

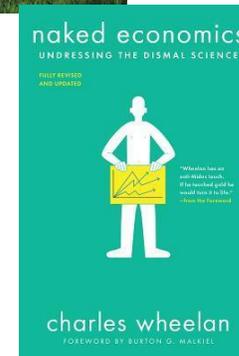
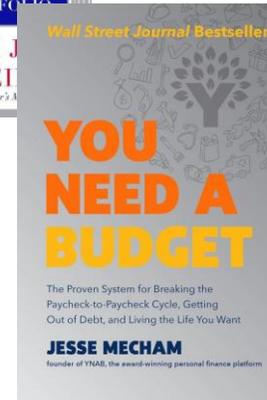
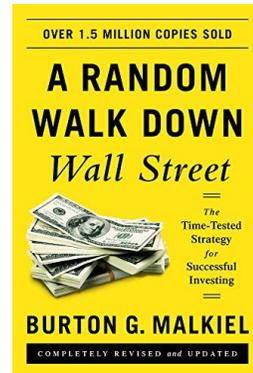
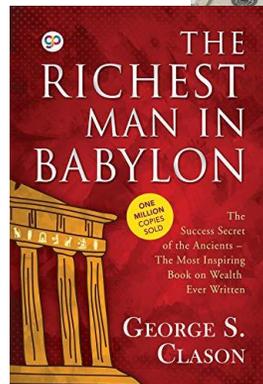
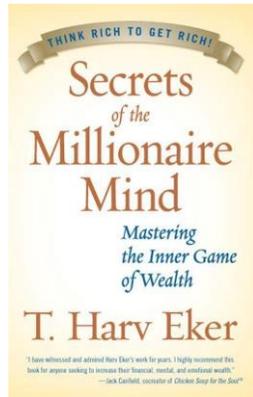
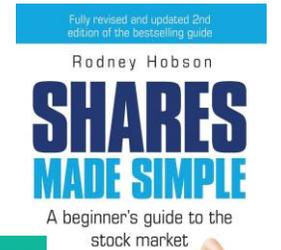
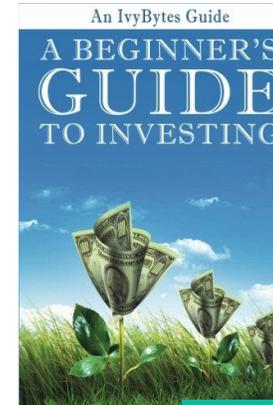
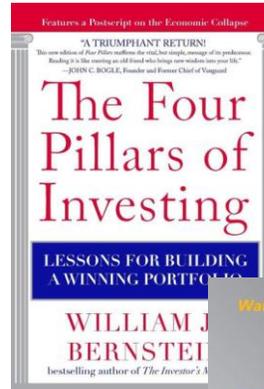
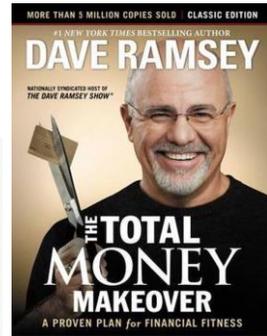
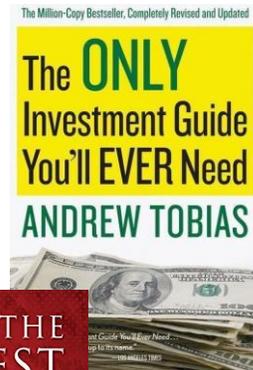
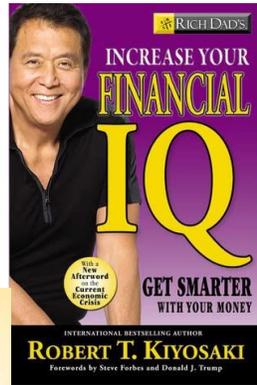
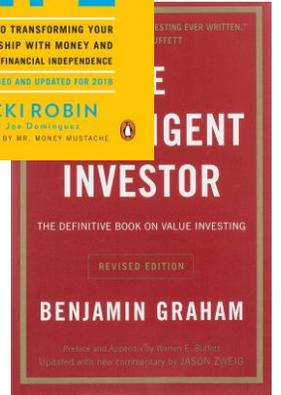
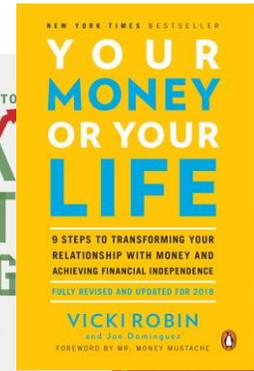
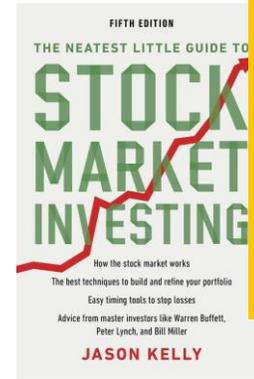
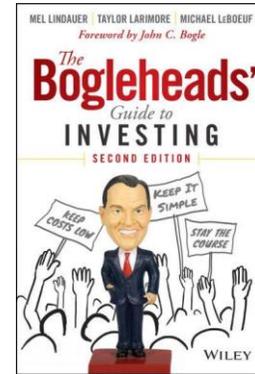
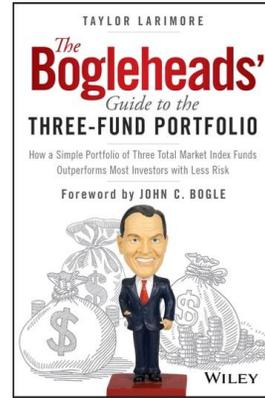
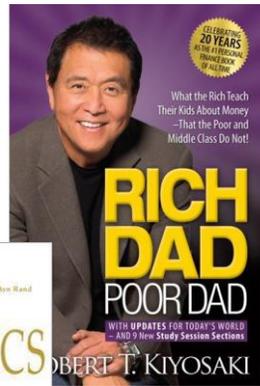
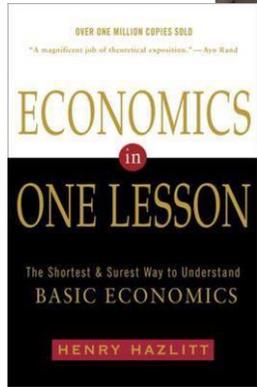
# Passive Investing 101

