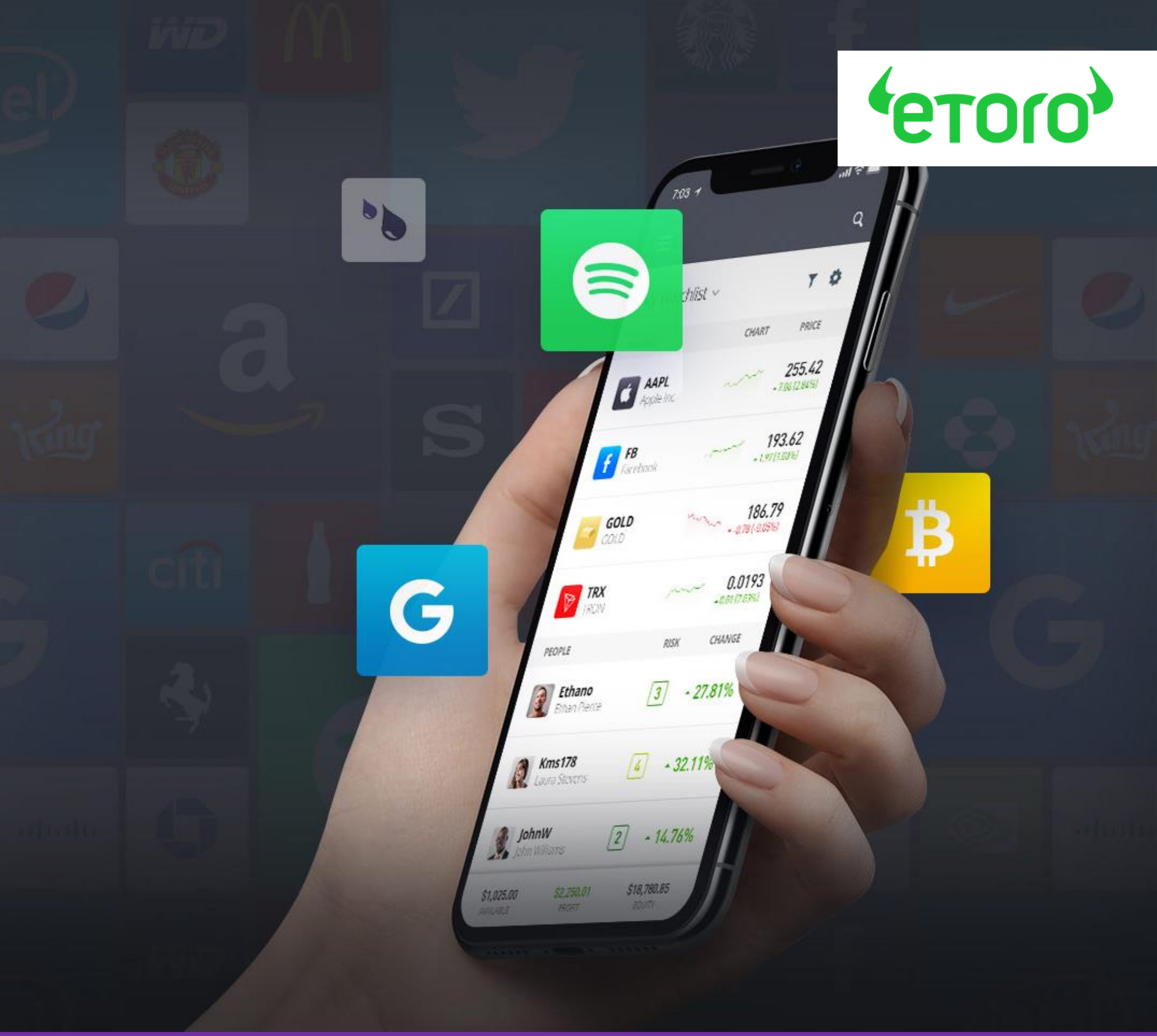

Why aren't you investing?

How to overcome your fears and start investing your money.

By: Catherine Laffertey

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Why Invest?

The answer is simple: to give yourself the opportunity to potentially grow your finances.

