

Teach Your Child to Invest

In an article by Christina Castle, she suggests we leave our loved ones a legacy of investment intelligence and the savvy to create their own retirement nest egg.

In some families it is taboo to discuss money, and many need to learn about money and investing on their own. Castle says that she has had help from Dave Foord's *Time In The Markets*, which she used to teach her children about investments.

No matter the age of your children, it is never too late or early to start a conversation with them about money and investing. Castle suggests it is vital to ensure you have this talk with your children, and to have it often.

Some principles which are easy for children to grasp, simple to convey and bound to spark a conversation and an interest in investing are:

Never lose money

This is Warren Buffet's first rule of investing and a reminder to do your homework before investing.

To win in the investment game, you must first survive

It is important to understand the risk of investing and managing it. Risk is the possibility of permanently losing money.

Compounding is a powerful force

It was said by Albert Einstein, "Compound interest is the most powerful force in the universe". It competes with the wheel as one of the most important tools of man. Castle says you need to harness this force to become a great investor.



Think in years, comprehend in decades

Castle says that time is one of the most important elements in the compounding formula. It is important to be patient with investments, and to give them time. Only then will you realise their full potential.

Know and understand the difference between investing and speculation

Castle mentioned, "Speculation is a short holding period and uncertain result. An investment is a long holding period and a more certain result".

Diversification is the only 'free lunch' available to investors



Diversification will reduce risk of loss by investing in a variety of assets. Castle suggests using it as often as possible, but not as much as possible, as too much diversification reduces return.

For any assistance with your investment needs, please contact our office for referral to a PW Harvey & Co financial advisor



This month, in conjunction with Quilter Cheviot, we hosted a client presentation evening at Savages in Park Drive, Port Elizabeth

This and That

- **Bill Gates** has never ranked lower than No 2 in the seven-year history of the Bloomberg Billionaires Index. That run ended when the Microsoft Corp. co-founder dropped to No 3 behind France's **Bernard Arnault**.
- Were it not for Bill Gates' philanthropic giving, he'd still be the world's richest person. Gates has donated more than \$35 billion to the **Bill & Melinda Gates Foundation**.
- Ethiopians have planted more than **350 million** trees in a single day as part of a campaign to fight deforestation and climate change.
- Axed Old Mutual CEO **Peter Moyo** won his bid against his former employer, to be temporarily reinstated. His dismissal has been declared unlawful.
- China's economic growth rate slowed to **6.2%** in the second quarter, the weakest pace in **27 years**.
- **Japan** and **Singapore** remain top of the ranking of the world's most powerful passports, new global research has revealed.

TOP 3 INSTAGRAM RICH LIST 2019



1. Kylie Jenner

139,226,677 followers and \$1,266,000 per post

2. Ariana Grande

158,417,760 followers and \$996,000 per post

3. Cristiano Ronaldo

172,803,418 followers and \$975,000 per post

Investing in the US for a Green Card to become more expensive



A dramatic increase in the investment threshold for foreigners to access a US Green Card via the EB-Programme is prompting a flurry of interest among South Africans. Chris Immelman, who heads up Pam Golding International, says that within a month this amount increases from US \$500 000 to US \$1.35 million, which, taking into account the exchange rate, is a significant hike for South Africans wishing to acquire USA citizenship via this method. Immelman says that they are already seeing families being gifted the funds from relatives to enable them to take up the opportunity before the increase is implemented.

Some good economic news



South Africa recorded a **R1.74 billion** trade surplus in May, SARS revealed. This means we exported more than we imported. Exports jumped more than 8% to **R112 billion**

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Have a look at what some students had to say about our PW Harvey & Co Student Workshop!

To view the video, [click here](#)

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