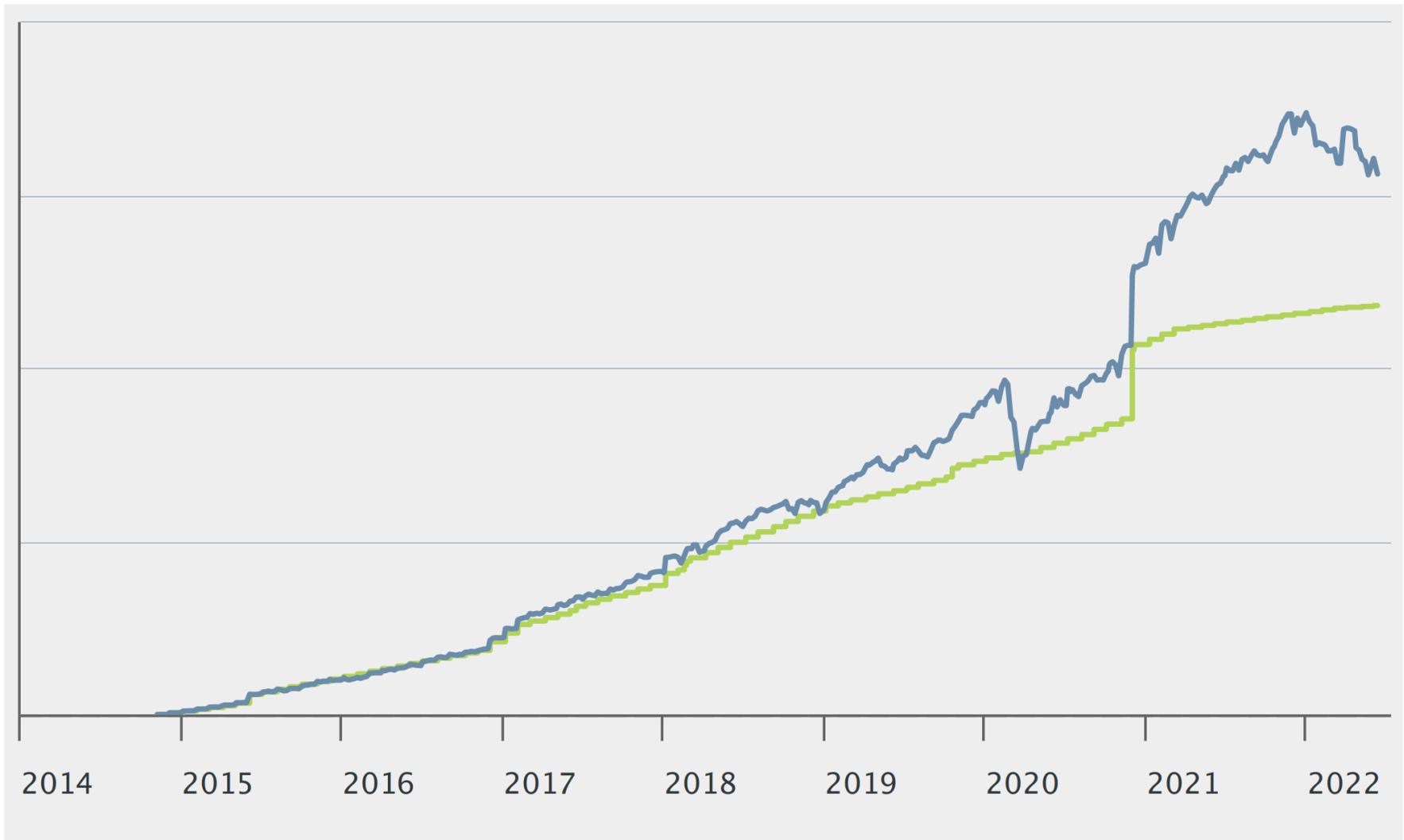
Keep it simple, stupid



**Who are we?**







# **Investing Mythbusting**

# Investing Myths

- **Investing is high risk**
- **Investing is complicated / hard**
- **Investing requires a lot of free time**
- **A lot of special knowledge is needed**
- **Investing will make you rich**



**What's investing?**

# What's investing?

Investing is allocating resources for income or profit, while taking into account risk and can be done through several asset classes.

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*“Investing is the act of allocating resources, usually money, with the expectation of generating an income or profit while accounting for risk.”*

## Asset classes



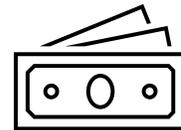
Equity  
(stocks)



Bonds



Real estate



FIAT  
currency



Crypto  
currency



Art

...

**Why Invest?**

# Why invest?

Investing allows you to hedge inflation and gain value by utilizing compound interest.