Investing means taking control of your finances, and your future. It can be an exciting step towards financial freedom, and - you can reach your goals in plenty of different ways.

Your reasons for investing are your own. This means you'll have unique motivations driving your efforts. You'll also have your own goals and outcomes that you're looking for.

There will be risks, and ups and downs along the way, but investing has the potential to be a great way of expanding your financial experiences over the long-run.

Investing isn't just for wealthy people. Or, for those who are obsessed with finance and making money, it is for everyone.

Not only can the potential rewards that investing brings be exciting, but the intelligent investor can change the world for the better with her investment.

You are already an investor!

You might not realise it, but chances are that you are already an investor:

- **Your pension:** **if you have a private pension, you are an investor. In fact, pension funds are the biggest corporate investors in the world today. Remember it's your money they are investing.**

- **Your bank account:** **if you have any money held in any kind of bank account, you are (indirectly at least) an investor. This is because you're loaning to them by depositing your funds. They will use that money to make themselves a profit, and pay you a small amount of interest as a reward.**

The point here is that pension funds, banks, and building societies are experts in money management. But, their main purpose is to grow their own money and company. Creating wealth for you is more of an afterthought.

Your results could be much more plentiful and rewarding if you invest directly.

Do a little research

Of course, not all investments are good investments, and some homework is needed to differentiate the good from the bad, and indeed - the ugly.

There's always more that you can learn when it comes to investing. However, it's not as complex as you might think to get started.

We're going to explain some basic ways throughout this eBook for you to dip your toes into the markets. It's important that you start in the shallow waters, don't go diving into the deep end before you're ready.

But, there are plenty of ways you can carry out research or lean on the support of others to help guide your investing choices.

It's always a good idea to start small and then build things gradually as you become more comfortable. This doesn't mean that you have to spend months diving into dusty old investing books, or head back to University for a finance-related degree.

The basic research needed when you start investing doesn't have to be over-the-top complicated. That being said, it is vital that you don't invest more than you can afford. The whole point of all this is to improve your life, not make it more stressful by over-stretching your finances.

Investing will always be an ongoing journey and learning experience for you. It can be challenging at times, but there are ways you can research and prepare yourself to make the road as smooth as possible.

The social investing platform eToro even gives you a demo account when you sign up with $100,000 of virtual funds which you can use to hone your financial skills and practice investing.

Of course, you will also need some insights and help to get started. And, to avoid the traps and pitfalls that befall the reckless. That is exactly what this short booklet is designed to do.

Why aren’t you investing?

Assuming you have a few extra pounds sitting in your bank account - why aren’t you investing them?

Sure, those pounds are making a pittance for you while sitting in your current or savings account, but with interest rates still at historically low levels - it’s not making very much at all.

Right now, it won’t even make enough to remain above the rate of inflation. In which case, you are actually losing money keeping it there.

For example, if inflation is at 5% then your investments have to make *at least* 5% just to enable you to buy the same amount of stuff later on that you’re buying now. Things will be 5% more expensive so your money needs to grow by at least that amount in order for you to keep the same standard of living.

You have to make that money grow and work for you. At the very least, try and protect it from losing value.

Investing could let you do just that.

Benefit from growth

Whether you're for or against capitalism, it's the system we all live within right now.

Even if you believe the world should be run differently, you can't make significant change whilst everyone else laps you on the running track.

History has shown that, despite fluctuations, capitalism always recovers and prospers. This could of course change, but this dynamic, ever-growing system is with us for the foreseeable future.

This is important for any investor to know, because it means that wise investments could allow you to benefit most from the way the world works.

Throw out the fear

A lot of people don't invest because they are afraid they will lose money.

It's certainly possible to lose – particularly in the short term – but there are some simple ways to mitigate losing more than you need to.

There are also plenty of good practices you can make use of to give your investments the best chance of making you more than you can lose. We look at how to do that later in the eBook.

Also, as shown above, if you keep your money in savings you are definitely going to lose money in real terms - because as things are right now, it just can't keep up with inflation.

It can take a leap in the direction of investing in order to protect your money.

You're listening to the wrong people

Open any major news website on any given day and horror stories about the economy are big, bold headlines. Dig a little deeper and there are stories abound about failing businesses. The message they're trying to put in your head? Don't invest or you will lose your money.

