Bonds and Treasury Bills: A bond or a treasury bill is an instrument used by the issuer to borrow money from the holder with an obligation to repay the principal and interest on future dates. When you invest in bonds you lend your money to the issuer of the bond who may be a company or government.
If you invest in bonds, you receive a promised fixed amount of interest on your investment every half-year or every year. It is an obligation on the issuer of the bond to pay you the interest.

You can reduce your risk by diversifying your investments.

Mutual Funds / Unit Trusts: Mutual funds and unit trusts are financial instruments that allow investors to pool their money together under the management of a professional fund manager who is responsible for investing the pooled resources in specific investment opportunities.

Mutual funds and unit trusts are designed principally for small savers; you can start investing in these schemes with as little money and buy more shares or units on a regular basis with even smaller monthly payments.
When you invest in a mutual fund or unit trust, you become a part owner of the funds's assets and share in the returns from investments made by the fund manager. Your investment may, however, fall in value if the fund makes a loss.

SALE OF INVESTMENT PRODUCTS

You can sell part or all of your investments in shares, bonds, mutual funds or unit trusts any time you want to do so. Getting your shares or bonds sold quickly depends on the availability of buyers in the market and the price that you may want to sell at. For investment in mutual funds or unit trusts, the fund manager stands ready at all times to buy from the investor.

INVESTMENT AND RISK

Like many of life's activities, investments are asscociated with risk. Risk is the possibility of losing part or all of the money invested.

Investment-associated risk is the chance that the invested capital may drop in value which means that your aim for investing may not be achieved because the investment does not work as one hopes or expects.

You can sell part of or all your investments anytime you want to do so.

Most investments come with risk. You can lose some of your money.

WHY SHOULD YOU INVEST?

How would you like to give a bit of your earnings to someone to do business with and who would then pay you back regularly or at an agreed time with additional money earned from what he used your money for? This is what happens when you invest. Here are some key reasons why you should consider investing your money;

- You generate additional resources to protect your future well being;
- You achieve your financial goals such as buying a house, a car or starting a business;
- You accumulate resources to care for your children, ageing parents or other relatives;
- You secure your retirement income;
- You contribute to the growth of your national economy as your investment is deployed in the productive sector of the economy;
- You preserve the value of your money against inflation.

HOW AND WHERE CAN YOU INVEST?

There are financial institutions that specialize in managing investments. These include banks, asset stockbrockerage firms, investment advisory firms, etc. A variety of investment avenues are offered by different financial institutions and they are always happy to advise you on how you should go about investing your resources.

HOW TO CHOOSE THE RIGHT INVESTMENT

There are various factors that can inform your choice of investment products. Weigh these factors carefully and make the decision. The factors include:

- Your objective for investing
- Your current income;
- Your age;
- Your risk tolerance level, i.e. the extent to which you are capable of coping with the uncertainties associated with investing.

Before you take a decision to invest and what to invest in, consult an investment advisor or stockbroker who is in the best position to help you to define clearly your investment objectives and determine which investments are best suited for you.

WHO CAN INVEST?

Investment is good for anybody who receives income and is able to set something aside to achieve future financial goals, ensure retirement income or generate extra resources to protect his or her future well being.

WHEN SHOULD YOU INVEST?

When you invest, the resources that you thereby commit may not be immediately available to you when you need them. You should, therefore, invest at a time that will not put a financial burden on you. Invest only after you feel satisfied that you understand the commitment you are making, preferably, after receiving professional advice.

Be cautious of get-rich-quickly investment schemes.

MANAGING YOUR INVESTMENT

The fact that you have given your money to a financial institution to manage for you does not mean that you should take a back seat. You have to be part of the management and growth of your money.

You will be a successful investor if you review the information you are always given, ask questions, and make sure you understand and are comfortable with the way your investment is being managed.

Keep in contact with the financial institution you invest with so that you can monitor your investments. Invest regularly. It is important to view investing as a process, not a one-time event.

Once you have decided on an investment that appeals to you, e.g. a mutual fund or a unit trust, arrange for an amount of money to be regularly withdrawn from your salary or account and paid into your investment account.

Keep your investment receipt or certificate in a safe place.

Be prepared to hold your investment for a long time. In the short term, share prices tend to be volatile, however, in the long-term, share prices tend to appreciate.