---

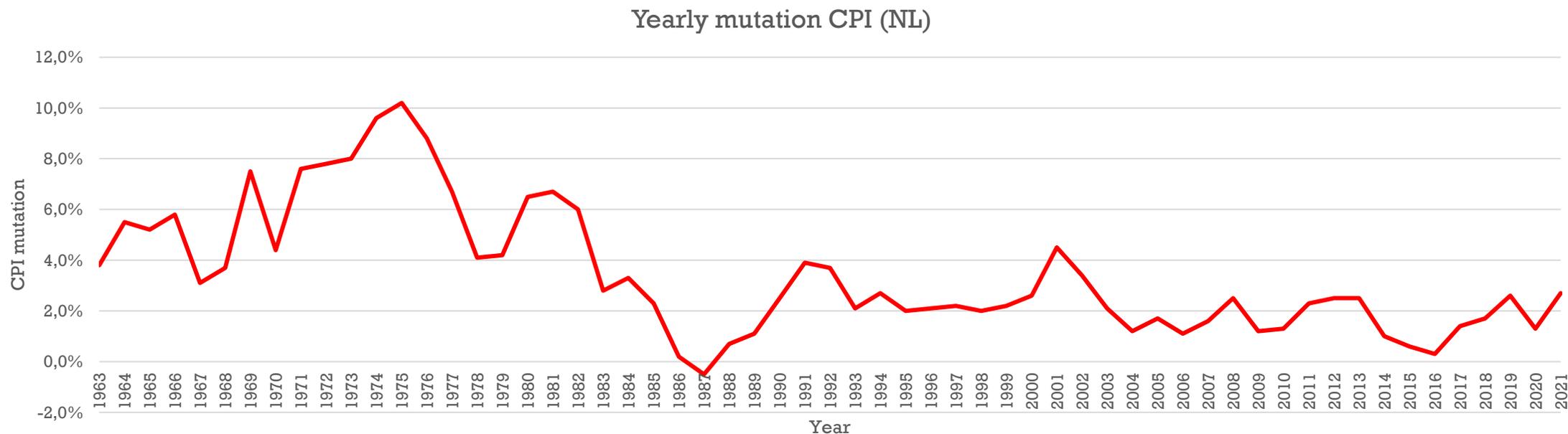
**Inflation**

**&**

**Compound  
interest**

# Inflation

Inflation can be described as the decline of purchasing power (of a given currency) over time.



## Inflation drivers:

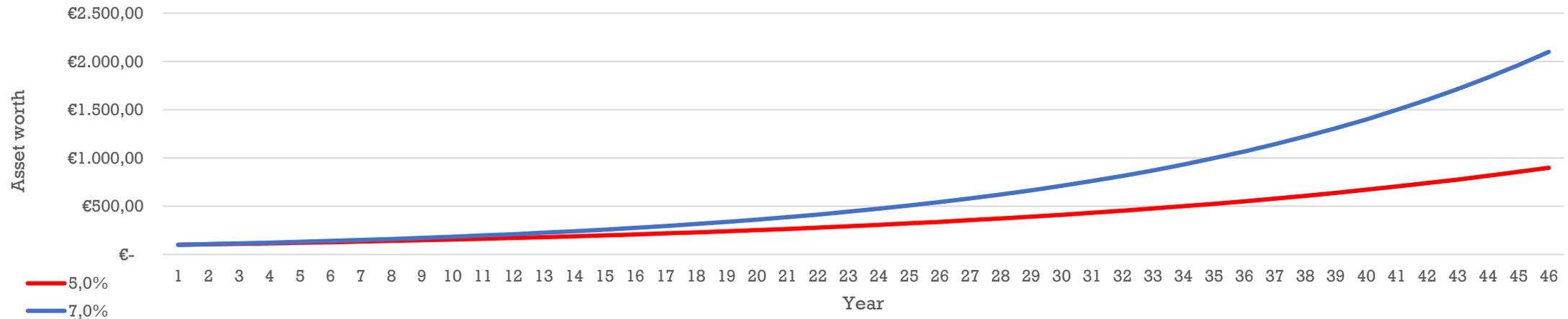
- Demand-pull
- Cost-push
- Money printing
- Devaluation

year	0	10	20	30	45
<b>Inflation scenario 1 (NL)</b>	2,4%	2,4%	2,4%	2,4%	2,4%
€	€ 100,00	€ 78,43	€ 61,52	€ 48,25	€ 33,52
<b>Inflation scenario 2</b>	4,0%	4,0%	4,0%	4,0%	4,0%
€	€ 100,00	€ 66,48	€ 44,20	€ 29,39	€ 15,93
<b>Inflation 3</b>	7,0%	7,0%	7,0%	7,0%	7,0%
€	€ 100,00	€ 48,40	€ 23,42	€ 11,34	€ 3,82

# Compound interest

Compounding makes time work *for you* instead of *against you*.

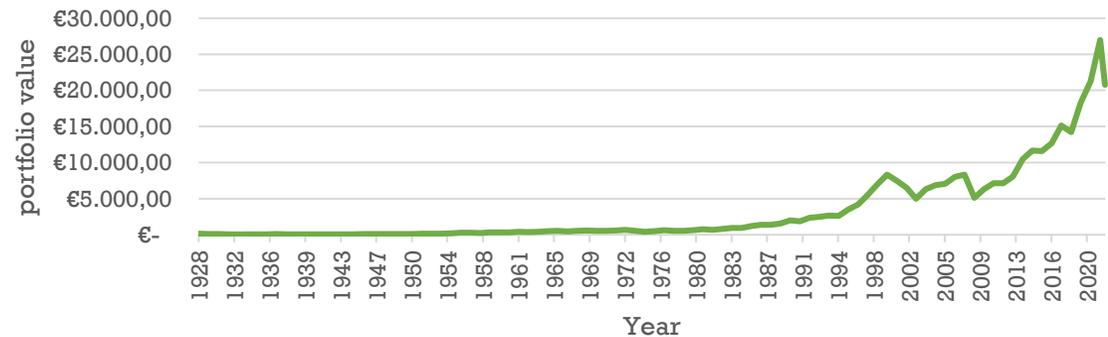
## Compound interest



## S&P 500 yearly returns



## Grandpa's fictional S&P 500 portfolio



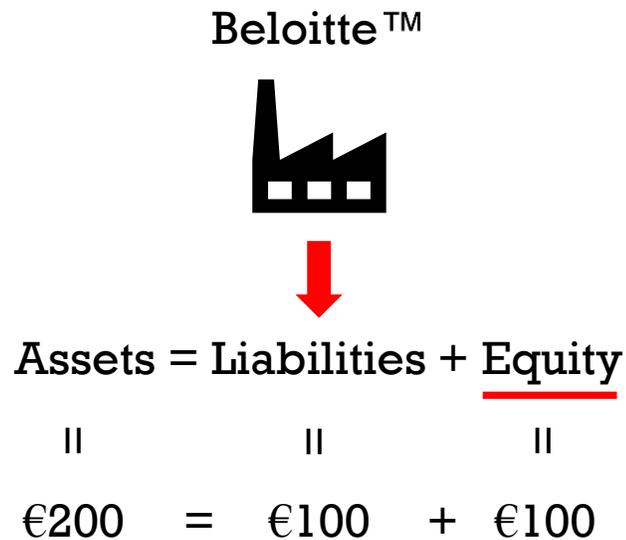
# **How to invest**

# Stocks

Stocks are a security that allow an entity to own equity in an enterprise.

