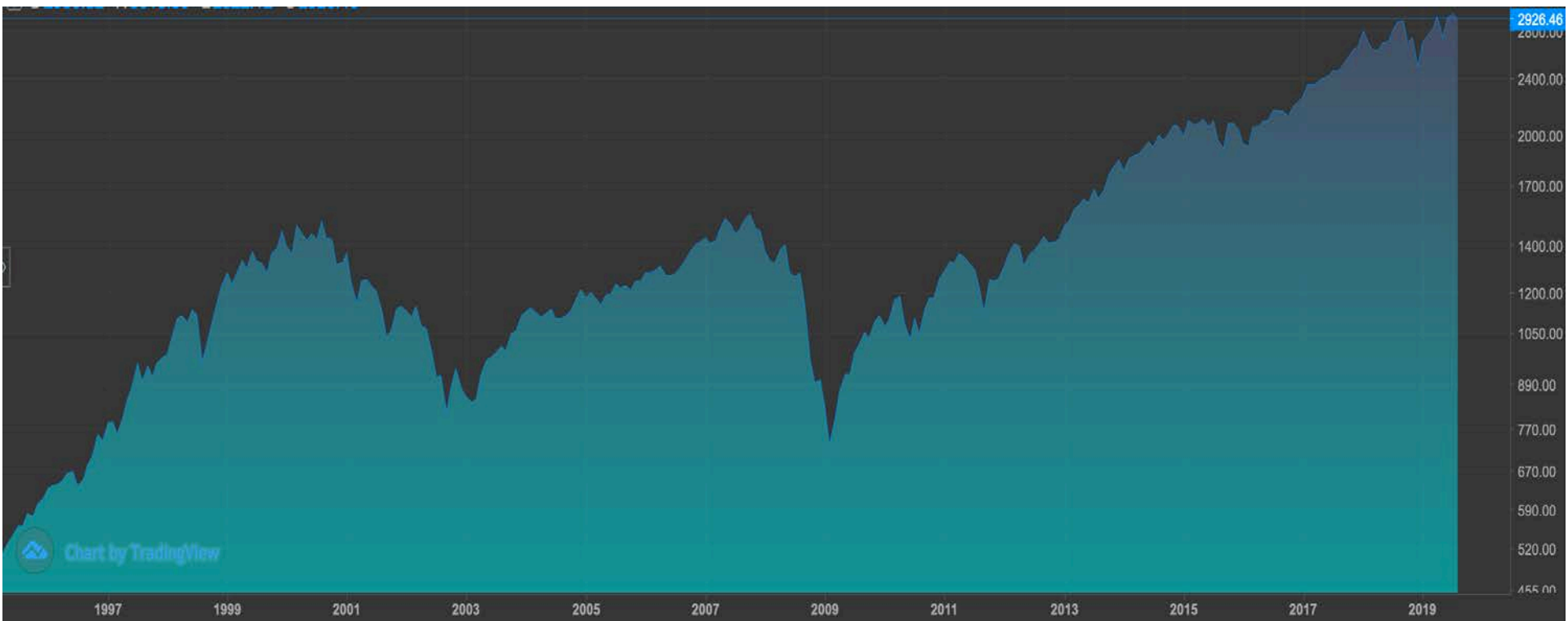
Top40 (log scale, ex divs)

JS



S&P500 (log scale, ex divs)