What most news channels do not tell you is that it is rare for investors to lose all of their funds. Even a failing business will have systems in place to make sure investors don't lose everything. In fact, failed or failing businesses can represent an investment opportunity.

Read past the headlines and don't only rely on popular news sources for advice on investing. Remember, their job is not to show you how to make money, it's to win the largest possible audience. And, one of the best ways to get eyeballs on their content is with negative doomsday rhetoric.

It's also tempting to listen to a friend or relative about their experience of investing. After all, they might think they know how it's done and have made a few pounds doing so.

It's certainly possible that a long time ago Uncle Albert did make a couple of quid 'playing the markets' as he calls it. But far more likely he didn't make much because he treated it as a game. Chances are his stories, meant well no doubt, about dodgy stockbrokers, rigged systems, and scam artists are long out of date and have been exaggerated to the umpteenth degree.

The truth is that despite the horror stories in the news, and despite old Uncle Albert's war stories, investing can pay off in the long term. That's not an empty claim by the way, all you need to do is look at the statistics for proof.

In 1972 £100 was a lot of money for most people.
But today that same £100 pounds is worth a fraction of its value.

This is because inflation, which has run at an average of 5.43% every year since 1972, has devalued the pound over fifty years to just 7.113% of its 1972 value. To put it another way, you must have £1,405.92 to buy today what cost you £100 in 1972.

The stock markets offer a far better chance to increase the value of your money.

Rather than losing value over fifty years, investing in stocks would have much increased the value of £100 since 1972. The S&P 500 index benchmarks the performance of 500 major companies in the US, and has an annualised average return of 10.5% through to 2021 (5-year performance: 1912%). Of course, past performance doesn't dictate future results.

the crux of the matter is this - investing means that rather than seeing your savings lose value over time, you can potentially grow them.

The 7 biggest investing myths and what the truth is about them

1. Investing is far too risky.

All investments have a risk factor. But, a higher risk may result in higher potential rewards, all else being equal.

The same can be said for the opposite, the lower the risk (e.g. savings accounts and Government bonds), the lower the reward… much lower!

In general, the markets are not as risky as you might think. This is because they are heavily regulated with built-in safeguards to ensure everything works properly.
That said, even the best safeguards do not eliminate risk completely. It is for you as an investor to decide what level of risk you are prepared to accept.

Also, very often, the longer you have your money held in investments, the less risky it becomes.

Over time, the ups and downs of the market are smoothed out. With many good investments, there is a greater chance of them growing in value the longer you hold them. This is how famous investors like Warren Buffett made enormous wealth, most of which happened later in life.

Time can be your friend, which is why younger people can afford to take more risk with their investments. Regardless of your age, there's a popular proverb that fits well with investing:

"The best time to plant a tree was 20 years ago. The second best time is now."

2. Only the rich can afford to invest.

This is simply not true.

Anyone can invest. Even if you only have a tenner to spare each month, you could put that into a cost-efficient, simple index fund (ideally through a regular, automatic payment).

Even better would be to put in more than £10, because you'd likely reach your goals faster. Every little extra that you can afford to invest will help you in the long run.

The rich do invest their money, and that's often how they stay rich.

It's true that it's easier to grow a larger amount of wealth, because it's like getting a head start before a marathon. But, as your portfolio grows over time, you will also benefit from compounding gains.

3. Investing is like gambling.

There is an element of chance and risk with investing, but knowledge and planning play a more important role.

When it comes to gambling, the odds are always stacked in favour of the house. All casinos are rigged to a certain extent because profits are made by the losses of those playing the game. But investing is not a zero-sum game. You don't have to build wealth at the expense of someone else's loss. There's enough money sloshing around our beautiful planet to fill everyone's pockets!

It's worth keeping in mind that short-term investing or day-trading can invite a lot more risk and volatility into your life.

Long-term (i.e. five years or more) investing takes much of the element of chance out of the equation, and can potentially tilt the odds in your favour.

4. You lose easy access to your money.

This may or may not be true, depending on how you invest your money.

If you own property, as many people do, this is a much more difficult way to access your money. We talk of investments that you can get your hands on easily as 'liquid' (stocks and shares for example), whereas 'illiquid' investments are ones that take longer to buy or sell (like property).