Regularly keep in touch with your financial institution to know the status of your investment.

INVESTING - SOME BASIC TIPS

Below we present basic steps in investing:

- Identifying the financial institution you want to invest with and talk to a member of their staff;
- The officer will explain the different investment opportunities to you;
- Think seriously about the options presented to you and choose the one that best fits your financial plans;

You will be asked to complete forms which usually require the following information:

a. Name;
b. Date of birth/age;
c. Occupation;
d. Address
e. Identification e.g. National Registration Card, passport, birth certificate.

The financial institution may verify your personal information and address using any one or more of the following methods:

- Utility bills such as an electricity, water, telephone or property rate bill. Some financial institutions may also accept any of the mentioned bills in the name of your landlord;
- Obtaining a reference from a professional or a letter from your employer or school;
- A known customer of the regulated institution; or
- A customary authority, civic or community leader that knows you.

Once you go through the formalities, you will be given a certificate of a receipt for your investment.

Always seek professional advice before you invest.

INVESTING YOUR MONEY

INVESTING IN A FIXED DEPOSIT

To invest in a fixed deposit, contact a bank, or a financial institution of your choice and place your money with it. At the end of the fixed period of the investment, you must go for the money invested, unless you decide to invest for another fixed period.

BUYING SHARES OR BONDS

To buy shares or bonds, contact a stockbroker who will buy the instrument on the stock exchange, such as the Lusaka Stock Exchange for you. The minimum amount you can invest in shares or bonds depends on the price of the share or bond you want to buy and the minimum number of shares that can be transacted.

A stockbroker is an agent licensed to buy and sell shares and bonds on behalf of investors. A list of licensed stockbrokers is availble at the Securities and Exchange Commission. The time it takes to get the shares or bonds bought for you and the price at which you buy the shares or bonds will depend on the conditions on the market. Shares and bonds that are in a great supply can be purchased easily, while those that are in great demand may take some time to be purchased.

SELLING YOUR SHARES OR BONDS

To sell your shares or bonds you must contact a stockbroker who will sell them on the stock exchange for you. Depending on the market, the price you get for the sale of your shares or bonds may be higher or lower than your purchase price.

How long it takes to get your shares or bonds sold is dependent on the state of the stock market and the price at which you wish to sell. Shares or bonds that are in great demand can be easily sold; while shares or bonds that are in great supply may take some time to be sold.

INVESTING IN MUTUAL FUNDS AND UNIT TRUSTS

To invest in a mutual fund or a unit trust you must contact the manager to the fund (the fund manager) who stands ready always to sell interests in the mutual fund or the unit trust to investors. A fund manager is an investment advisor licensed to manage the assets of the mutual fund or the unit trust. A list of licensed investment advisors is available at the Securities and Exchange Commission.

SELLING YOUR INTEREST IN MUTUAL FUNDS AND UNIT TRUSTS

You can sell your interests in a mutual fund or a unit trust any time to the manager of the fund who stands ready always to buy your interest and pay you.

You will be a successful investor if you review the information you are given, ask questions, and make sure you understand the investment you are undertaking.

FINANCIAL EDUCATION FOR ZAMBIA

Bank of Zambia
PIA
SEC
Republic of Finland
Finanzgruppe Sparkassenstiftung für internationale Kooperation

