

Investing 101 Glossary



The Investing 101 Glossary

Term	Simple Definition
Bonds	Think of this as a "loan" you give to the Government or a company. They promise to pay you back with a bit of extra interest after a set time.
Commodities	Physical "stuff" from the earth, like gold, platinum, or oil. People buy these because they usually hold their value when the economy is shaky.
Cryptocurrency	A type of "digital money" that isn't controlled by any bank or government. It uses secure technology called <i>Blockchain</i> to track who owns what. It can be very exciting but also very risky because its value can change drastically in a single day.
Dividend	A "thank you" payment. Some companies pay out a portion of their profits to their shareholders in cash.
Dow Jones	This is the American version of an index. It tracks 30 of the biggest, most famous companies in the USA (like Microsoft, Disney, and Coca-Cola). When you hear "the US markets are up," they are usually talking about the Dow.
ETF (Exchange Traded Fund)	A "basket" of many different companies. Instead of buying just Sasol or just Capitec, an ETF lets you buy a tiny slice of the top 40 companies in SA all at once.

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Investor Profile	This is your personal "investment personality." It's a plan based on your age, how much money you have, and how much "risk" you can handle before you start losing sleep. It helps you decide if you should be a Conservative (playing it safe) or Aggressive (going for big growth) investor.
JSE Index	Think of this as a "thermometer" for the South African stock market. It takes the average performance of a group of companies (like the Top 40) to tell you if the market as a whole is "healthy" (going up) or "sick" (going down).
Portfolio	The total collection of all your different investments. It's the "folder" that holds your shares, bonds, and cash.
Shares (Equities)	You are buying a small piece of a company. If the company grows and makes a profit, your piece becomes more valuable.
The JSE	The Johannesburg Stock Exchange. It is like a "giant digital mall" where people go to buy and sell shares in South African companies.

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Trading	While <i>investing</i> is like planting a tree and waiting years for fruit, trading is more like buying and selling items quickly to make a fast profit. Traders focus on short-term price changes rather than long-term growth.
Unit Trust	A fund managed by a professional "Money Manager" who chooses where to invest the money for a group of people to get the best return.