

Transcript

The Ideas Exchange

Episode 14: The changing face of investing

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**Helen Chong (00:00):**

Welcome to The Ideas Exchange by ASX, connecting you with market experts, investment updates, and ideas. I'm Helen Chong, National Business Development Manager at ASX, and this is our monthly podcast covering everything from investment trends through to different ways to invest using a variety of products.

Hi, everyone. Welcome to this month's Ideas Exchange, I'm your host Helen Chong. In this episode, I have the pleasure of chatting with our expert, Rachel White. Rachel is Head of Product Strategy at Vanguard Australia. Vanguard's the one of the world's biggest exchange-traded funds or ETF issuers. We looked into the changing phase of investing, covering the growth of younger investors, all the way to the rise of female investors. I asked Rachel what's driving the shift in investors here in Australia, so stick with us on this episode to find out how women invest differently to men, the most popular ETFs investors are buying right now and talking about how investors can use investing to achieve longer term financial goals. Rachel also shared some great resources. So for those of you who are looking to invest in ETFs or simply get started, let's get straight into it.

**Voiceover (01:07):**

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**Helen Chong (01:35):**

Welcome Rachel, very excited for you to join us today. In this episode, I want to shine a light on women. So I want to tackle this in three parts, women and the relationship with investing, how they invest and what they invest in. Our chat today is also a timely celebration for International Women's Day, which falls on the 8th of March, and it's a day where we come together to celebrate the achievements of women in all aspects, be it social, economical, cultural, and political. I think we can all agree that we can celebrate women every other day, but this month is particularly important. So what better time for us Rachel, than to delve into the way women invest and what we can learn from them. First of all, let's talk about who's investing in Australia. At ASX, we survey Australian investors every two to three

years and we publish our findings in the Australian Investor Study. And the last one tells us in 2020 that women made up 45% of new investors in the previous 12 months. This is an encouraging uplift compared to about five to 10 years ago. Rachel, does that surprise you?

**Rachel White (02:36):**

Well, it's definitely a positive and encouraging statistic. It doesn't completely surprise me, and I think that's because there has been this gradual evolution and this change in the profile of who an average investor is. We're seeing that investors are getting younger and they're more likely to be female. There's a recent study done that showed ETF investors are now eight years younger and on average twice as likely to be female compared to even just five years ago. And in fact, 21% of new ETF investors are females age between 18 and 34. And I think a really important part of the reason for that is investing is becoming more democratised. The stereotypes of who an investor is or who an investor can be, is really changing. And the access to easy to understand and financial information is becoming more available, it's becoming more tailored to these new demographics. There's so much more female focused educational content and events. They've actually talked to women in a language that they understand and it's in a context that's really relevant for them.

**Helen Chong (03:53):**

Yeah, absolutely. I think that education is definitely a key to helping bridge that investing gap for women, and this astounding, you mentioned eight years younger than the average. Just trying to think when I made my first investment how old I was, and how that compares, and we are definitely also seeing a new wave of investors entering into the market. What we call next gen investors that's age between the 20, 24 to 30 to 30 something age cohort. So Rachel, maybe we can talk about a little bit on bringing back to basics really. Why do you think people should invest?

**Rachel White (04:35):**

It's a really good question and it's actually a step or a question that gets skipped sometimes. Sometimes people jump straight into what am I buying? They hear a good tip from a friend or this great headline on the newest ETF, but it's so important that before you start looking at the different options, start with, why am I investing? And for some people it might be a hobby, it might be I've got spare savings I want to speculate on, but really for most people it's about achieving financial independence, it's about building their wealth, it's about making their money work harder for them and helping them to achieve their financial goals. And really that's the best starting point, what are your financial goals? Really think about that question, write them down, how far in the future are they? How much money do you think you're going to need to achieve them?

