



MICRO-INVESTING IN AUSTRALIA

W R I T T E N B Y
KATE CAMPBELL

THE AUSTRALIAN FINANCE PODCAST

WELCOME TO THE PODCAST



Dear Listener,

The Australian Finance Podcast is your crash course guide to sorting out your finances, one episode at a time. We aim to bring you actionable information that you can put into practice today, so you can smash those money goals and set yourself up for success.

You can always catch our episodes on Apple Podcasts, Spotify, Castbox and YouTube!

Cheers!

KATE & OWEN

EPISODE SUMMARY



For many Australians, investing is a daunting activity to get started with, however, micro-investing apps like Raiz Invest (which has over 200,000 active Aussie users) have broken down many of the traditional barriers to investing for beginners.

Starting with just \$5 you can get your first taste of being an owner of our global economy rather than just a consumer, which is pretty exciting!

Micro-investing is a way to get started investing with much less than the typical \$500 minimum you need to buy shares/ETFs, mandated by most Australian brokers. Micro-investing focuses on getting you started investing with a small amount and making regular contributions over time, with the wheels of compound interest working in your favour over the long run.

Some micro-investing apps (like Raiz Invest or Spaceship) allow you to invest directly into a diversified portfolio of shares or ETFs from just \$5 and others are more like a broker, where you can buy a single or fractional share or ETF (like CommSec Pocket or Stake).

In this episode we dive into what micro-investing is, how it works, pros and cons and apps in Australia.



KEY EPISODE TAKEAWAYS

Here are Kate & Owen's
main takeaways
from this episode.

01

Although some of these are categorised as 'fractional investing apps' rather than micro-investing apps, here are some options you have in Australia:

- Raiz Invest - micro-investing in a choice of 7 diversified ETF portfolios
- Spaceship - micro-investing with two different portfolios
- Commsec Pocket - invest in a selection of 7 individual ASX ETFs (individual HIN)
- Superhero - \$100 minimum ASX investing (group HIN model)
- Goodments - fractional US investing with ethical filters
- Stake - fractional US investing

02

Investigate The Fees

When investing very small amounts, sometimes the fees can outweigh the benefits of investing and it may be a better idea to keep saving until you can invest a larger amount.

03

Doing Your Own Research

If you'd like to do your own research on a micro-investing app, here's some of the questions that I'd be asking to further understand the structure:

- Where will my assets be held? Do I get my own holder identification number (HIN) (this is good), are my holdings beneficially held or do I receive units in a fund?
- Do you use an external custodian (good) and who is it?
- Are you registered to provide financial services in Australia? Do you have an AFSL (good)?
- What would happen in the event your company goes under?

QUESTIONS & REFLECTION TOPICS

01 What features of a micro-investing app are important to you?
Round-ups, regular contributions, fractional purchases,
diversified ETF portfolio etc.

02 Head over to the [MoneySmart fee calculator](#) to play around
with some different scenarios, and identify the effect fees have
on your investments over the long-term.

03 What does risk mean to you? Have you investigated your own
risk profile, behaviour and strategy?

04 Have you investigated your other alternative options to micro-
investing to compare the products on offer?

EPISODE ACTION STEPS & NOTES

To get the most out of each episode, make a list of tasks to complete after listening and any points of interest from the episode. Then come back in a few weeks to revise what you've learnt!

TASK

DUE DATE

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EPISODE NOTES:

EPISODE RESOURCES

Here are some of the best resources from this episode which are worth exploring and coming back to! These links are clickable as well.

PREVIOUS PODCAST EPISODES

Check out previous episode of the Australian Finance Podcast, including [Ep. 8. ETFs, Managed Funds & Index Funds](#), [Ep. 21. How To Pick & Choose ASX ETFs](#) & [Ep. 64. How to build an ETF portfolio, with Kris Walesby of ETF Securities](#)

RAIZ INVEST - MICRO INVESTING APP

Explore episode guest Raiz Invest, an Australian micro-investing app, in more detail [over here](#).

COMPARE MICRO AND FRACTIONAL INVESTING APPS

Take some time to [compare](#) the different micro-investing and fractional investing apps available in Australia.

Take note of the structure, investment type, fees, security and risks.

RASK'S BEGINNER ETF INVESTING COURSE

Imagine this: In 60 minutes from right now, you know everything you need to know about ETFs and how to get started.

In this [free course](#), we'll answer the 10 most common questions Australians have about ETFs, including what they are, how to get started, what you need to tell your accountant, and more.

Next, we'll take you through 5 steps for getting started and what you can expect.



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