

# What are some of my options for investing? A look at asset classes.



Series: Let's get back to basics  
Complexity: **Beginner**

Here's a snapshot of the main asset classes – or categories of investments which are available to Australian investors.

## Shares

When you buy shares, you are effectively becoming a part owner in a company. As an investor, you have the right to vote on major decisions made by the company. Importantly, you are also entitled to share in future profits through the issue of regular payments, or dividends.

## Property

Apart from directly investing in property (buying an apartment or house, for example) you can also invest in listed property trusts, which pool the money of private investors like you, and buy into large developments such as shopping centres, warehouses and offices.

You can also invest in overseas shares, property and bonds.

## Fixed interest (bonds)

Simply put, bonds are cash loans which an investor makes to a company, bank or government agency. Such entities issue bond certificates to investors in exchange for cash, with an agreement to pay back the investor's original amount on a set date, along with an interest return.

## Cash

As an asset class, cash isn't just the money saved in your bank account.

'Cash' can also include investments in the short-term money market like bank bills and treasury notes, which work in a similar way to fixed interest.

### So which investment should you choose?

It's important to consider all these investment options in relation to your risk tolerance, investment time horizon and your own personal circumstances. However, we believe the best approach is to invest across a balance of asset classes.

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