And even just those simple steps will really narrow down the field of investments for you, because you're actually going to be able to find investment that matches your time horizon, that matches your return profile. And for

everyone, their own financial objectives are going to be unique and indeed individual, but some really common goals are things like saving for kids education. The secondary school costs range from a couple of thousand to \$35,000 per year per kid. That's a really significant financial burden for families saving for a deposit for house. People spend years saving for deposit with money sitting in the bank, earning next to nothing right now. So it's all up to your savings and we know wages aren't growing as fast as house prices. So if buying a house for you is a five, seven, 10 year away goal, investing that money now is actually going to help you get there a lot quicker or help you have a bigger pool of money to invest into your deposit when you do take the plunge.

And then finally, I think the big obvious one, the big long term one is retirement. Having the confidence that you can retire when you want to, and that you're not going to run out of money through those retirement years. And in this country, we have this terrific system superannuation, but being active in thinking about your retirement and investing for your retirement is increasingly important. We're all living longer. For women, this is a particularly important one, women on average live five to seven years longer. So you need that bigger nest egg when you retire to be able to live off for that period.

**Helen Chong (07:25):**

There's also a variety of goals that you have just alluded to and particularly for women, I think, and from all the studies we have been looking at, women have a myriad of financial goals and to your point about the superannuation system, we are already investors. However, this is just another way for you to get involved and invest in the market, so you can make your money work harder for you. You've touched on a really, really important point that with the way things are going, having your money sit in the bank is not really doing very much for you, so there is a world of opportunities for investors to consider. Now thinking through, I suppose, that gender split of investing, so we've established that there's an improvement in gender balance of investors, education probably being one of those key areas of how I guess women are overcoming that confidence and the gap.

Can we now go a little bit into how they are investing? So let me put this question to you. There is a myth for women that they are risk averse. Now I say this because I see this in our data and that correlates with both your side on Vanguard's data and my side in ASX. Now reading this is actually quite alarming to me as a woman, because I think that we're not necessarily risk averse, but rather we're a bit more conscious of the risk involved with investing. Would you agree?

**Rachel White (08:58):**

Absolutely. I think you've put it really well and I often say a similar thing. Women aren't necessarily risk averse, they're risk aware, and that's a good thing when it comes to investing, because there's lots of risks. And this is one where we do see a notable difference between males and females in terms of their attitude towards risk. So Vanguard just a couple of years ago, we conducted a study in the U.S., and we looked at four million self-directed retail accounts, and we looked at the portfolios of men and women. And what that found was there was actually really

similar exposure to the equities, to the risk asset equities. The difference was women skewed their portfolio towards less concentrated risk.

So women were less likely to hold individual stocks and they were more likely to hold balanced or diversified investments, investments like ETFs. And locally in Australia through the data we have on our Personal Investor platform, we found very similar findings. So women hold on average 59% of their investments in pool diversified funds versus for males it's only 52%. So that's actually a really smart approach to thinking about how do I diversify a way risk to have a more risk balanced portfolio?

**Helen Chong (10:26):**

You just mentioned 59% versus the 52, so are we saying that women are smarter investors than men?

**Rachel White (10:35):**

Look, I think there's lots of really, really smart people out there, both men and women, but I do think women on average have these tendencies that can make them really sensible, disciplined investors. The other main difference that we see between men and women on average is actually their approach to trading. So what the data tells us is that women on average are less likely to engage in frequent trading. On average, about 50% less, it's quite a lot. Look, there's obviously many men out there that don't trade regularly, I know a lot of our investors are long term investors who are male investors, but this is what the average data tells us, and it's important because frequent trading can be really harmful to investment returns.

And there was quite a famous study that was done back in the late 90s, it's pretty old now, but it was really popularized. It was done by researchers at Berkeley University and they looked at male and female investing behavior across 35,000 different brokerage accounts. And again, the results were really similar. Men traded 45% more than female, but the outcomes of this is what was really interesting. This additional trading saw that men on average underperformed relative to females by 0.93% per annum. So when you compound that amount over years, that's a pretty significant amount. And this over trading eroded males wealth, because getting tactical calls right with investing is so, so difficult. Even for the most experienced investors, they will tell you it is so hard.

Most professional investment managers will tell you they can't do it and they don't even try to do it. And interestingly, even recently, during the COVID market volatility back in March 2020, very similar pattern. We saw 41% of women change their portfolio through that March volatility compared to 63% of men. And when we look at that period and what the market did, it declined dramatically in a very short period, dropped about 30% in a month, but it also recovered dramatically in a short period. So if you were selling out that could have been really costly in missing that upside.

