

### What is investing?

**Investing is an asset** or item that is acquired with the **goal of generating income** or appreciation. For example, purchasing stocks to gain dividend income or to be sold at a higher price for a profit later in the future.



### Why should you invest?

Investing is a smart way to **grow wealth** and achieve both financial and non-financial goals. Investing **can be a long-term commitment** which requires consistent savings but the pay-offs in the future are well worth it.

### How much should you invest?

Investing money into financial products can be daunting and you should **only invest depending on your risk aversion**. An easy way to gauge risk tolerance is to ask yourself how much you are willing to lose.



## PFC

### How should you invest?

ETFs are generally **highly diversified**, containing a large variety of financial products. This **limits exposure to potential losses** as the risk is spread out more.

For example, an ETF portfolio contains 1% of company A and company A experiences a 30% loss, since your portfolio only contains 1% of company A the **losses are mitigated**.

ETFs also often **track indexes** such as ASX200 - the performance of the top 200 companies listed on the ASX.





## PFC

### Popular Investing platforms

#### CommSec

**Commsec** is owned by the Commonwealth Bank of Australia and is Australia's number 1 online broker. Commsec is convenient as there are **no waiting periods** for deposit or withdrawal of cash. However, Commsec has higher fees.

#### SelfWealth.

**Selfwealth** is an Australian trading platform that is known for their **low brokerage fees**. However, it generally takes longer to deposit and withdraw cash.

### Alternative Investments (investing in yourself, investing in social life)

There are **other types of investments** such as investing into yourself or investing into your uni social life. You can try and learn a new skill, attend society events or **apply for our subcommittee**.