JS



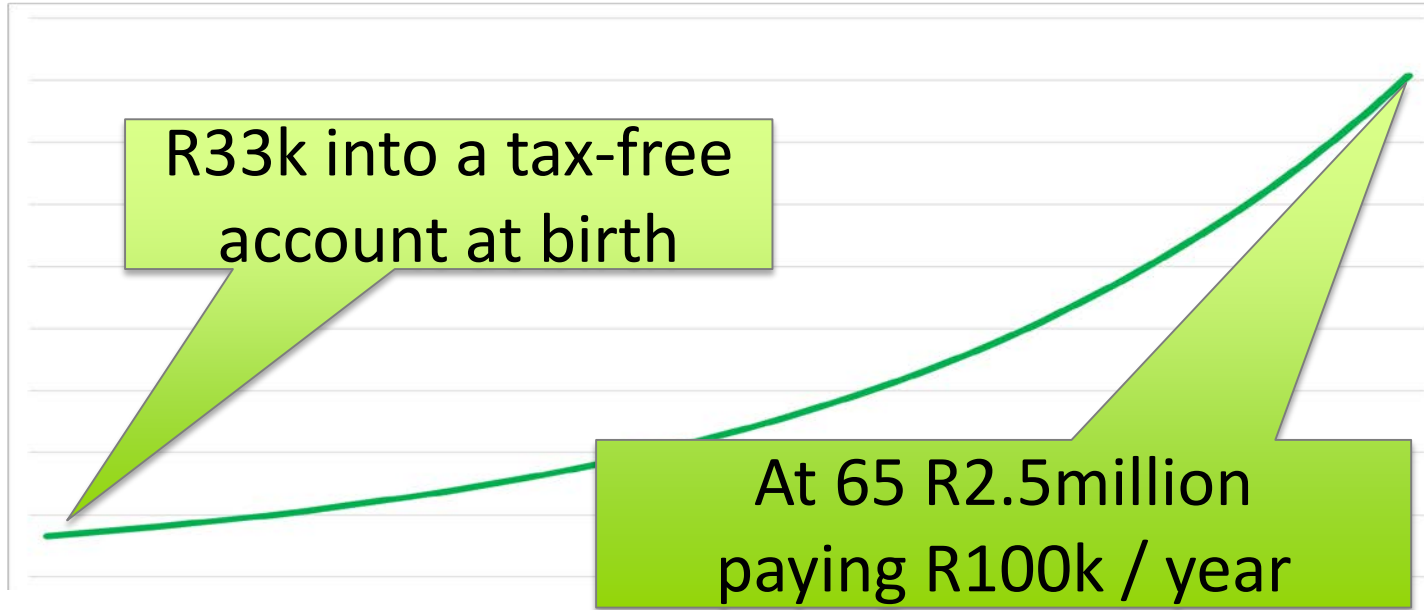
Compounding

“Compound interest is the 8th wonder of the world. He who understands it, earns it; he who doesn't, pays it.”