**Helen Chong (13:06):**

Yeah, I remember that day just like it was yesterday. It wasn't that long ago, but I have to say there really something to be said about, that staying the course and having that patience and discipline because as you've rightly observed, that's really what happened. So massive sell off in March 2020, and then the market recovered relatively quickly. I think there's something also to be said about the power of compounding and also what you talked about that selling, there are fees involved when it comes to buying and selling. And I think this is a really timely reminder as well, just to note that there's brokerage fees involved every time you dip in and out of the market. So I think what we're trying to say here, it is difficult to time markets. And I think what your research is also showing us, Rachel, is that when women are staying the course, there's a higher percentage of women who would likely have better outcomes in the long run.

**Rachel White (14:01):**

Absolutely. There's a discussion that this pattern of more regular trading is due to a confidence factor. That some males exhibit a tendency to be more confident about being able to make the right decision, so they do trade more, which as you said, costs more, can be very hard to get right. I think what the really important learning here in that is actually for women and saying, you know what, if you're a little hesitant, if you are feeling lacking in confidence, when you are thinking about investing or once you've invested, you know what, that's not a bad thing. In fact, it might actually lead to better outcomes once you start investing. And having that discipline in your investment approach to stay the course, like you said, it's probably going to lead to better outcomes.

**Helen Chong (14:50):**

I think also just looking at the general environment for the year to come, there's an expectation generally that volatility will continue to rise. So in times like these, when markets will continue to be volatile, I'm quite confident that our discipline and conviction will be tested in the market. So I think there is something to be learned from the way women tend to invest and their discipline and approach. Now I just wanted to talk maybe just a little bit more about that split because I'm still quite hung up about the split between male and female investors. So despite this really encouraging lift in women in participation in digital market, there's still more males than females. So we touched on that confidence gap and we've explored some of the reasons why, and some of the barriers preventing women from getting involved, but how do you think we should support women to bridge that investing gap?

**Rachel White (15:45):**

Great question. Let's be honest at times it can still feel a little bit like a blokes club and that can be really intimidating. I reflect on a personal story at high school. I remember I really wanted to do business studies and economics as my year 11 and 12 subjects. I went to an all girls school and they didn't offer either. And the only way that I could do them was to walk over to affiliated all boys school, which wasn't really done at that time, is changing a little bit now, but and sit in this all boys class.

And as a 16 year old girl, clearly that was terrifying and I didn't do it. I still remember, actually I said to my school, "Do you offer economics?" They said, "We don't, but we offer home economics."

**Helen Chong (16:40):**

Which is not the same thing.

**Rachel White (16:41):**

Yes.

**Helen Chong (16:42):**

It's not the same thing

**Rachel White (16:42):**

It's not exactly the substitute. This wasn't in the 50s, this was in the late 2000s. So you finished school and you're already feeling behind, but what is encouraging and what is important is this is changing. Investing is becoming more accessible for women. There is more tailored content, there's a growing amount of education and resources available, which is really helping women to navigate investing and markets. The ASX website has some amazing tools available. Vanguard's website, we have a whole education center. We have simple investment guides, smart investing tips, we have tools and calculators. It's a bit dry and our marketing team probably wouldn't agree with me, but I actually love our FAQ page. Whenever I do webinars, we get thousands of questions and we actually collate those questions and we put really simple answers to those questions most frequently asked. Things like, how do I set up a dividend reinvestment plan?

What's the difference between a managed fund and an exchange-traded fund? What's the brokerage fee? Will I pay tax on distributions? And they're all there. And it's actually reassuring to go and look at them because you realize other investors actually have the same questions as you. So we try to provide really simple, straightforward, clear answers to help investors think through those things. And then finally, I think it's also important for our industry to be reinforcing some of the points that we just spoke about that women are really competent investors. There's always this fear fact, when you start thinking about investing, am I going to lose all my money? I don't have any idea what I'm doing, and this risk is even more confronting when you have less savings and less disposable income. And remember women are still earning almost \$26,000, less men per annum.

