

# what is an ETF?

## Five things you need to know about Exchange-Traded Funds

For most people, the idea of investing can be daunting. How do I start? How do I know what to buy? Luckily, there is a way of investing in stocks, bonds or commodities in an easy, cost-effective way. It's called an exchange-traded fund or ETF.

## exchange-traded funds



# 1

An ETF is a listed vehicle or fund that tracks a basket of assets (like basket of shares, or bonds or both) or a commodity (like gold or oil). ETFs are bought and sold like a shares on an exchange and their prices change throughout the day as the market moves.

# 2

By buying an ETF an investor buys a small stake in all the companies (or assets) that comprise the ETF.

# 3

To purchase ETFs you will need a share account, either through a traditional broker or an online broker. There will be statutory charges and may be a commission charge for trading in ETFs.

# 4

ETFs help investors gain exposure to a range of local or global assets enabling you to build a portfolio that suits your needs.

# 5

ETFs track a range of listed asset classes like equities, property stocks, bonds and precious metals with low investment barriers, making investment possible to everyone.

## pros of investing in ETFs



You can invest in ETFs as part of your Tax-Free Investment annual allocation



You can buy and sell ETFs cost affectively at any time during trading hours in the day



They are cost and tax efficient



You can move in and out of asset classes, investment themes and the market quickly



You can add alternative assets such as commodities or emerging stock markets

If you are considering starting your investment portfolio or simply diversifying an ETF is a great place to start.

Begin your ETF journey today by contacting on [1invest.co.za](https://www.1invest.co.za)