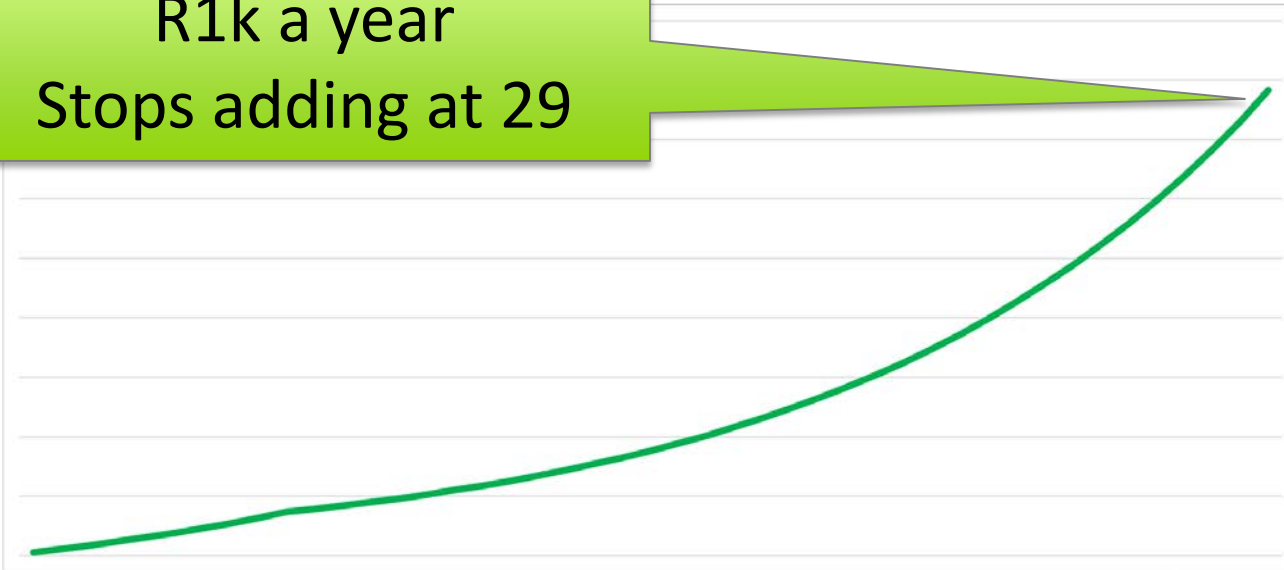
Albert Einstein



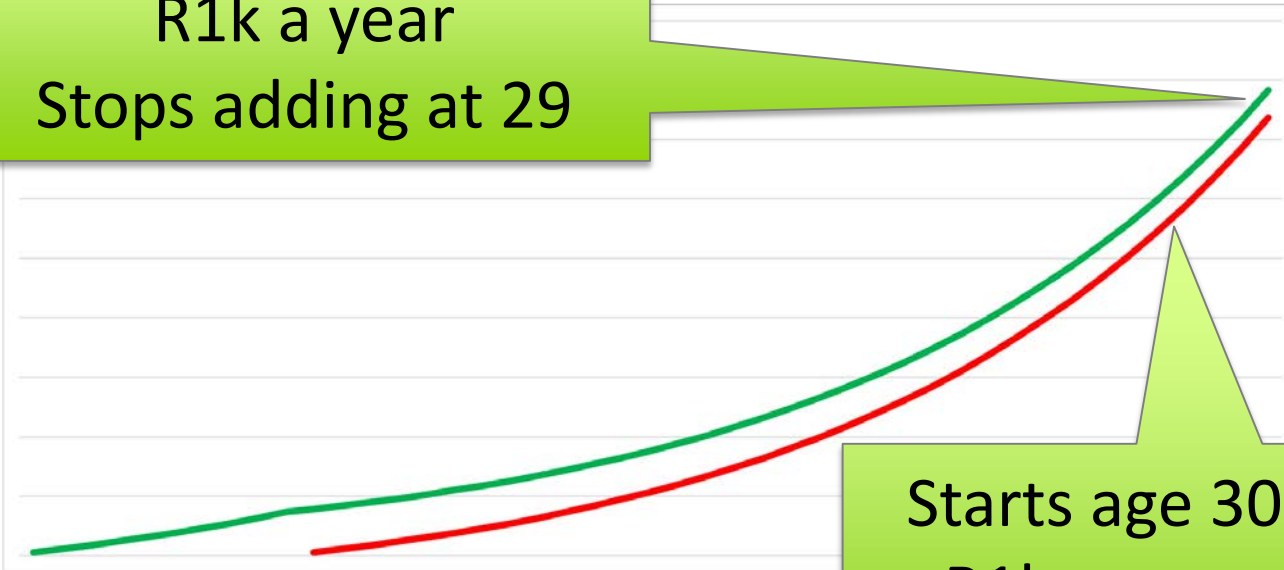
Tax-free from birth



Starts age 20
R1k a year
Stops adding at 29

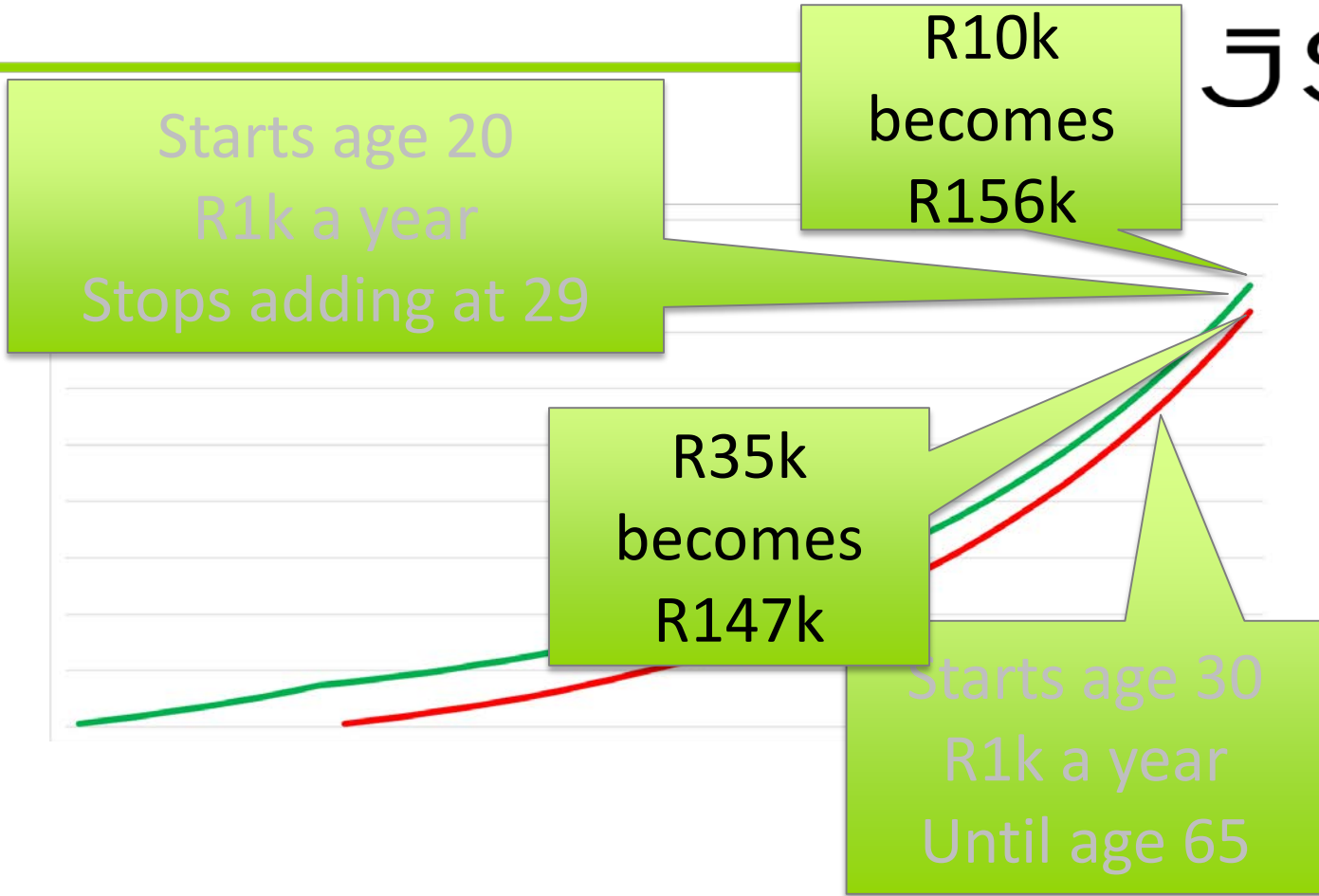


Starts age 20
R1k a year
Stops adding at 29



Starts age 30
R1k a year
Until age 65

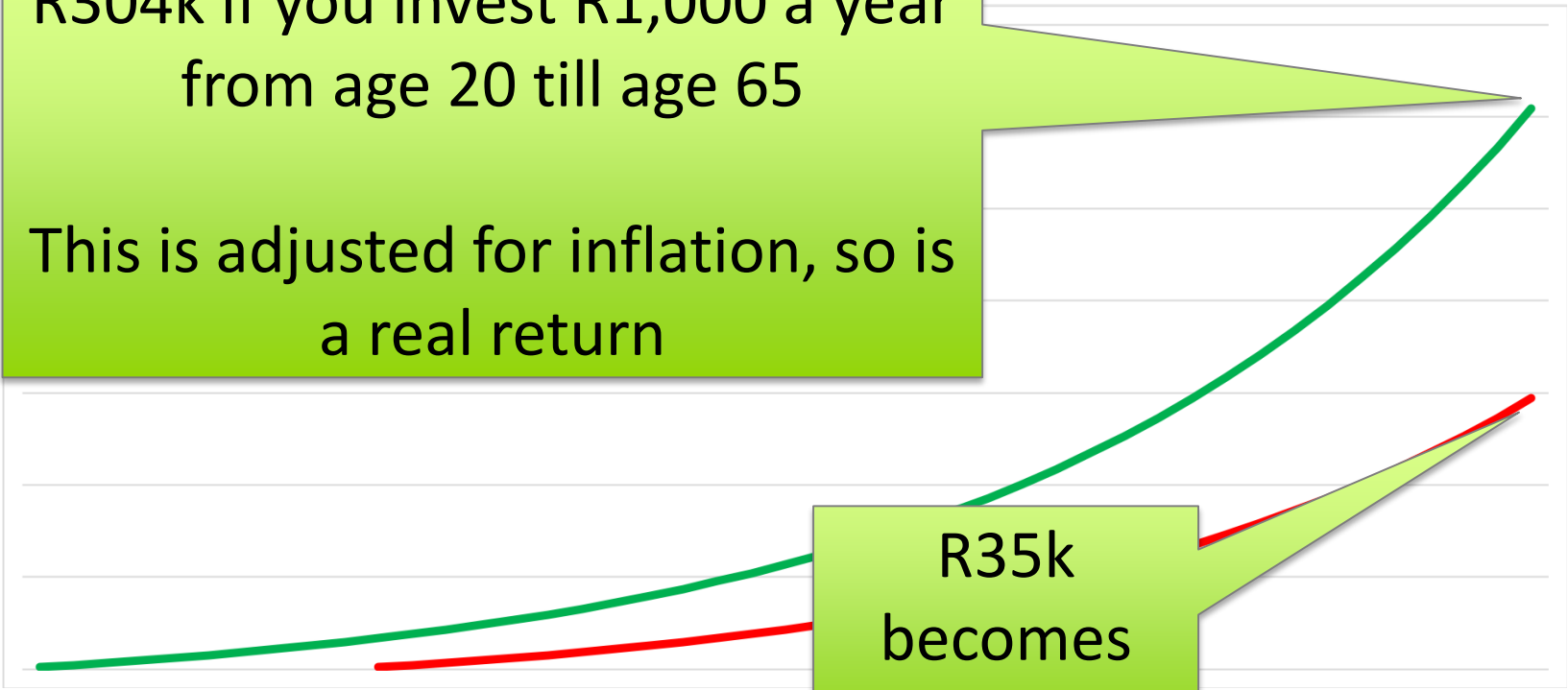
JS ≡



R304k if you invest R1,000 a year from age 20 till age 65

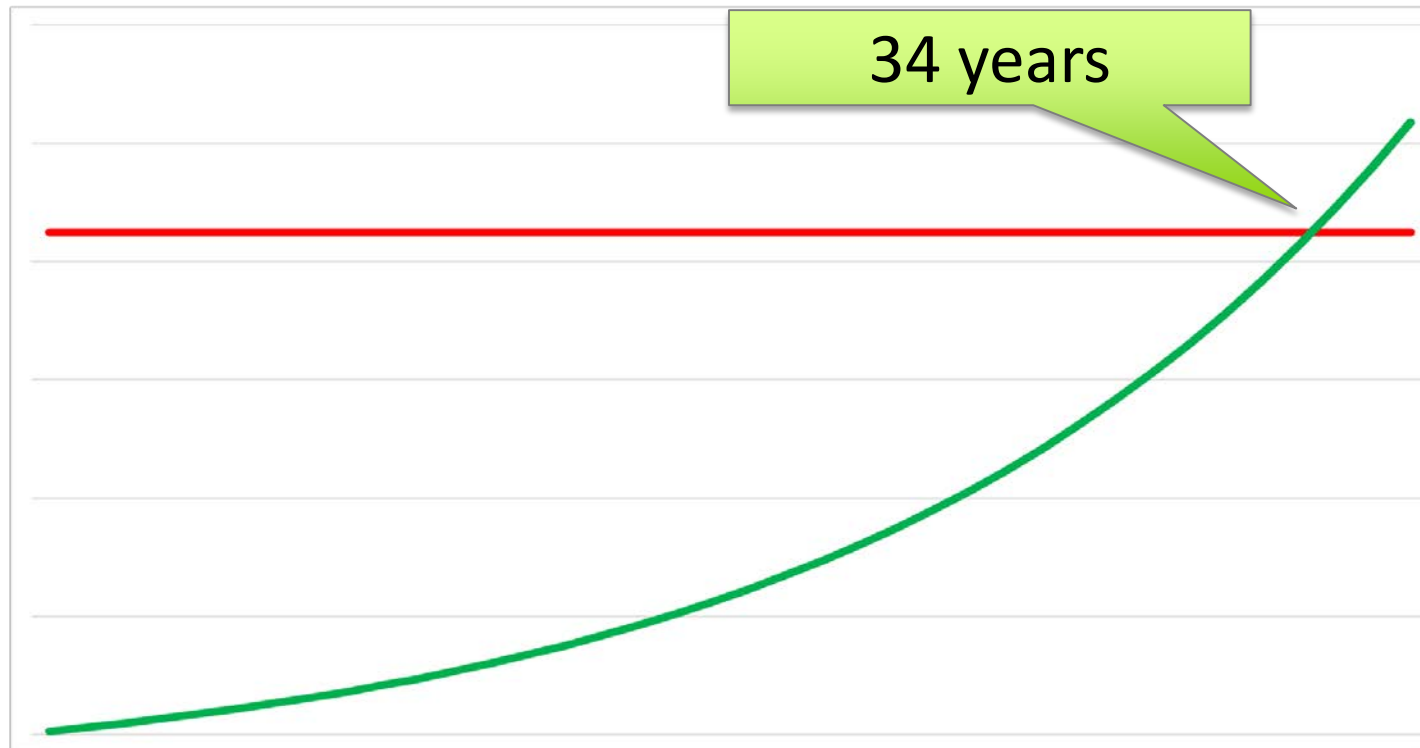
This is adjusted for inflation, so is a real return

R35k becomes R147k



Save 15%

JS



7% real return, no inflation ~ 4% draw down

How to use time

JS

Save / invest from your first salary

More is ALWAYS better

Lower fees are ALWAYS better

Tax-free first (R33k / year)

There after retirement product (27.5% / R350k)

Then back to discretionary investments

Low cost and passive (ETFs)



How to use time

JS

Your income is not the solution

Your income is **not** shooting higher

You're **not** going to win the lotto

An unknown rich aunt / uncle is **not** about to die

Focus on your spending

Lower spending = more invested & less required

They converge



Save 50%

JS



7% real return, no inflation ~ 4% draw down

Save 90%

JS



7% real return, no inflation ~ 4% draw down

Debt kills time



Taking money from your future

Over paying for the product (interest ~ you're paying it)





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JS ≡