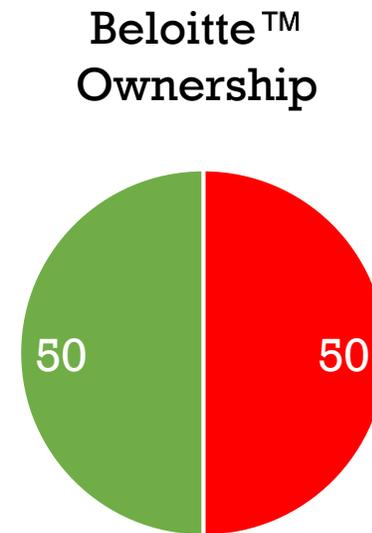
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“A stock (also known as an equity) is a security that represents the ownership of a fraction of a corporation.”



1 share = €1  
so 100 total  
shares

- Tim
- Evgenios



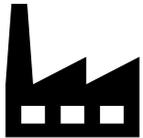
# Stock market

The stock market consists of formal exchanges and over-the-counter marketplaces where shares can be bought and sold. Investing profitably by stock picking in these market has proven to be very hard.

---

## IPO

Beloitte™



Assets = Liabilities + Equity

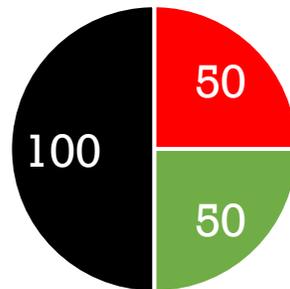
	=		+	
€200	=	€100	+	€100
+			+	
€100				€100



Sold @  
€1/share

Beloitte™  
Ownership

■ Tim  
■ Evgenios



## Shares:

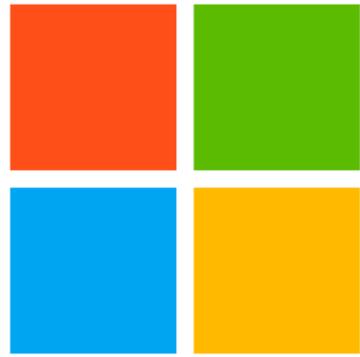
- can be traded on formal exchanges and over the counter marketplaces.
- can and do fluctuate wildly in price for many (undeterminable) reasons.
- price ≠ value

**These factors make “*stock picking*” very hard.**

# **Stock Investing**







Microsoft

Market Summary > Microsoft Corporation

247,65 USD

+ Follow

-14.98 (-5.70%) ↓ past year

Closed: 17 Jun, 19:53 GMT-4 • Disclaimer

After hours 247,50 -0,15 (0,061%)

1D

5D

1M

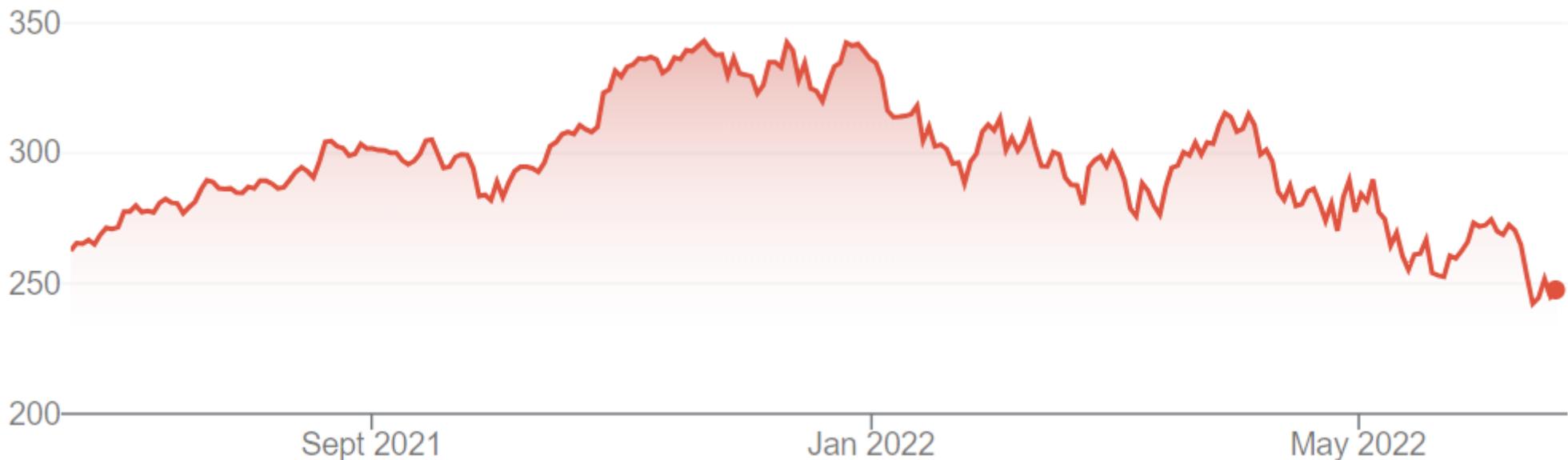
6M

YTD

1Y

5Y

Max





## Enron's stock price, 1984-2001:



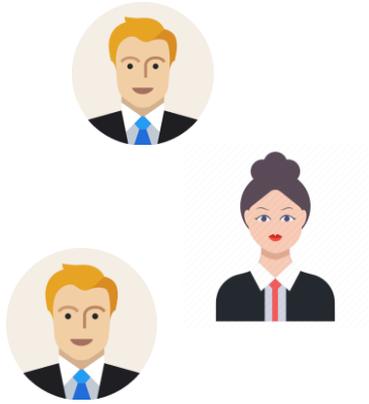


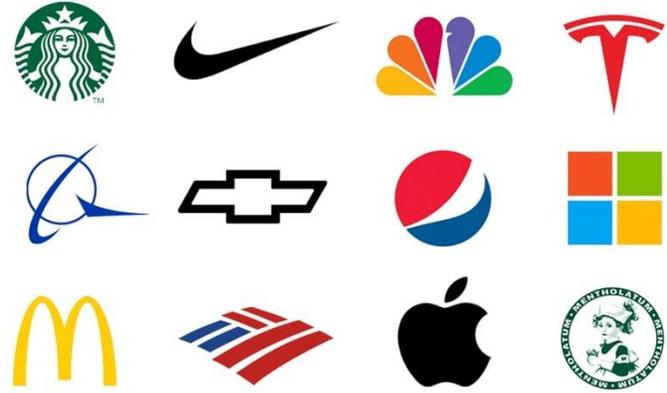
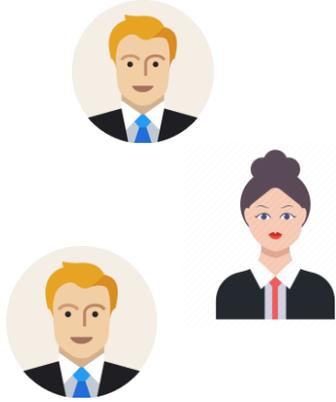
**The Solution?**