It is true that with shares, you may not want to sell them at a particular time, perhaps if markets are down. But, you can still sell them very easily at almost any given time. It's much easier to sell shares than it is to sell a house!

You do need to have access to some cash, which is why people harp on about an 'emergency fund'. Having this in place means that you can access money when you need to without having to sell your investments.

Some assets, like bonds, can require that you lock away money for a period of time. But with many investments, you are free to sell them and access your money quite easily. Even if you're holding them in an account such as a stocks and shares ISA.

5. The stock market crashes all the time.

No, it doesn't.

In fact, over time, the main stock markets across the world have gradually gone up.

We tend to hear about it when it crashes – that's what makes the news – but gradual positive movement isn't particularly newsworthy.

If you take a look at the price chart for most stock markets, zoom in close, and you'll see a lot of up and down movement.

But, if you zoom out and look at the big picture, you'll see a healthy trajectory in a positive direction - it's just a bumpy road!

6. You have to monitor your investments every day.

If you want to monitor your investment every day, you can. But, the best ways of investing are rather similar to watching paint dry or waiting for the kettle to boil. There are far better things to do with your time.

There will be fluctuations in the price of stocks and other assets, but this is just a natural part of the process. Advancement and growth never happens in a straight line.

You should be aware of what's happening in the economy and an occasional check on your investments, but it doesn't have to form part of your daily routine.

Often, more monitoring can lead to more stress. The daily movements of your investments are often insignificant over the long term.

7. It's a quick way to make money.

Investing is for the long-term, it's not a 'get rich quick scheme'.

There can sometimes be opportunities to make quick money, but these usually involve a lot of risk, and a higher chance of making losses.

The reality of investing is that markets can reward middle to long-term investors, while punishing the hasty adventurers.

So why do markets favour middle to long-term investments?

The answer is quite simple and very well worth bearing in mind. Your investments are like small seeds that need to be planted and then given the right conditions and time to grow.
It often takes time for investments and businesses to become trees bearing fruit.
Patience is a virtue, and this is something that applies to most forms of investing!

How to start investing.

The quick and more straightforward way to start investing

Once you have put some money aside in a savings account for an emergency fund, you're ready to dip your toe into the investing waters.

You'd like to invest in the stock market of course…and why not?

While there are lots of ways to invest in the stock market by picking individual shares, a safer and more accessible way to invest is to put your money into certain funds.

Funds are like bags of different shares (and possibly other investments), and the money you put into them is distributed across all the different products, spreading your risk.

So, although you might not make the huge returns that are possible with a single company that does phenomenally well, you are less likely to lose.

One good, accessible type of fund to start off with is an index fund that tracks a major market. Index-trackers work automatically, which is why they're cheap and simply 'track' an index. You can think of an index as a list of investments.
You can find out more about index fund investing here

[https://www.moneymagpie.com/manage-your-money/index-fund-investing-a-complete-beginners-guide]

They are a great way to begin investing because they're simple, diverse, and involved very little input on your part. There's an absolutely huge range of index funds, ETFs (exchange-traded funds), and trackers covering just about every country, industry, and market you can think of.

If you want to invest in an index-tracking fund through eToro, see how you can do it here.

Your capital is at risk.

Diversify

One of the most important rules in investing is to 'diversify'.

In other words, spread your risk. So, never put all of your eggs in one basket, or all your money into one investment.

Most successful investors put money into a variety of 'assets'. An asset is just a type of investment. For example, shares are an asset class, as is property, cash, bonds, and even cryptoassets.

It's worth holding a variety of assets, spreading your money across different investments, sectors, and industries.

The reason for this is safety.

No single investment is totally safe. Even houses are not completely safe! Remember the housing market crash in 2008?

The best thing to do is to spread your money across different investments so that if one tanks, you still have others to fall back on.

It's not all about preventing losses either. Investing in a diverse range of assets can also increase your chances of picking successful investments that could make you money.