So let's collectively tell this narrative that women are really smart investors and it doesn't take a finance degree to be a good investor, it's about doing a few things really well. It's about making a plan, sticking to a plan, ensuring your investments are diversified, investing for the long term, looking through that volatility that you just spoke about and being disciplined. Things that we just mentioned, women are naturally really, really good at.

**Helen Chong (19:22):**

Obviously I think what both of us can agree, we should be out there really empowering that narrative some more in our line of work and to the women around us, in our community. I know you are very involved in a lot of different women's events and we at ASX are also very, very focused on empowering all types of investors. And we hope that the listeners, you will be able to get some value out of, especially that FAQ document and some of the education resources. I think there is power in knowing that you're not alone. So let's really try to push that message out there and start talking about the benefits of getting your money in the market and investing. Now, I just wanted to talk a little bit about the tools that are helping women invest. So we've established that there is a rise of women investing for the first time.

And there's evidence to show that women's disciplined approach can generate better outcomes in the long run. So some of the tools that we touched on Rachel, you've said, ETFs exchange-traded funds for listeners who may not know they are increasingly a popular entry point. And at ASX, we have over 230 ETFs now on the market compared to 20 years ago. That's when we started with the one ETF back in the day, and we've come a really long way in terms of the ETF market. So I want to take this time to just pick your brain about ETFs and for the listeners out there who have heard of ETFs for a very, very long time, but just don't really know what it is. Can we give a quick explainer?

**Rachel White (21:00):**

Absolutely. And don't worry if you've mistaken it for an EFT, we get that a lot. ETF stands for exchange-traded fund. So let's break that down. Let's start with fund, a fund is a pooled investment vehicle where the underlying investments are managed by professional investment manager. So you are outsourcing those investment decisions and actions to an expert. So suddenly you don't have to be the expert in picking shares or securities to be an investor. And the fund provides access to investment markets in a really diversified way because they pull money from many different investors to get the scale that the investment manager needs to invest across lots of different assets. So in one trade you can get access to an entire market. All the Australian listed chairs, that's hundreds or sometimes thousands of securities. So it's such an effective tool when we think about diversified investing. Exchange-traded, that just is talking about how you access the fund.

So the fund is listed on the stock exchange. So here in Australia, listed on the ASX, the Australian stock exchange. So you can access them just like shares or other listed securities through an online broker or platform. And I think that's been a really big factor in the popularity of these types of investments. Because you can go onto or brokerage account and you can trade these products and get access into the investment markets in a really highly digital, in a platform that has a great user experience rather than having to try and go directly to fund managers in an unlisted format. Which can be more challenging for investors when they're thinking about trying to manage their portfolios simply and in one place.

**Helen Chong (22:55):**

So investors, when it comes to learning more about exchange-traded funds can know that it provides an efficient way to invest. Rachel, you've mentioned you're outsourcing that to experts, the professionals who do this day in and day out. I wanted to know just from your perspective. With over 230 products to choose from, what are some of the most popular ETFs that women are buying or investors in general, if there's a distinction?

**Rachel White (23:27):**

So the most popular ETFs that both women and all investors are buying are really these broad based low cost index ETFs. So the most popular ETF that our investors buy is the Australian Shares Index ETF, it's got a ticket code VAS, V-A-S. And I think it's because in one trade you can get access to the largest 300 companies listed on the ASX. We're also seeing a lot of interest in international shares, that's becoming a really popular ETF. And I think that's because people are recognising and investors are recognising the benefits of investing offshore. Because Australia only represents around 2% of global markets. And we see the International Shares Index Fund, VGS, which invests across 1500 global stocks. So investing in names like Amazon, Tesla, L'Oréal, Louis Vuitton, even industries that aren't very well represented in Australia. And people are really pairing that with their Australian shares ETF to get a very diversified equity portfolio.