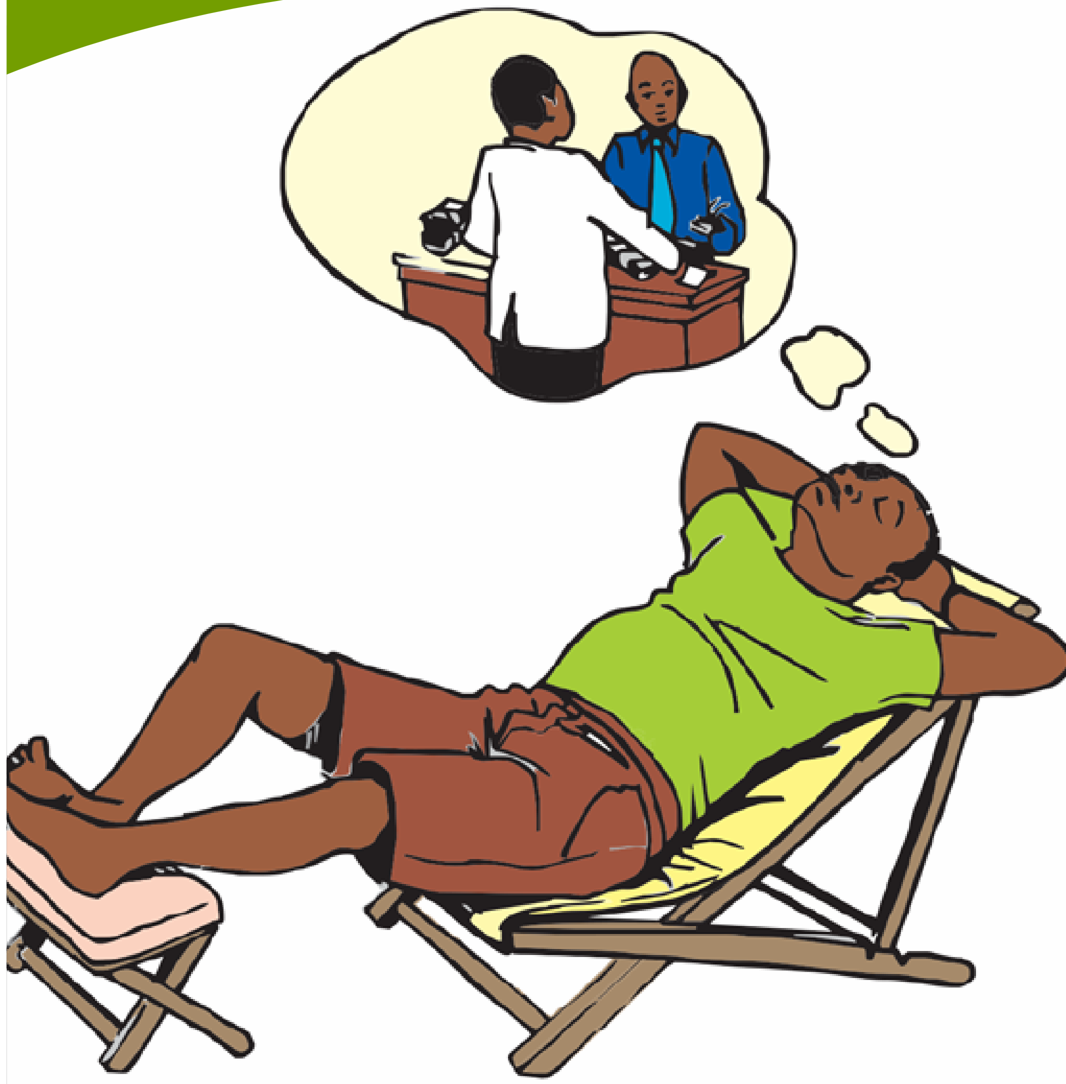
FINANCIAL GROWTH AND PROSPERITY

National Strategy on Financial Education

AMUZYIBE ZINJI KUJATIKIZYA KUBBIKKA MALI MUMAKWEBO

(TONGA)

KNOW MORE ABOUT INVESTING



AMUZYIBE ZINJI KUJATIKIZYA KUBBIKKA MALI MUMAKWEBO

Kubikka mali mumakwebo kujatikizya kubelesya mali aanu kuula zintu zyamakwebo mbuli ma shares, ma unit trusts, ma treasury bill naaba ma bonds kutegwa zikabe ampindu mpati kumbele, naa kubelesya mali ngomwakayobola kutegwa kuti avwule. Eeci cipandulula kuti mwabikka mali aanu mumakwebo (investment fund naa ventures) kutegwa mukajane mpindu kuzwa kumakwebo aayo.

Mucikozyanyo amuyeeye buyo muntu uuvwola mali manji pele calino unyina mulimo angawo oonse, aboobo ulakonzya kuula akuyobola zintu zyakuyasya n'ganda, ma jewellery, moota naa zisani. Lino uyoobelesya ciindi alimwi amali kulanganya zintu eezi mpoonya amana uyoozibelesya naa kuzisambala ikusola kujana mpindu. Akwalo kucita oobo ni investment. Pele kubikka mali mumakwebo mukujatana akampani yamakwebo kulamuvwuna kumulimo wakulanganya makwebo aanu. Basyaazibwene bayoomucitila makwebo aaya pele nywebo muyootambula buyo mpindu casika ciindi, akubbadela basyaazibwene kumulimo wabo.

