

How to pick shares



Mentor in a minute

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For some people, not knowing what to look for is one of the biggest hurdles in share buying. But with the right approach, you'll soon get better at spotting opportunities that suit your investing strategy.

If you're not confident in investing in individual companies, you might want to try what's called an exchange traded fund comprising a basket of securities. They may sound complex, but essentially, they're just packaged products where a team of managers have already selected a mix of shares for you.

Whatever your strategy, it's always worth taking a look at the fundamentals of a company. Are its earnings growing? Is it generating cash? What are its debt levels? Questions like this will help you assess the risk involved in a potential investment.

Whatever your strategy, it's wise to have a diverse portfolio. Choosing shares from a number of different sectors – such as finance, retail, energy, healthcare and resources – will reduce your exposure should one of them go through a tough patch.

For that reason, it's also worth considering the inclusion of other types of assets in your portfolio, such as property, bonds and cash.

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Ready to trade? Sign up and start trading today

Invest in yourself

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