Outside of those two big ones, another really fast growing ETF category and one that we find in particular, women are investing more in is what we call our diversified ETFs. So these are multi-asset ETFs, sometimes they're referred to as all in one ETFs or risk based ETFs, but essentially they're ETFs that invest in other ETFs. So if you buy a diversified ETF, that ETF will go out and invest in Australian equities ETF, a global equities ETF, an emerging markets ETF, a fixed income ETF. And so you can get a whole diversified portfolio in one trade. And we actually find our balance diversified index product as the most popular fund on our personal investment menu for women. And I think it's because when we speak about efficiency and diversification being two of the things that investors and particularly females value this range of ETFs, actually the cream of the crop. They are really attractive offer for people who are time poor, who value the benefit of outsourcing because you are outsourcing a lot of those more complex portfolio construction aspects of investing to a professional fund manager.

The only other one I'll mention, and this is one that I think is really growing in popularity is responsible ETFs or what we often call or ethical ETS or ESG ETFs and ESG stands for environmental, social, and governance ETFs, and it's really that umbrella term, similar to responsible investing. And I personally think this will continue to be more in focus in 2022 and beyond. Because when we think about that initial question of why do we invest? For a growing number of investors and particularly for female investors, there's the financial side, but there's also the social consciousness side and wanting to not only do well, but also do good. And last year we saw responsible ETFs grow by 125% and I just think they're just going to get bigger. We've seen a huge increase in the number of responsible ETFs available. You can now get values based ETFs.



So ETFs that remove certain companies or sectors, you get ETFs focused on sustainability or focused on climate. And ETF providers are launching these strategies because their investors are telling them that they want them. And a study that was conducted in Australia, I think 2020 showed that 86% of investors expect their money to be invested responsibly. And 82% of women said they would consider moving their investments if they found out that their current fund was investing in companies engaged in activities that weren't consistent with their values. And on our Personal Investor platform, we actually see our ethical funds they're twice as likely to be purchased by females. But despite I think this interest there is still a bit of a gap in awareness. We found that only 50% of investors had even heard of responsible investing. So as awareness about responsible investing goes up, and this is a topic that's most definitely getting a lot more air time with investors. I think we are going to see a huge influx into these types of products.

**Helen Chong (28:11):**

I think that's a really remarkable statistic you've just shared that 120% growth in the ESG space. So that's definitely a theme to watch amongst investing community. Where would you suggest people start in terms of... We talked about the diversified ETFs, we talked about broad based and multi-asset, so it's like choose your own adventure, there's a mixture of different things you can get access to, whether it be cash or property or Australian shares, global shares. When it comes to ESG related products, how do investors choose or how do they select or how do they find more information? Is there a source that will pull all of this information together to help them get started?

**Rachel White (29:01):**

There actually is. There's a really good online tool it's called Responsible Returns Investment Tool. It was developed by the Responsible Investment Association of Australasia, RIAA. You can Google it.

**Helen Chong (29:15):**

I'll pop it in the episode note for everybody who might be interested.

**Rachel White (29:19):**

Yes, please do. And it's a great tool because you as an investor go in, and they'll ask you a range of questions on what are the issues that matter to you? What are the themes that you either want to invest more into? It might be green revenues, or what are the issues that you actually want to avoid? Maybe you want to avoid fossil fuels or weapon manufacturers. And you enter in your criteria and then it will do all the searching across all the managed funds and ETFs in the market. And will then give you a list of ETFs that actually match your criteria, or are most closely aligned to your criteria. And then has lots of the information that you need before you're going to make an investment.

It will link to the fund page. It will provide you lots of information on the investment strategy on historical performance. I think it even links to the product

disclosure statement. So that's a really great tool to help narrow things down because the responsible investment landscape can be complex. There are lots of different approaches. So that's a really simple way to actually find something that aligns to your specific ESG, environmental, social, governance values.

**Helen Chong (30:34):**

We've just touched on this one theme on ESG and for those who are interested in investments that can do good for the wider environment and for your own investment performance, that's just one theme you can take a view on. You can actually take a view on almost anything with using exchange-traded funds as again, this more than 230 products, so the choice is really yours. You can take a view of the broader market. You can just track an index, or if you think you really believe in ESG, and you want that in your portfolio, you can also select products based on those themes, or it can be on clean energy, or it can be on video gaming. The opportunities are endless. So I think we've talked about all of these really great things about ETFs. Now, just a practical question for those who are looking to get started, are not quite sure how to, from a building a portfolio perspective, how would you suggest that they can invest using exchange-traded funds, ETFs?