Mulakonzya kucesya kusowekelwa alimwi akukomezya mali aanu kwiinda mukubikka mali aanu mumakwebo aasiyene-siyene.

INO KULI MISYOBO NZI YAMA INVESTMENT NJOMUKONZYA KUCITA?

Kuli misyobo yama investment minji njomukonzya kusala alimwi mweelede kwiizyiba kabotu kutegwa mukakonzye kusala mbotu yalo yeendelana abukkale alimwi amali aanu. Mulakonzya kusala ma investment kuzwa kuli yaaya:

Fixed Deposit naa Certificate of Deposit: Ciindi nomwayobozya mali mu fixed deposit, nkokuti inga mwakweletesya mali kumbunga iilanga zyamali eelyo bayoomupa mpindu atala aamali aanu.

Mulakonzya kujanya mpindu mali aanu mu fixed deposit kwiinda mukwaabikka mu akkaunti yambunga iilanganya zyamali. Mwaakumana kucita zyoonse ziyandika muyakupegwa pepa litondezya kuti mwakabikka mali liitwa kuti certificate of deposit. Mpoonya banoomupa mpindu iibikkidwe atala amali aanu kwainda ciindi cibikkidwe. Bakkampani tabakonzyi kukaka kumupa mpindu pe.

Anywebo mulakonzya kulibambila mazuba aakumbele

Ma Shares: Share ncitondezyo cakuti muli umwi wabamukamwini kampani. Ciindi nomubikka mali muma shares, nkokuti munooyitwa kuti share holder mukampani alimwi munakuvwola ma dividends aazwa ku mpindu ya nkampani.

Kutegwa muule ma shares aamukampani aasambalwa kut Lusaka Stock Exchange, mweelede kubandika a stokebroker walo uuyakumuulila mashares kuzwa ku stoke exchange. Pele zimwi ziindi kampani taikabbadeli ma dividends, ayakubbadelwa kweelana akubeleka kwakampani alimwi azyakusala nzyapangwa a Board of Directors.

Mulakonzya kucesya ntenda yakusowekelwa kwiinda mukubikka mali aanu mumakwebo aandeene-andeene.

Ma Bonds ama Treasury Bills: Bond naa treasury bill ndipepa lizumizya muntu kubweza cikwelete mpoonya akubbadela mpindu atala kumazuba aakumbele. Ciindi nomubikka mali muma bond nkokuti mwakweletesya mali kuli mukamwini wa bond. Walo ulakonzya kaili nikampani naa mfwulumende.
Kuti naa mwabikka mali muma bond, munootambula mpindu iibikkidwe kumali aanu lyoonse akati naa kumamanino aamwaka. Bakampani tabakonzyi kukaka kumupa mpindu pe. Mukuli wabo.

Mutual Funds naa ma Unit Trusts: Mutual Funds naa ma Unit Trusts azumizya bantu kubikka mali aabo antoomwe akwaapa kuli syaazibwene walo uutikaabikke mumakwebo amwi.
Ma mutual funds alimwi ama unit trusts akapangilwa bantu bayobozya mali masyoonto-syoonto; mulakonzya kutalika makwebo aaya kwiinda mukuula ma shares naa ma units ciindi-aciindi nokuba kubbadela asyoonto-syoonto mwezi amwezi.

Ciindi nomwabikka mali aanu muma mutual funds alimwi ama unit trusts mulaba umwi wabamukamwini bazintu kabunga kanu nkozijisi alimwi muyakupegwa anywebo mpindu yamali aayakujanwa. Pele makwebo aanu alakonzya kumupa kusowelwa ikuti tanaajana mpindu.

KUSAMBALA MA INVESTMENT PRODUCTS

Mulakonzya kusambala amwi ma shares aanu, ma bonds, ma mutual funds naa unit trust kufwumbwa ciindi nomwayanda kucita boobo. Kufwambaana kuulwa kwama shares naa ma bond aanu kuyeeme aakuti naa kuli bayanda kuula alimwi amuulo ngomuyanda kuulisya. Pele mumakwebo aa mutual funds naa unit trusts, fund manager nguula makwebo aayo kuzwa kulindinwe.