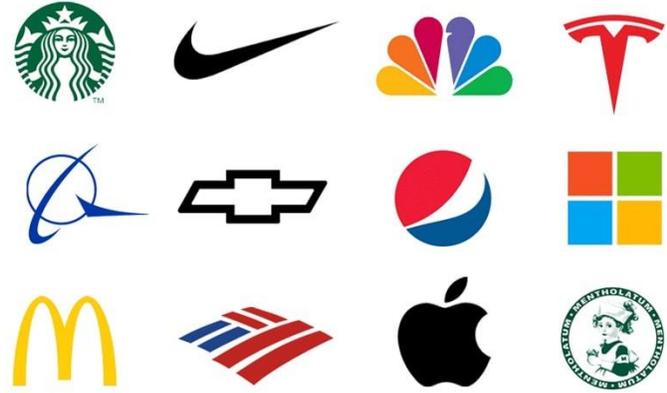
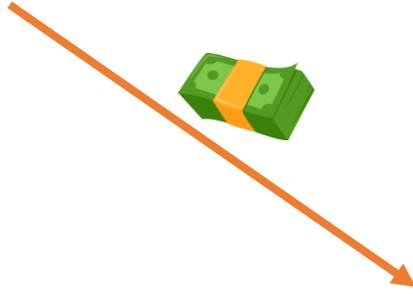
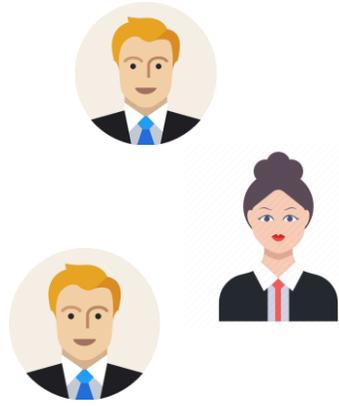
**Diversification**

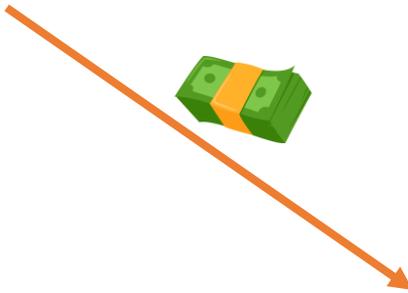
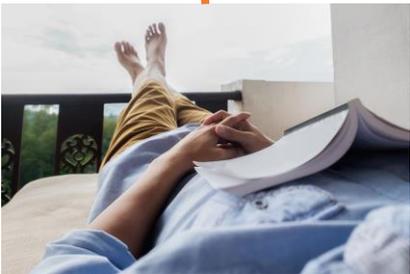


