

N-Ordinary Shares



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What is a share?



- If you own a share, you own a portion of a company;
- Someone who owns one or more shares is called a shareholder;
- Shareholders may receive cash flows (dividends) if a company's board of directors declare that the company has performed well and has enough profit to distribute to its shareholders;
- A share in the company gives you the right to vote on decisions affecting the company;
- You can also call a share, 'equity' or 'stock'.

N-ordinary shares



- N-ordinary shares are the same as ordinary shares except that they give shareholders minimal or zero voting rights;
- N-ordinary shares often trade at a discount to ordinary shares, although they are likely to cost less, they pay out the same dividends as ordinary shares.

Benefits of investing in N-ordinary shares



- N-ordinary shares receive the same dividends as ordinary shares;
- Dividends for N-ordinary shareholders are not fixed and can be higher than dividends for preference shareholders;
- Besides cash flow, shareholders can also obtain capital growth i.e. selling the share at a price higher than what it was purchased at.

Who should invest in N-ordinary shares?



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- Investors looking for a long term investment;
 - Investors with a high appetite for risk, willing to take higher risk to achieve higher return.

Factors to consider when investing in N-ordinary shares: Risk, Return and Dividends



- Investing on the stock market is riskier than some other investments.
 - The reason for this is that share prices rise and fall all the time as economic and market forces change.
- However, the higher **risk** involved also means that you have an opportunity to make a greater profit.
 - Usually, higher risk means a higher **return** (profit).
- It is important to realize that share trading normally does not make you rich overnight, but that it should be treated as a long term investment.
- Should the company cease to exist, the N-ordinary shareholders might receive a dividend after the company's debt has been paid, the preference shareholders' **dividends** has been paid.
- An N-ordinary share dividend is never guaranteed.

How to invest in N-ordinary shares?



- To buy or sell N-ordinary shares on the Johannesburg Stock Exchange (JSE) you need to open a brokerage account with an accredited **stockbroker**;
- You can find a list of stockbrokers [here](#).

Contact us

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