Copy Trading: an easy way to leverage the expertise of others

Copy Trading is an innovative form of investing unique to eToro that enables users to automatically copy their peers, instantly replicating their trades in real-time. eToro takes the concept of social investing one step further by bringing together investors from different backgrounds and allowing them to collaborate and copy each other's portfolios. Simply put, it's a way of investing in financial markets by leveraging the wisdom of the crowd.

The benefits of copy trading can offer you the advantages of:

Learning from the best: eToro is home to some very successful investors. By using Copy Trading, users can easily replicate the investment strategies of other investors and monitor their actions closely. Moreover, many investors use the social news feed to discuss their actions and explain their rationale, presenting a real educational opportunity for others.

Saving time: Investing can involve a lot of time spent watching the markets and researching what might be the next big thing to invest in. But using CopyTrader can save you those hours, as someone else is doing all the heavy lifting for you so that you can invest your time doing other things.

Diversification: Just like any other financial asset, using Copy Trading acts as another medium and adding it alongside other investments in your portfolio can be a great way to diversify and mitigate risk.

Copy Trading does not amount to investment advice. The value of your investments may go up or down. Your capital is at risk.

What sort of investment products could you put your money in?

Below is a list, in no particular order, of some of the most popular forms of investments. Some or all of these could be of use to you now, or later when you've got a bit more experience as an investor.

Stocks and shares: these are perhaps the most well-known form of investing, formally known as 'equities'. The basic idea is that you instruct a broker or brokerage company to invest in stocks and shares on your behalf. The 'shares' represent a fractional ownership of the company you're investing in. Buying shares and investing in stocks means that you can own a piece of a company without actually having to run the business yourself! Equity investing can be volatile (prices moving up and down), and also lead to more risk, but this type of asset can provide huge rewards.

Bonds: this asset differs from stocks because they are a way for companies and governments to borrow money. When you buy a bond, you're essentially loaning your money. Whoever you buy the bond from will make a promise to pay you back with some added interest. The higher the risk they may not pay back your money, the higher the interest rate that will be offered, and vice versa. As such, they are more secure than stocks and shares, but rather dull to be honest. For the cautious investor they do represent a reasonably safe investment, but most bonds offer a relatively low return. This means that with high inflation, your money is still losing value over time.

Funds: when you're starting out as an investor it's usually a good idea to consider funds. They can contain a mixture of stocks and shares along with other assets, and your money get spread across everything held in the fund. So, means that you get to diversify your investment without any extra effort. Some funds are actively-managed – so it's experts that choose and manage the investments. Others, like index funds, are passively-managed (run by a computer), which is why they can be a cheaper option.

Cash: you may not think of cash as an asset because you use it every day, but it is. Many investors fail to include how much cash they own when looking at their portfolio. Cash is an interesting asset because although it's relatively safe, it's likely to lose value over time. Left by itself, cash doesn't create any value and therefore doesn’t grow.

Cryptoassets: this is a relatively new asset class that is at the top end of the risk/reward spectrum. Some people have made a huge amount of money, but at the expense of more volatility and risk. Like with any investments, those who have made the most out of crypto are those who've been invested the longest. This is a new type of asset and the industry is largely unregulated, but some cryptoassets can play a useful part in your portfolio. But, still be careful and keep a long-term mindset.

Commodities: these are products such as silver or gold, oil, wheat, and even coffee! There are various ways to invest in commodities, including investing in the companies that produce them, or mine them. You can also invest in funds or ETFs that specialise in commodities.

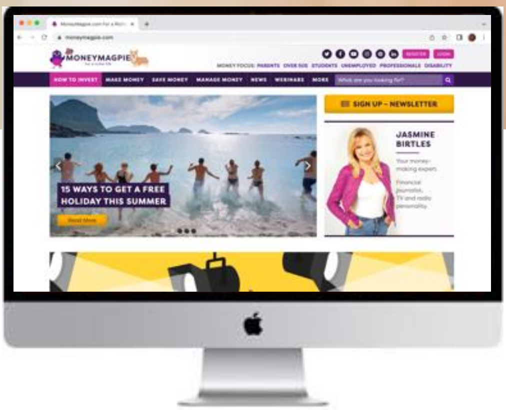
ETF: ETFs, or Exchange-Traded Funds, are another good way to invest in commodities, a stock market or index, and even a country or industry. Like index-tracking funds, they tend to be run by computer algorithms and are often cheap to invest in. The main difference between index funds and ETFs is usually that ETFs can be bought at different prices throughout the day whereas an index fund uses a fixed price at the end of each trading day.

