

## Message from the SPSE INVESTOR EDUCATION TEAM

***A brand new year and whole set of resolutions!  
Have you managed to map-out a plan for your financial goals?***

A very warm welcome once again to all our readers, followers and investors! The Exchange is once again starting-off with its Monthly Stock Market Awareness Column in a bid to provide all relevant information to those who wish to begin with share investments and have them as part of their investment portfolio.

This month, we will focus on investment basics and begin with a primer that answers a number of commonly asked questions that we receive from the non-investing public, some of whom have since become active stock market investors.

**Q: What is the difference between Saving and Investing?**

People generally use these two words interchangeably, thinking that they mean the same thing. There is a difference.

***Saving*** - involves simply setting money aside for future spending. It is usually put in a safe place that is easily accessible by you, whether under your mattress or in a savings account at a commercial bank.

***Investing*** - is when you use your savings to purchase a financial product or something of value with the intention of earning a good return and growing its value overtime.

**Q: Why should I invest?**

Choosing to invest your finances now gives you the following benefits:

- ▶ To help you achieve a ***future financial goal***, such as; buying a house, accumulating start-up capital for your own business, accumulating funds for kids education or even buying a car;
- ▶ For ***financial security*** – to meet ad-hoc expenses such as funeral expenses, unexpected medical treatment or job-loss. Now with recurring natural disasters, investing in an intangible asset like shares or units offered by a Unit Trust can help you recover faster or remain resilient in the face of these unfortunate and unexpected events;
- ▶ To have a ***secure retirement*** – investing now will enable you to maintain the same standard of living that you currently enjoy even after retirement;
- ▶ To help you grow your hard earned ***savings at a faster rate***.

**Q: When should/can I start investing?**

It is often said that one can start investing as and when they please and that you're never too young or too old to start. It is also often said that the earlier you start investing, the greater the chances of accumulating or generating wealth relative to those who start later – you basically have the benefit of time! HOWEVER, before you invest, there is a little more thinking and self-assessment that you should do. Below are some things that you should consider.

**Q: What are some of the things I should consider before Investing?**

In order to make investing work for you, you must think through the following matters carefully first before you decide to invest:

- ▶ Outline your current financial situation — set your expenses against your income and identify whether you have surplus funds available for investment or not. You cannot become an investor until you have mastered the art of saving!
- ▶ Identify your investment objectives — what are you saving and investing for? What do you want to achieve and when do you want to achieve it by?
- ▶ Outline whether you are investing for a short-term or long-term period;
- ▶ Identify whether you are investing for income, growth or both;
- ▶ Identify how much risk you are prepared to take to earn returns;
- ▶ Shop around for investment options! There are many types of investments available in Fiji. These include term deposits, bonds, real estate, insurance products, unit trusts and shares. These investments are all different in nature and offer varying returns; and
- ▶ Ask the investment providers whether their product is regulated by the Reserve Bank of Fiji (The institution that monitors and supervises players and transactions in Fiji's financial system).

### Q: What can I invest in through the SPSE?

In Fiji's stock market you have a choice of 19 well-known companies that offer shares which you can invest in. Shares are a type of investment that gives investors a fraction of ownership in a company. These 19 companies are listed on and regulated by the SPSE and monitored also by the Reserve Bank of Fiji.

In our next article we will delve more into these companies and the type of returns that you can get from investing in shares.

### Q: Who can I talk to before I make an investment decision?

- ▶ If you wish to start investing in SPSE listed company shares, you will need to use the services of a licensed stockbroker;
- ▶ These stockbroking companies can also help you answer some of those key questions that you will need to consider before you start investing;
- ▶ There are three licensed stockbroking companies in Fiji. Investors have a choice to contact one of the companies.

#### Contacts for Licensed Stockbroking Firms:

- ▶ **Kontiki Stockbroking Ltd (KSB)**  
Phone: 3307 284      Email: [broking@kontiki.com.fj](mailto:broking@kontiki.com.fj)
- ▶ **FijiStock Brokers Ltd (FSB)**  
Phone: 3304 675      Email: [mail@fijistockbrokers.com.fj](mailto:mail@fijistockbrokers.com.fj)
- ▶ **FHL Stockbrokers Ltd (FHS)**  
Phone: 3307 025      Email: [fhls@fijianholdings.com.fj](mailto:fhls@fijianholdings.com.fj)

Join us again in our next edition where we will talk a little bit more about what shares are as an investment product, the type of investment returns you get from shares, the process of buying shares and what is the minimum amount to invest in shares.

Until the next edition, we wish you all a Happy Valentines Day and if you still haven't thought of a Gift yet for your loved one, then talk to us today about investing in shares as a Gift – a Gift that will definitely not get consumed over night!

*For further information including those relating listing on the Exchange, listed company performance and/or investing in SPSE listed companies, please feel free to contact us.*

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