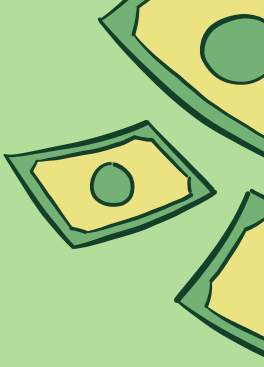
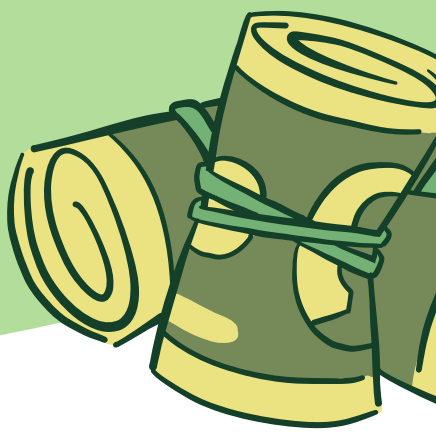
Six Steps to Get Started on Investing



This guide extracts key investing information from Your Financial Basics.



If you have just started working, **try investing at least 10% of your take-home pay consistently** for your financial goals (e.g., wedding, home purchase) and retirement.

If you are new to investing, you could consider these steps!

1

Ensure that you have first set aside savings that can cover at least 3 to 6 months of expenses, in case of an emergency.

2

Decide how much of your emergency funds you wish to keep in Savings Accounts versus Singapore Savings Bonds (SSBs).

SSBs have a 10-year tenure, i.e., the longer you save, the higher your return. But you can redeem the bonds early, without any penalties.



3

Invest the 10% of your take-home pay to meet:

a. Short-term goals (e.g., holidays) through instruments such as SSBs

b. Long-term goals (e.g., children's education) through instruments such as diversified Exchange Traded Funds (ETFs)



4

Open a SGX CDP account and/or MAS-regulated broker account to start investing.

a. A SGX CDP account is needed to buy SSBs.

b. A MAS-regulated broker account is needed to buy diversified ETFs.

5

Apply to buy:

a. SSBs through internet banking or the ATM in the amount you decided on previously.

b. Diversified ETFs across asset classes, industries and countries in the amount that you decided on. Some diversified ETFs commonly cited to be suitable for new investors are:

- An ETF that tracks the top companies on an index such as the Straits Times Index (STI)
- An ETF that tracks the total stock market index fund



6

Repeat (5) at a fixed frequency within the year (e.g., monthly, bimonthly or quarterly). A MAS-regulated broker account might allow this process to be automated.



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