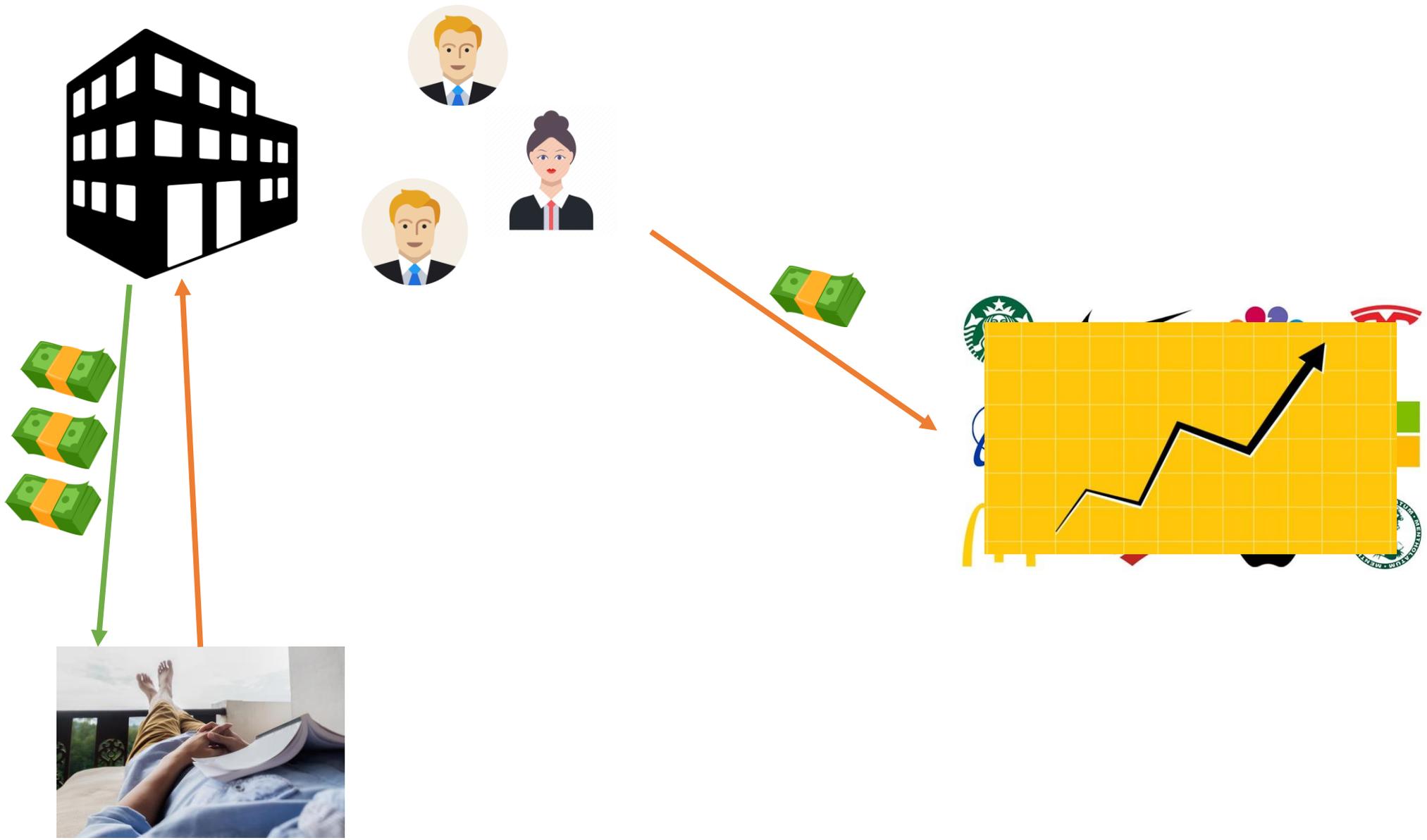
# **Mutual Funds**













# Indices



# Common Indices

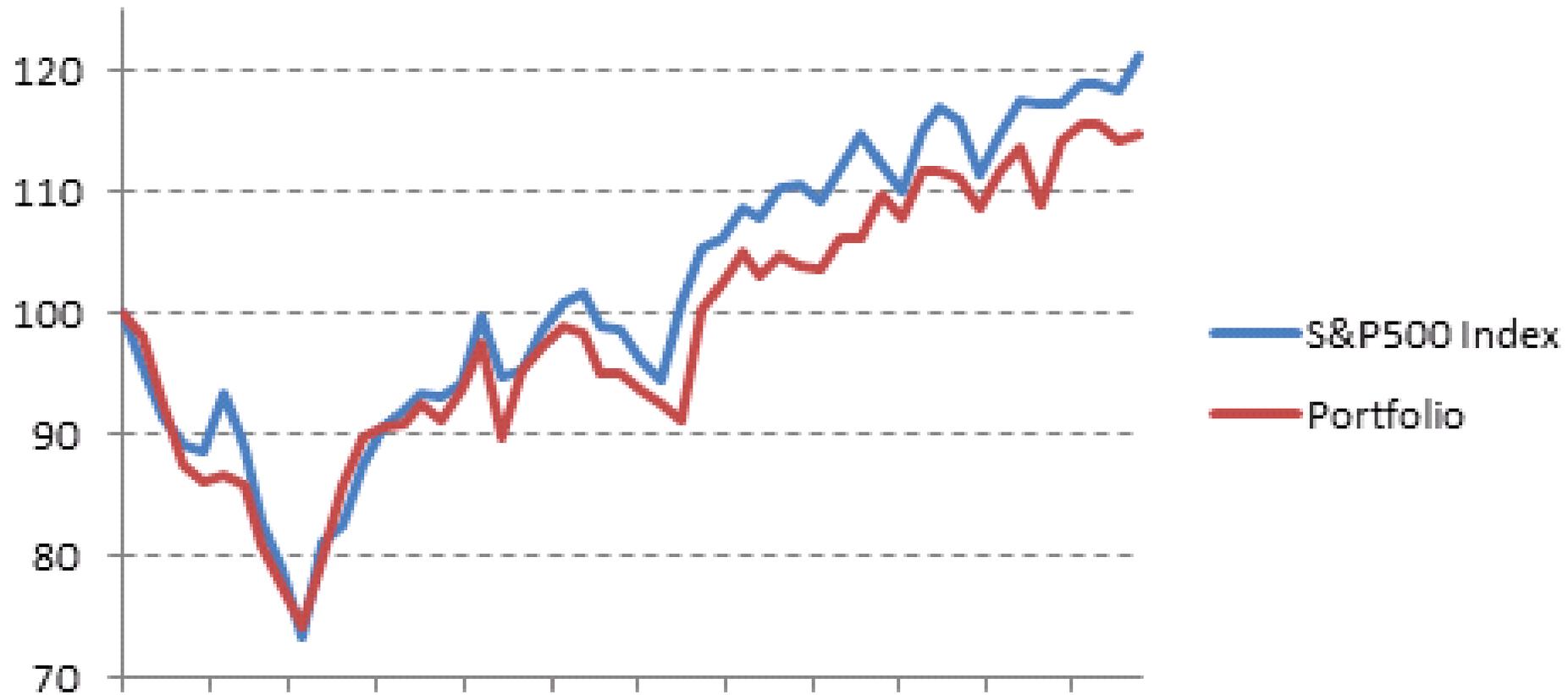
- **S&P 500**

The top 500 U.S. stocks by capitalization

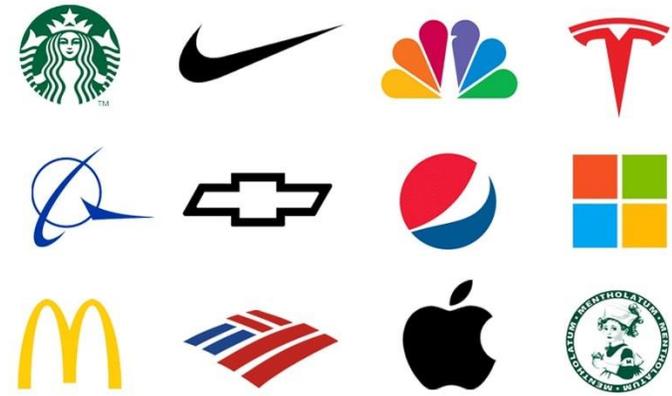
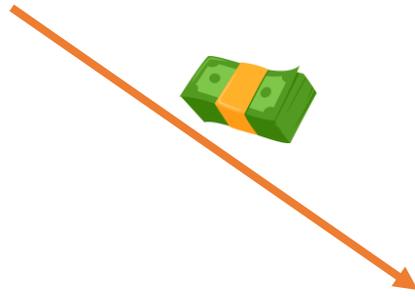
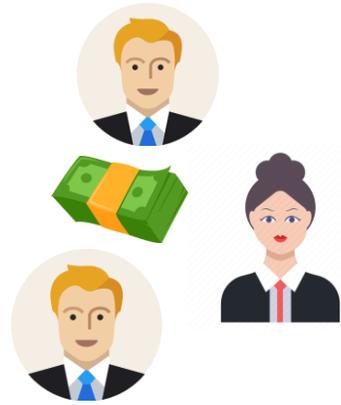
