



# **Financial mistakes young people make with their money**

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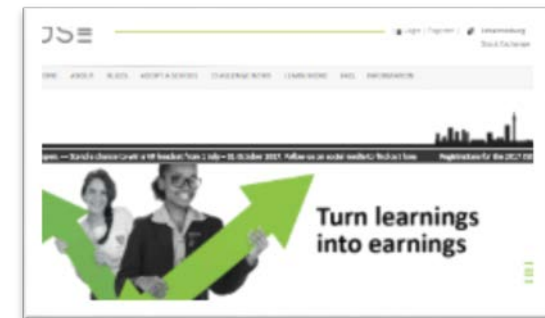
## JSE trading platforms for the youth

<https://schools.jse.co.za>

### JSE Investment Challenge

<https://university.jse.co.za>

- High school learners and university students
- R1m in virtual funds per team (Highest Growth wins)
- Online platform
- Game is played in teams of two, three or four
- Game starts March ends in September each year
- Three different portfolios for the schools challenge: Income (savings and investing), Equity or Speculator
- Instruments you can trade in are: shares, ETFs and ETNs, warrants and Top40 single stock futures
- Monthly and annual prizes to be won (2019 winner of university challenge includes trip to an international stock exchange)





## The Young Generation



- Born 1996
- All about technology
  - Social Media
- Financially focused
  - Grew up during a market crash
- Change is welcome

# Trading vs Investing

## Trading

**Seconds to a few months**

### JSE Products Used

- Shares
- Derivatives
  - SSF
  - Options

### Non JSE Products

- Forex
- Cryptocurrency

**High Risk**

## Investing

**1 to many years**

### JSE Products Used

- Shares
- ETFs

### Non JSE Products

- Unit Trusts

**Lower Risk**

## The Young Generation Financial Mistakes

1. Look for short cuts to wealth
2. Don't invest for the long term
3. Spend beyond their means
4. Don't educate themselves enough on trading/investing.



## Mistakes the youth make around Trading & Investing

### Trading

- Trends on Social Media
  - Forex and Crypto currency
- Don't decide on when to take profit or have an stop loss strategy
- Think the smaller the share price the better the investment

### Investing

- Impatient
- Wanting instant gratification and therefore not prepared to invest for the long term.
- Don't have consistency



# Success Stories Trading & Investing – R10 000 up to 30<sup>th</sup> August 2019

## Shares short term

### Telkom

R 15 830 → 58% (12 months)

R 19 785 → 97% \*(9 months)



R 19 250 → 92% (3 months)

## Shares long term



R 56 254 → 462% (10 years)



R 51 634 → 416% (5 years)

R 199 072 → 1890% (10 years)

# Investment Challenge University - Leader Board

## OVERALL Tuesday – 3 September

Pos	Name	Income	Cash	Holdings	Total	Growth
1	Hedgehog Fund INV	R 17 897,81	R 139 487,34	R 1 556 525,36	R 1 696 012,75	69.6013%
2	Trade bullies	R 34 146,75	R 1 232 243,13	R 462 500,00	R 1 694 743,13	69.4743%
3	Gym buddies	R 51 824,34	R 1 145 965,38	R 518 317,30	R 1 664 282,66	66.4283%

## OVERALL Monday – 2 September

Pos	Name	Income	Cash	Holdings	Total	Growth
1	Trade bullies	R 33 775,50	R 1 231 871,88	R 448 000,00	R 1 679 871,88	67.9872%
2	Gym buddies	R 51 437,51	R 1 133 020,50	R 518 317,30	R 1 651 337,78	65.1338%
3	Hedgehog Fund INV	R 17 812,89	R 125 947,41	R 1 524 296,44	R 1 650 243,88	65.0244%

## OVERALL Friday – 30 August

Pos	Name	Income	Cash	Holdings	Total	Growth
1	Hedgehog Fund INV	R 17 248,12	R 76 164,32	R 1 697 189,43	R 1 773 353,83	77.3354%
2	Trade bullies	R 31 550,36	R 1 229 646,75	R 451 000,00	R 1 680 646,75	68.0647%
3	Mount Fuji Traders	R 27 679,67	R 280 651,47	R 1 378 661,19	R 1 659 312,66	65.9313%

## Key takeaways

1. Understand your biases
2. Embrace your passions (trading/investing) but understand and manage the risks.
3. Use your technology skills to your advantage.
4. Look at the big picture and invest a portion long term even if you trading and remember to be consistent.
5. Do your own homework on new investments/strategies you come across before throwing your money at it.
6. Learn to ask the right questions



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QUESTIONS

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