Socially responsible investing: ethical or socially responsible investing (SRI) is a new form of investing driven not just by profits, but also by the desire of the investors to make a positive change in the world. The investing strategies used can vary, and usually exclude certain investments (weapons, fossil fuels etc.), or include investments actively trying to make some kind of positive impact.

To close this section, a quick word on **ethical investing**.
Ethical investing has become something of a cliché in the last decade or more and many large corporate bodies offer ‘ethical’ investment opportunities.

But, it’s important to remember that what’s ethical to you may not be someone else's definition.

There's no strict criteria for an investment to be deemed ethical, so always make sure you understand what you’re investing in. Don’t be afraid to ask questions or invest your money as you see fit



Where to get help with investing

There is plenty of free information available these days that can help educate and inform you as a beginner investor. Just open a window on your computer, and much of it is yours in nano-seconds.

Here at MoneyMagpie, we help provide education useful to those of you looking for information, but there are also government resources, paid material, and you always have the option of speaking with a financial adviser.

Should you decide to consult an independent financial adviser, it's not difficult to find one. You can use the tool https://www.thepfs.org/yourmoney/professional-advice/finding-your-adviser/ provided by the Professional Finance Society or, just search the internet. Your next step is to check your advisor is competent. You can check with the Financial Services Register which you can find here.

Before we carry on, remember that using a financial adviser is not a free service. Your first consultation might be free, and your adviser will then provide you with an estimate of any ongoing costs. One tip is to consult with at least two advisers for best results.

On the other hand - here's where you get the really good insights - you could use MoneyMagpie.com. At MoneyMagpie.com we have a whole section on investing, together with a section on pensions, one on banking and saving, and even taxation (another important aspect of investing).

There really isn't enough space here to list all of the features of our investing pages, but we carry material that answers the most basic questions - from 'what is a share' to information on how to invest in cryptoassets.

We cover all major asset groups and markets in what we hope is a calm and clear manner. Not only that, but we also want you to smile and have fun. Creating material that's enjoyable and engaging for you is our top priority. Finance doesn't have to be stuffy and boring!

MoneyMagpie isn't just a website, we discuss issues with real people to create a variety of content. So do check out our regular webinars and subscribe to our fortnightly investing newsletter full of interesting and useful information. You can sign up to that here.

In addition to webinars, there are an increasing number of courses, both online and in-person, that aim to educate new and experienced investors on how to use the markets effectively. Most top brokerages should provide you with a decent amount of learning resources.

Our friends at eToro provide free courses and create material covering a host of different investment topics on their eToro Academy.

Talking of eToro, we've teamed up with them because they have a range of values that match our own. Their website is very much worth checking out for any new investor.
Along with providing excellent learning resources, their platform is extremely accessible to use and offers a huge choice of investments.

It's one of the few multi-asset platforms available where you can create a diverse portfolio containing all of the investment assets discussed earlier. You can invest in stocks, shares, funds, commodities, and even cryptoassets - all in one place!

As a multi-asset investment platform, eToro also has a growing expertise in social investing. This allows you to create your own investing ideas and share them with others. Or, you can learn from more experienced investors who share their knowledge, you can even copy their trades! This is all to help create an investing community that learns and shares with each other. Like we said early, investing isn't a zero-sum game, there's room for everyone.

6 genuine pitfalls You need to watch out for

1. Too much information

Any investor worth their salt will research potential investment opportunities and rightly so.

The problem here is that great masses of seemingly relevant information can make decision making difficult.

In most cases, investors have to try and separate helpful information from that which is dubious and unhelpful.

Make sure you research using facts instead of opinions. Be open-minded to what people say about investments but don't take it as gospel truth. In the wise words of Bruce Lee:

***'Absorb what is useful, reject what is useless, add what is essentially your own'*.**

2. Too little information

Some of the most promising, exciting, and risky investing opportunities come with relatively little information.

This is especially true of start-up companies, investments in developing markets, and new asset classes like cryptoassets.