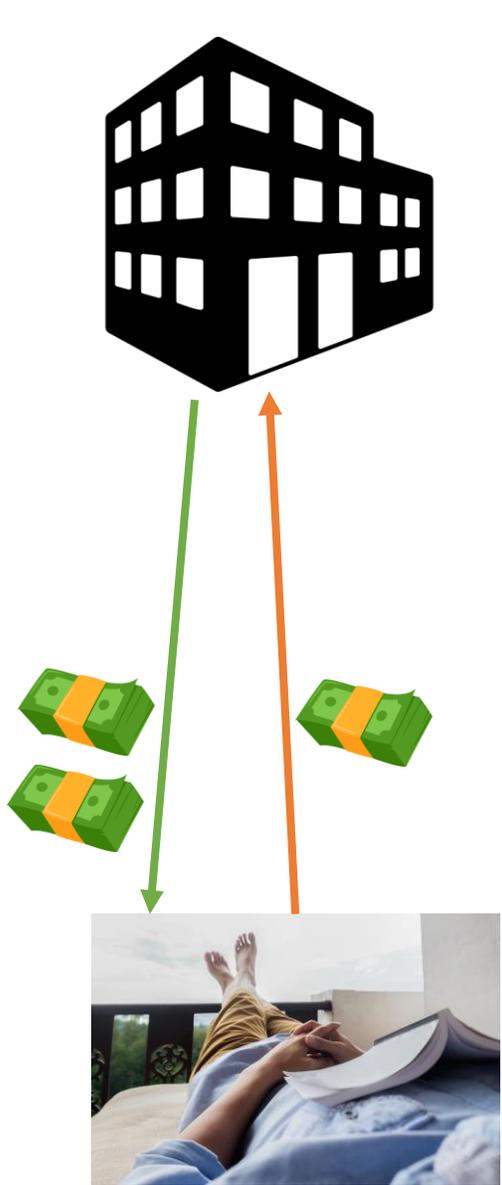
- **Dow Jones Industrial Average**

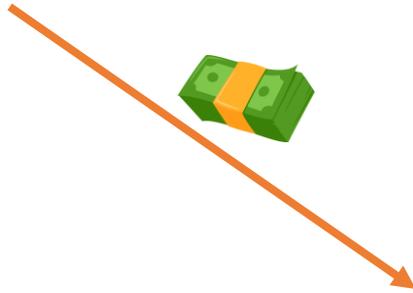
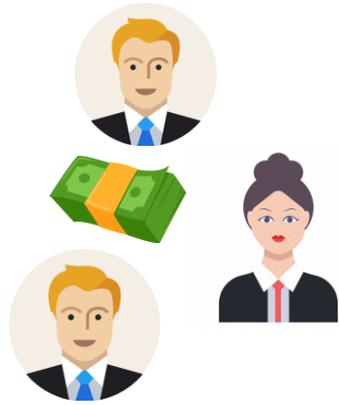
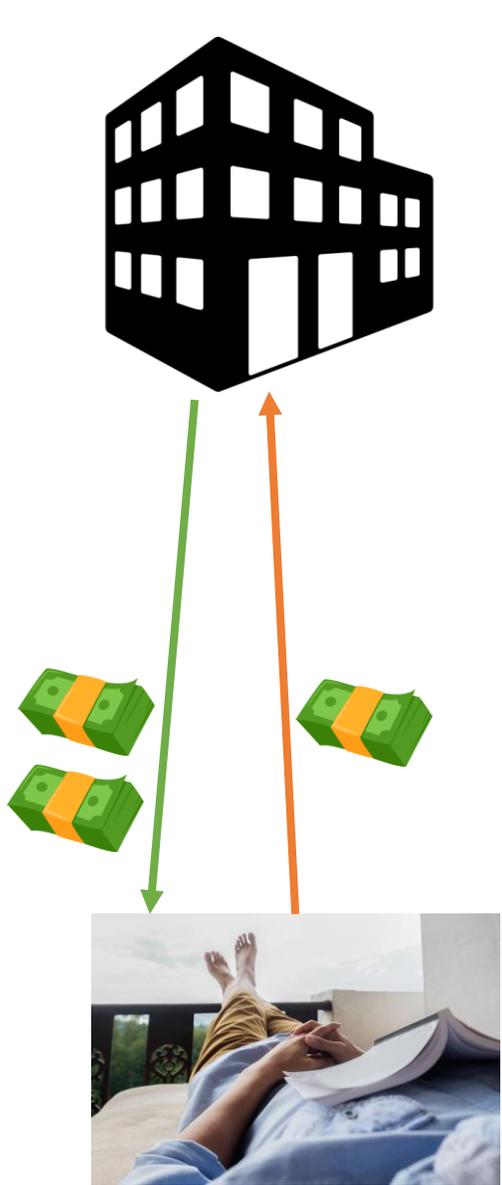
- **FTSE 100**

- **FTSE 250**

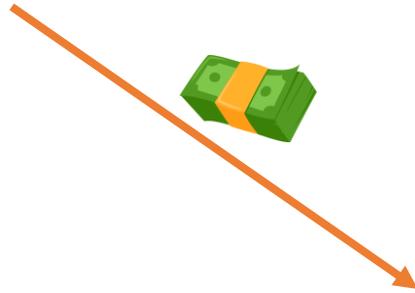
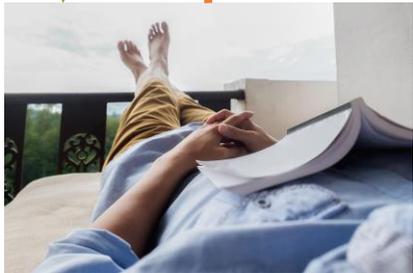
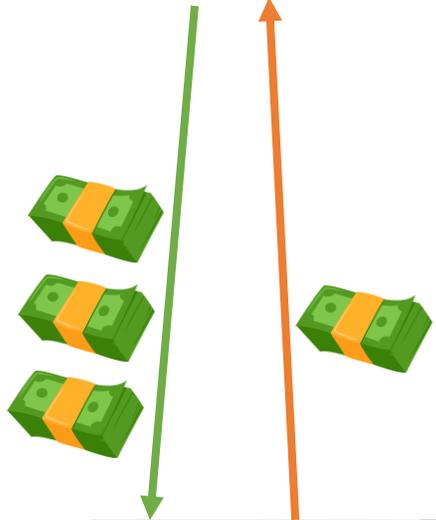