NTENDA ZYAMU MA INVESTMENT

Mbubonya buyo mbuli zintu zyoonse mubuumi, ma investment aalo alijisi ntenda. Ntenda naa risk nkulangilwa kupati buti kwakuti inga mwasowekelwa mali aanu amwi naa oonse. Ntenda zijanika muma investment nkulangilwa kwakuti mali ngomwakabikka mumakwebo atalika kuya ansi aboobo tiimwajana ncomwakatalikila makwebo aayo.

Mulakonzya kusambala cibeela naa investment yanu yoonse kufwumbwa ciindi nomwayanda kucita boobo.

Ma investment manji alijisi ntenda. Mulakonzya kusowekelwa mali aanu amwi.

INO NKAAMBO NZI NCOMWEELEDE KUCITILA INVEST?

Sena inga mwayanda kupa muntu mali aanu masyoonto kutegwa acite makwebo angawo kumane mwamvwana ciindi ncayoopilusya kuyungizya ampindu atala aamali aanu? Eeci ncecicitika ciindi nomwacita invest. Ntootu twaambo tumwi ncomweelede kuyeeya kucita invest mali aanu;

- Cilavwuzya mali aanu kutegwa mukaligwasye kumbele;
- Cilamugwasya kuula zintu nzyomuyanda mbuli n'ganda, mootokala naa kutalika makwebo;
- Mulaba amali manji aakulanganya bana banu, bazyali banu bacembeede alimwi abamwi banamukwasyi;
- Cilamugwasya kuyobola mali aanu ngomuyoopegwa mwaakuleka milimo;
- Mulagwasyilizya kusumpula cisi canu;
- Mali aanu taakonzyi kumana nguzu.

INO MBUTI ALIMWI NKULI NKOMUKONZYA KUCITA INVEST?

Kuli mbunga zyamali zibeleka buyo kulanganya ma investments. Kuli mabbanga, ma asset stock brockerage firms, ma investment advisory firms azimwi. Mbunga zyamali zyaandeene-andeene zilijisi nzila zisiyene-siyene zyakucita invest alimwi lyoonse balikkomene kumugwasya kuzyiba mbomunga mwacita invest mali aanu.

INO INGA MWASALA BUTI INVESTMENT IILI KABOTU?

Kuli twaambo tunji tukonzya kumupa kusala investment imwi. Amutulangisye twaambo ootu mpoonya musale cakucita. Tumwi ntootu aawa:

- Ikaambo ncomuyanda kucita invest
- Mali ngomuvwola calino;
- Myaka yanu yakuzwalwa;
- Mbomukonzya kujatikizyigwa ikuti naa mwacitikilwa ntenda iijatikizya investment yanu.

Aboobo kamutanacita invest alimwi kamutanasala kuti mulacita invest muli nzi, amubuzye kuli basyaazibwene bama investment nokuba stockbroker walo uunga wamugwasya kuzyiba kuti njili investment iinga yamweelela nywebo.

INO MBAANI BAKONZYA KUCITA INVEST?

Investment iilikabotu kumuntu uuli woonse uuvwola alimwi uukonzya kubikka ambali mali amwi kutegwa akaabelesye kumbele, alimwi akakonzye kuyobola mali ngayoovwola aakuleka milimo naa kukonzya kujana mali amwi ayoomugwasya kumbele.

INO NDILILI NOMWEELEDE KUCITA INVEST?

Ciindi nomwacita invest, mali aanu tamukonzyi kwaabelesya kufwumbwa ciindi nomwaayanda. Aboobo tamweelede kucita invest ciindi nomukonzya kuba ciindi-yumu-yumu kuti mwacita oobo. Amucite buyo invest ciindi nomwabona kuti mwamvwisya cizuminano ncomunjila, kapati mwamana kupandulwidwa abasyaazibwene.

Amucenjelele ma investment scheme aasyomezya kuvwuba cakufwambaana.

KWEENDELEZYA MA INVESTMENT AANU

Mbokunga mali aanu mwaapa kumbunga iilanga zyamali kuti imucitile makwebo tacaambi kuti nywebo mweelede kukkala buyo kakunyina ncomucita. Mweelede kutola lubazu mukweendelezya alimwi akukomena kwamali aanu.