Do not automatically pass over such opportunities, take your time and dig a little deeper.

It might be that the information you are looking for is available but takes a little more effort and skill to access.

On the other hand, if the company or sector you're researching has been around for some time and objective information is difficult to locate, it might mean there are reasons why this investment is not for you.

3. Failing to get the right advice

You have to keep your wits about you as an investor.

Remember, this journey is all about taking control.

People will have opinions and companies will have motives, and the desired outcome usually isn't to make you wealthy.

The key here is to take your time and do your research before committing your money. Use a variety of resources when you're learning to reach your own conclusions.

There is no single way to get 'perfect' advice. And, you can always turn to paid experts or specialists if that gives you more peace of mind.

4. A lack of patience

In reality, it's impossible to read the markets and know with certainty what's going to happen, and as a result take advantage.

Reality is always more complex and cannot be read as if it were a cheap paperback.

If it could, every investor would do the same. Be prepared, in many cases, to let an investment mature and develop at the pace the market allows.

Remember that when you first invested somewhere, you knew it would take time to mature. So, don't be easily panicked and quit the market, prematurely taking a loss because of a drop in 'paper value'.

5. Ignoring taxes

Taxes can be pretty boring, but you don't want to bury your head in the sand.

You don't have to be an expert in taxation to make things simpler for yourself.

For example, if you invest using a stocks and shares ISA account, you often don't have to pay any tax on gains or dividends. Using this account also means you don't have to report all your investment on a tax return.

Each tax year, you also get certain allowances which can mean earning a decent amount of profit without paying Capital Gains Tax (CGT). If you really don't want to be involved at all, then seek professional advice. But, it can be surprisingly straightforward to stay one step ahead of the taxman (legally) with your investments.

6. FOMO

FOMO, or 'fear of missing out, is an emotion that can make us do silly things and lose money!

With FOMO, you often find yourself putting money into something at just the wrong time.

Ideally, the best time to invest in something is when it is cheap, unloved, and in the doldrums. What usually happens, though, is that new investors only invest into something everyone is talking about.

When an investment sounds exciting and people claim it's a fool-proof way to make money, it is usually at its peak. Soon after that stage, very often the investment plunges. This is an example of a bubble popping.

So FOMO can make you buy when you typically shouldn't, and then sell once the price has tanked, losing you money.

If at all possible, keep FOMO at bay by taking a big deep breath, and not putting any cash into an investment until you've done your own research.

Remember that even if you miss an opportunity, there will always be future opportunities down the line.

Hear from the eToro Popular Investor

(source: eToro)

Heloise Greeff
(@rubymza)
eToro Popular Investor

What advice would you give to new female investors?

Stop waiting for the perfect time! The most important thing is to make a start! “Time in the market is much more important than timing the market.” Time is your most potent variable. The sooner you start investing, the sooner you will earn interest on your interest.

My main advice to female investors is to get started and not underestimate yourself. Although beginning something new can be overwhelming, I don’t know anyone who regrets investing. If anything, including me, most people only regret not getting started sooner.

Not everyone has the time or interest to become an investor, but every household is a small business. I believe everyone should spend time understanding the markets broadly. You may not have the time or interest to become an advanced investor. Still, you should at least cover the basics to make a well-informed decision about your financial future.

What should you do when starting as this can be very scary for some people?

The start of your investment journey can be the scariest. After that steep initial learning curve, I found the process much less daunting. When you start investing, there are two vital elements you need to be aware of to make sensible decisions. Firstly, do not be put off by the terminology. You will hear terms for the first time, like ETF or annuity. This jargon usually overwhelms newbies, but it need not. A list or glossary can be helpful to look up these terms until they become part of your internal dictionary. For this, I recommend Investopedia.com; it is free and user friendly. Secondly, you need an investment philosophy. Your investing objective, time horizon, and risk tolerance will influence your portfolio allocation. Knowledge is power, and you need to know your options. My favourite books to help with this are "The Little Book of Common Sense Investing" (Bogle) and "The Intelligent Investor" (Graham).

What are the fundamental skills you need to be/become a successful investor?