# **Index Funds**





**S&P 500**



**S&P 500**

# **Exchange Traded Funds (ETF)**





Stock Exchange



Broker



# **Investing in Index Funds in NL**

**Set-it-and-forget-it**

# Set-it-and-forget-it method

- Choose a financial institution
- Open an account
- Choose 1-3 Index Fund and Bond Funds (limited choices)
- Choose an amount to automatically invest monthly
- Periodically check-in, rebalance portfolio (1-2 times a year)

# Set-it-and-forget-it method



**Do-it-yourself (ETFs)**

# Do-it-yourself method

- Choose a low-cost online broker
- Open an account
- Choose 1-3 ETFs (hundreds of choices)
- Manually invest an amount periodically
- Periodically rebalance your portfolio (1-2 times a year)

# Do-it-yourself method



# Which method?

Set-it-and-forget-it

- Pay More
- Do Less

Do-it-yourself

- Pay Less
- Do More

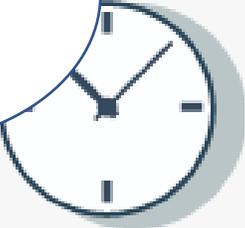
# **Investing Hygiene**

# Do this

- Build your “emergency fund” before you start investing
- Invest in low-cost index funds
- Hold a portfolio of no more than 2-3 funds
- Don’t try to “beat the market”
- Invest a fixed amount per month (Dollar Cost Averaging)
- Hold for the long run
- Stay the course; don’t waste time in financial news

The markets are crashing

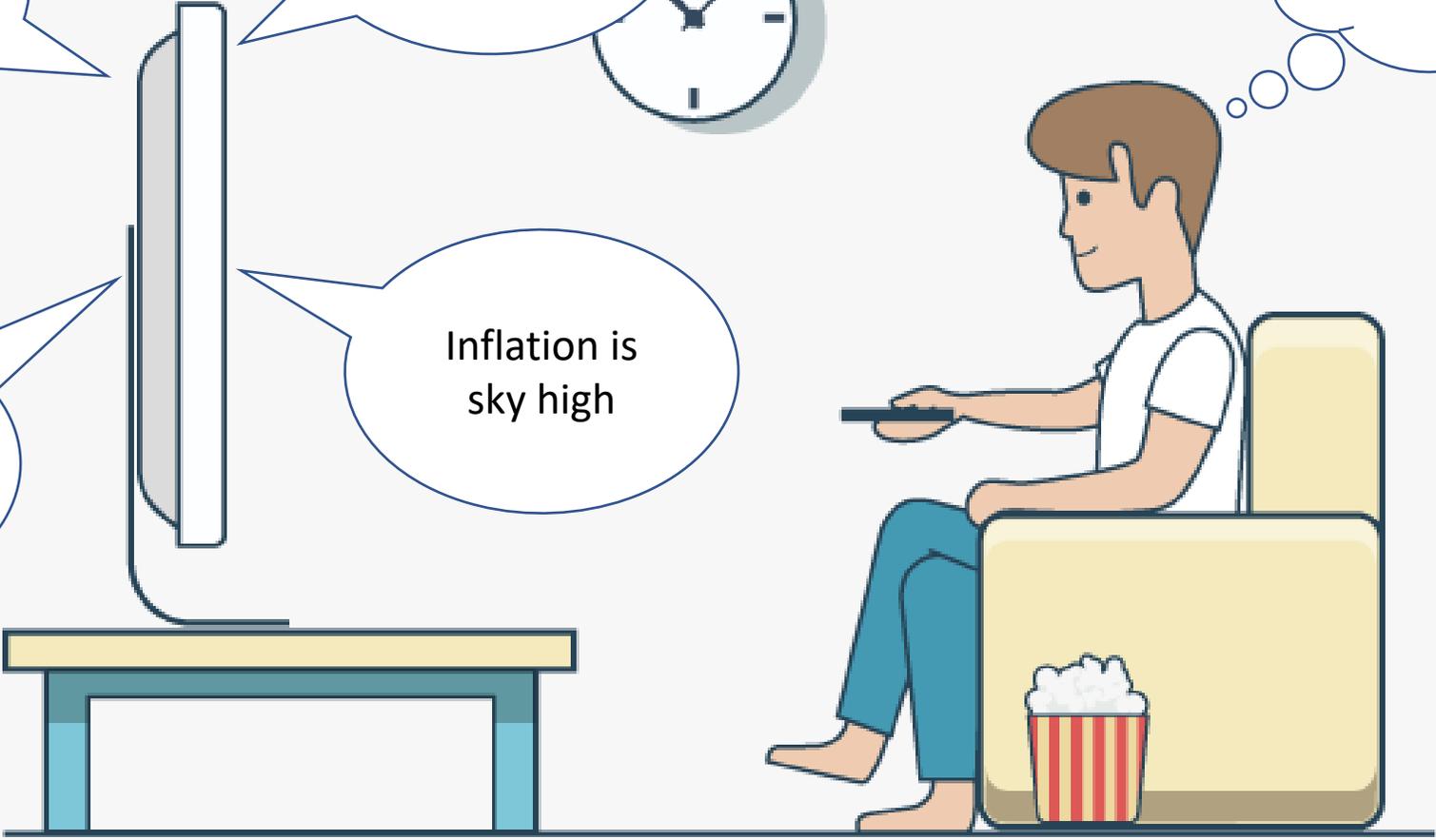
Brace for a long recession!



New wave of COVID. The economy will kneel

Inflation is sky high

My pizza delivery is late again!



**Happy  
Investing**