Muyakuba investor uuzwidilila ikuti naa kamulangisya twaambo ntobamwaambila, ikuti kamubuzya mibuzyo alimwi akumvwisya bweende bwa investment yanu.

- Lyoonse kamubandika ambunga nkomwakacita invest kutegwa kamuzyi cicitika kumali aanu.
- Kamuzumanana kucita invest. Cilayandika kuzyiba kuti kucita invest takuli buyo kwaciindi comwe, pele ceelede kuba cintu cakucita lyoonse.
- Kufwumbwa nomwamana kusala investment njomuyanda mucikozyanyo a mutual fund naa unit trust, amulembye kuti ciindi-aciindi kakubwezyegwa mali kuzwa kumali ngomuvwola naa kuzwa ku akkaunti imwi akubikkwa mu investment akkaunti yanu.
- Amuyobole kabotu lisiiti naa certificate yanu ya investment.
- Kamulibambilide kuleka investment yanu kwaciindi cilamfwu kutegwa ikomene. Muciindi cisyoonto, myuulo yama shares tayinookkalikide, pele mukuya kwaciindi ilavwula kukkalikila.

Lyoonse kamubandika ambunga nkomwakacita invest kutegwa kamuzyi cicitika kumali aanu.

TWAAMBO TUMWI TUJATIKIZYA KUCITA INVEST

Ansi aawa kuli zintu nzyomweelede kutobela mukucita invest:

- Ikusala mbunga yamali njomuyanda kucita invest alimwi mubandike aumwi wababelesi babo;
- Mubelesi wabo uyoomupandulwida zintu zyaandeene-andeene momukonzya kucita invest;
- Amulangisye ma investments ngomukonzya kusala, mpoonya musale yeeyo yeendelana amali ngomujisi;

Muyakulombwa kulemba mafoomu aayanda twaambo ootu:

a. Izina;
b. Mwaka ngomwakazyalwa/myaka njomujisi;
c. Mulimo ngomucita;
d. Adilesi
e. Cinyongole

Imbunga iilanganya mali ilakonzya kusinizya twaambo tujatikizya ndinywe (personal information) alimwi a adilesi kwiinda mukubelesya imwi naa zimwi nzila eezi:

- Malisiiti aakubbadela mbuli malaiti, maanzi, luwaile naa property rate bill. Mbunga zilanga mali zimwi zilakonzya kuzumina mapepa aali woonse aambwa atala aawa kwaamukamwini n'ganda njomukala;
- Balakonzya kubuzya-buzya kujatikizya ndinywe kuzwa kuli bamwi babeleka naa lugwalo kuzwa nkomubeleka naa kucikolo;
- Imuntu uuyobozya mali kumbunga eeyo naa;
- Basibbuku, naa beendelezi bamwi bamucilawo canu ibamuzyi kabotu.

Mwaakumana kucita zyoonse ziyandika, bayoomupa certificate naa lisiiti iitondezya kuti mwakacita invest.

Lyoonse amubuzye basyaazibwene kamutana cita invest.

KUCITA INVEST MALI AANU

KUCITA INVEST MU FIXED DEPOSIT

Ikuti kamuyanda kucita invest mu fixed deposit, amubandike ababbanga naa mbunga iilanga zyamali njomuyanda akubikka mali aanu ooko. Caakukwana ciindi ncomweelede kubweza mali ngomwaabikka, kamuya mukaabweze, cita buyo kuti kamuyanda kucita invest alimwi kwaciindi cimwi cibikkidwe.

KUULA MA SHARES NAA MA BONDS

Ikuti kamuyanda kuula ma shares naa ma bond, amubandike a stockbroker walo uuya kumuulila kuzwa ku stock exchange, mbuli Lusaka Stock Exchange. Mweelwe musyoonto ngomukonzya kucita invest muma shares naa ma bonds uyeeme amuulo wama shares naa ma bond ngomuyanda kuula alimwi amweelwe wama shares ngomukonzya kuula.

