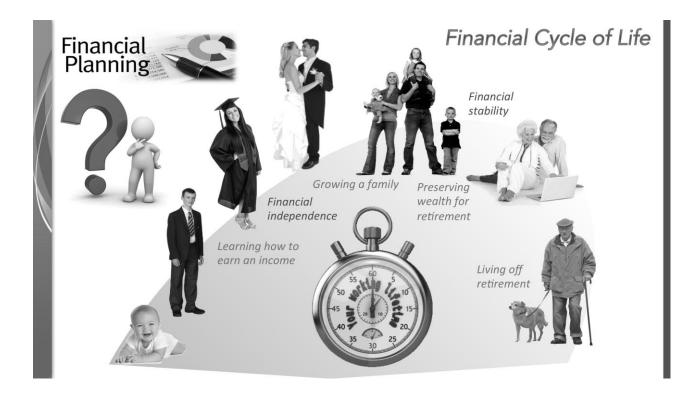
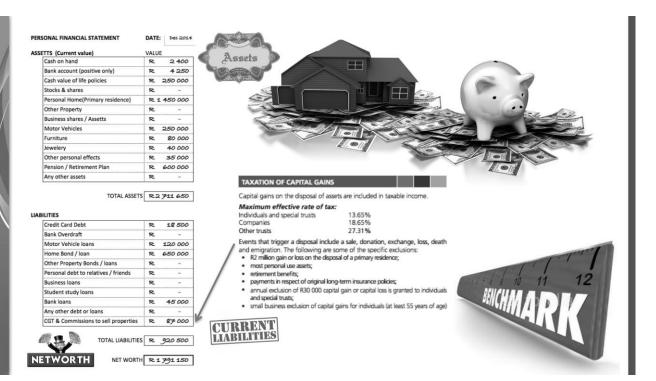


WELCOME TO FINANCIAL BOOM!

Session 2 – Wealth Management: Investing and small business









NON-INCOME GENERATING

• Personal Home Loan

INCOME GENERATING LONG TERMS

- Vocation Loans (Student Loan)
- Business Venture Capitol

INCOME GENERATING

- Residential Property
- · Commercial Property

Good Debt



PROPERTY INVESTMENT EXAMPLE OF GOOD DEBT (And Passive Income)

	TYPICAL INCOME	MONTHLY		ANNUALLY			
\vdash	SALARY	R	30 000				
BUDGET BEFORE PROPERTY INVESTMENT	RENT INCOME						
	UIF (1%)	R	300				
	PROV TAX	R	5 790				
	Note: Tax rebates excluded						
	TOTAL	R	23 910	R	286 920		
	TYPICAL EXPENSES						
	Home Bond	R	3 500				
	House keeping	R	6 000				
	Car Payment	R	4 500				
	Medical plan	R	1 850				
	Petrol	R	1 500				
	Entertainment	R	1 500				
	Giving	R	2 500				
	Savings	R	1 000				
	Extra Bond						
	TOTAL	"R	22 350	R	268 200		
	TYPICAL BAL	R	1 560	R	18 720		





	HOUSE PRICE	R1 200 000					
	DEPOSIT	R	400 000				
PURCHASE A RESIDENTIAL PROPERTY	Note: + Transfer & Bond Costs						
	BOND AMOUNT	R	800 000				
	INT (Prime - 2%)		7.50%				
	PAYMENT PERIOD	20	YEARS				
	MONTHLY PAYMENT	R	6 445				
	INT Portion	R	5 000				
	Capitol Portion	R	1 445	R	17 337		
	HOUSE EXPENSES	MONTHLY		ANNUALLY			
	(SARS PERSPECTIVE)						
	Rates & Taxes	R	950	R	11 400		
	Note: Services costs passed on to tenants						
	Insurance	R	220	R	2 640		
	Maintenance	R	500	R	6 000		
	BOND Int portion	R	5 000	R	60 000		
	TOTAL	R	6 670	R	80 040		
Σ.	RENT OF PROPERTY	R	8 000	R	96 000		
	NET PROFIT	R	1 330	R	15 960		

N.	TYPICAL INCOME	MONTHLY		ANNUALLY			
	SALARY	R	30 000				
	RENT INCOME	R	1 330				
#	UIF (1%)	R	300				
É	PROV TAX	R	6 187				
ES	Note: Tax rebates excluded						
BUDGET AFTER PROPERTY INVESTMENT	TOTAL	R	24 843	R	298 116		
	TYPICAL EXPENSES						
	Home Bond	R	3 500				
	House keeping	R	6 000				
	Car Payment	R	4 500				
	Medical plan	R	1 850				
	Petrol	R	1 500				
	Entertainment	R	1 500				
A	Giving	R	2 500				
Η.	Savings	R	1 000				
BUDGE	Extra Bond	R	1 445				
	TOTAL	r _R	23 795	R	285 537		
	TYPICAL BAL	R	1 048	R	12 579		



Starting a business or an investment - process

- ♦ Viability? (Is there a need / competition / Market Research)
- ◆ Do you have the knowledge / experience?
- ♦ How will you fund it?
- ♦ Where will you locate it? (suitability)
- Business models (business plan)
- ◆ Test your idea (council)
- Understanding Cash flow
- Implementation Plan
- Constant assessment