Patience and discipline. The technical skills of how, where, and when to invest can all be taught with ease. The real skill is to master one's emotions. A successful investor has the discipline to stick to their strategy and the patience to wait for the results.

Ana Sarda Rodrigues
(@nintingale)
eToro Popular Investor

What advice would you give to new investors?

"I could write a full book about it (in fact there are many), but if I had to meet a younger version of me, I would definitely say investing is a marathon, not a sprint. Stay away from "get rich" type of schemes and focus on the long term and on building your own convictions and resilience, you will need them when market momentum is against your portfolio. Eventually, you will have home runs, but they are the exception, not the rule.

The second would be to discover what sort of investor and/or trader you are. Investing and trading require very different approaches, while trading is about momentum, investing requires an enormous amount of resilience and faith to hold through difficult times. For those who have less time to dedicate to research and reading, building a growth dividend portfolio is usually a safer choice."

What should you do when starting, as this can be very scary for some people?

"Research on investment strategies to find your preferred style and risk appetite. There are very low risk strategies out there for more conservative and beginners profiles. Personally, I love volatility as it is not bad per se, it is something that you can embrace and use in your favour if your conviction and resilience are strong.

You should also understand what sort of traps are already waiting for you in this journey: the rollercoaster of emotions, panic selling, catastrophic news headlines. There are several biases that will come into play, so if you are already aware of it, it will free up your mental capital to focus where you should: the next big opportunity.

If you have more budget and time, I would absolutely recommend looking for collective investment groups, where more senior investors share insights and investment ideas, and you can interact in real-time and get constructive feedback. This will give more confidence, conviction, and peace while you discover your style, preferences, and risk appetite. My best investments came from bouncing off ideas with others and building potential scenarios together."

Neza Molk
(@nezatron)
eToro Popular Investor

How did you start investing?

"All my life I have been concerned about my money and savings. When I got my first student job and realised how much effort you must put in to earn a few bucks, I didn't want to spend it right away. Soon I realised that if I don't do anything with my savings, money in the bank account will slowly lose its value. I started to look at possible solutions, and investing was the best option for me. I bought my first stock when I was 20. Then just before the pandemic started, I opened a virtual account on eToro, realised how easy it is to use it and I fell in love with the possibilities it offers. When the pandemic happened, that was the moment when I decided to start investing on eToro for real."

What advice would you give to new investors?

"Explore, learn, and don't be afraid. Start reading, listen to podcasts, follow the news about world markets and do your own research. With all of that, you will shape your goals and develop a strategy that suits your needs. Don't be afraid to try something new, we are learning our whole life and it might be scary at the beginning, but this is not a reason not to try. It might be helpful to find yourself an experienced mentor who can guide you. It is easier if you have a reliable person beside you who can motivate and advise you when you feel lost. When I was at the beginning of my investing journey, I tried to remind myself that every one of my role models was at the same point once, and they made it."

What are the factors that influence your investment decisions?

"Before I decide to invest in a specific company, I do deep research about it. I am trying to understand how the company makes money, what their history, financial health, and future prospects are. I also check who are their competitors in the business and do research on them. After that, I check their financial results. I then take a look at their balance sheet, P/E ratio, PB ratio, D/E ratio, margins, current and quick ratio, and so on. Normally I am searching for oversold undervalued companies with strong fundamentals. My goal is to keep my portfolio well-diversified and get the best possible results for me and my copiers."

How important is financial education in your investment decision? Why do you think some people prefer to jump straight into investing rather than taking it step by step, with investments tailored to their level of knowledge and risk?

"I think that financial education gives you a good basic knowledge you need when you enter a stock market. But I don't think you can not succeed without it. There are many reliable sources where you can learn from, if you are motivated and not afraid of trying something new. I think people who are jumping into investing without the intention of long slow growth are greedy and there is a higher chance that they will lose everything rather than become millionaires overnight."

eToro: the power of social investing.

eToro is the world's leading social investment platform where you can invest in stocks, crypto, and beyond.

Built on social collaboration and investor education, it is a community where users can connect, share, and learn to grow their knowledge and financial experience.

Join the conversation on eToro. Start today.

eToro is a multi-asset investment platform. The value of your investments may go up or down. Your capital is at risk.

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Thank you.