Stockbroker mwiiminizi uuzumizidwe kuulila akusambalila ma shares alimwi ama bonds aama investors. Mulongo wama stockbrokers nkouli ku Securities and Exchange Commission. Bulamfwu bwaciindi ciinga cainda kuti mwaabweze ma shares naa ma bonds ngomwaula alimwi amuulo mpomwaulila ziyeeme aabube bwa market. Ma shares alimwi ama bonds aali manji alakonzya kuulwa kakunyina penzi, pele aayo banji ngobayanda kuula alakonzya kumutolela ciindi kuti mwaaule.

KUSAMBALA MA SHARES NAA MA BOND AANU

Ikuti kamuyanda kusambala ma shares naa ma bonds aanu, mweelede kubandika a stockbroker walo uuyakumusambalila ku stock exchange. Kweelana abube bwa market, muulo wama shares naa ma bonds ulakonzya kunooli atala naa ansi kwiinda muulo ngomwakaaula.

Ikuti naa kuyooinda ciindi cilamfwu buti kuti aulwe ma shares naa ma bond kuyeeme abube bwa stock market alimwi amuulo ngomusambala.

Ma shares alimwi ama bonds ngobayandisya bantu alakonzya kusambalwa cakufwambaana; pele aayo aali manji a market alakonzya kutola ciindi kuti asambalwe.

KUCITA INVEST MUMA MUTUAL FUNDS ALIMWI AMA UNIT TRUSTS

Ikuti kamuyanda kucita invest muma mutual fund naa mu unit trust, mweelede kubandika a maneja wa fund eeyo (fund manager) walo uukonzya kusambalila ma investors mpindu iili ku mutual fund naa unit trust. Fund manager muntu uulanganya investment alimwi akweendelezya zintu zili mu mutual fund or unit trust. Mulongo wamazina aama investment advisors nkouli ku Securities and Exchange Commission.

IKUSAMBALA INTEREST IILI MUMA MUTUAL FUNDS ALIMWI AMA UNIT TRUSTS AANU

Mulakonzya kusambala kufwumbwa ciindi mpindu (interests) iili muma mutual funds naa ma unit trust kuli fund manager walo uulibambilide lyoonse kuula mpindu yanu alimwi akumubbadela. Muyakuba investor uuzwidilila ikuti lyoonse kamulanga-langa twaambo ntomupedwe, ikuti kamubuzya mibuzyo alimwi akuti mwaizyiba kabotu investment njomumwanjila.

LWIIYO LWA MALI MU ZAMBIA

KNOW MORE ABOUT INVESTING!

Investing involves using your money to buy financial assets such as shares, unit trusts, treasury bills or bonds to increase their future value, or putting your savings to work for your money to grow. This means that you make your money available to be put into an investment fund or ventures and thereby benefit from the profits from such ventures.

Imagine a person who makes a lot of money from her work and not needing all that money immediately; she could decide to buy and stock e.g building materials, jewellery, a car, clothes etc. She would then spend time and resources to take care of these assets and susequently use them or sell them, hoping to obtain profit. This is a form of investment. However, investing with a financial institution frees you from the responsibility of managing the investment. It is done on your behalf by professionals and you receive the profits when they come in whilst paying the professionals for their service.

You can reduce your risk, and increase your income by diversifying your investments.

WHAT FORMS OF INVESTMENTS ARE AVAILABLE TO YOU?

There are different investment products to choose from and you need to educate yourself fully about them to enable you to determine and choose the one that best suits your situation and financial need. Some of the available investment products to choose from include the following:

Fixed Deposit or Certificate of Deposit: When you invest in a fixed deposit, you lend your money to the financial institution and benefit from the interest that accrues on the money.

You can invest in a fixed deposit by paying money into an account set up for you by the relevant financial institution. After going through the relevant processes you will be given proof that you have invested in the form of a certificate of deposit. This gives you a fixed amount of interest which may be paid to you periodically over the life of the investment or cumulative at the end. It is an obligation on the financial institution to pay you the interest.

You too can invest for the future.

Shares: A share is an instrument which represents a part ownership of a company. When you invest in shares you become a shareholder in the company and are entitled to dividends from the profits of the company.

To buy shares in a company that is listed on the Lusaka Stock Exchange you must contact a stockbroker who will buy them on the stock exchange for you. If you invest in shares you receive income in the form of dividends from the company. Dividends may not always be paid by the company as they depend on the performance of the company and decisions of the Board of Directors.