**Rachel White (31:36):**

So once you've asked yourself, why am I investing? And you've made that plan and you've mapped out your investing goals, you then need to determine, okay, what do I invest in? And so, as you said, just before, if you're looking for a simple, easy diversified option, you want market exposure, a diversified ETF, or a several broad based, Australian equity, global equity index ETFs are going to be your best option. For other people who are okay taking on more risk, or maybe they have a specific view on markets. Then they might want to buy a thematic or a sector based or a more niche ETF that's going to allow them to who express that view. For a lot of investors, they might actually sit somewhere in the middle of those two buckets. So they might want a stable core of broad based ETFs, and then compliment this with a smaller investment in some of those higher octane ETFs.

And that's what we call a core satellite approach to portfolio construction. You have your broad based ETFs at the core that gives you market exposure, maybe that makes up 80% of your portfolio. And then you pair this with some satellite exposures, so those active automatic or sector based ETFs, which will give you that potential for higher growth and higher returns, but without adding that additional risk that comes with that to your entire portfolio.

**Helen Chong (33:13):**

As we move into this year, and we just touched on volatility is expected to continue for 2022. It sounds like from what you've just said there, Rachel, a solid ETF investment strategy could adopt a core satellite approach. And of course, as with all investments, it would be remiss of me not to touch on risks. And I think it's also important aside from risk is to assess your own personal circumstances and we encourage you to speak to a professional financial advisor, if you need some help to set your own financial goals. Talking of risk, we should probably touch on that as

well. Can you tell us the key risk of ETFs? What are the things that an investor should be aware of?

**Rachel White (33:53):**

Really important to think about the risks. The single biggest risk with investing is market risk. Market can go up. Yay, great. But markets can go down. Not so good. Markets can be unpredictable, particularly in the short term. And that's why we talk about having the right timeframe. When I said setting the goals and working out what the timeframe is with those goals and then finding an investment that actually matches that timeframe is really important. So when you are thinking about investing in equities, you're actually going to want a minimum investment timeframe of often, at least five years. So if your financial goal is more near term than that, you're actually going to want to consider a lower risk asset. Maybe you want to invest in fixed income and typically fixed income ETFs might be suitable for goals that are one to three years away. Another risk to be aware of is that not all ETFs are built the same.

So there's a variety of risks with different types of ETFs. The risk are associated with an index based global equity ETF is very different to that eSports or Bitcoin ETF. And as you move beyond the plain vanilla broad based ETFs and complexity starts to set in, you're going to need to increase the due diligence that you're going to do and be willing and able to take on that additional risk and volatility that will come with those more narrow niche ETFs. I think the final one that I'll just mention is just because you can trade ETFs throughout the day and every day doesn't mean that you should, ETFs are really easy to buy and sell, which is a great feature and benefit of ETFs. But as we mentioned at the start getting tactical calls right, is so hard, so having this option can tempt you to look at your portfolio too often, or tempt you to trade when markets fall, but really good competent investors actually look through this. So don't be swayed by that temptation.

**Helen Chong (36:13):**

I think there is something that we should learn from women investors, right, the start of our conversation that women stay the course and they're disciplined and I think that's something to be very mindful of. You touched on the timings of buying ETF, investors should be careful not to try to time the market. We agree it's almost impossible to pick turning points at any time. Just look at March in 2020. I would also say from the Exchange's perspective, investors should avoid trading in the opening and closing auctions on ASX as well. The best time to buy an ETF and I do get this question quite often from the community, you should look at trading after 10:30 and before 4:00 PM, prices tend to be more stable that way for the retail community. So there's something to be mindful of.

I guess we have really touched on quite of a lot. We've covered a lot of grounds I think, Rachel. I think really important is to talk about the volatility that is set to continue and I think this is the episode... One thing you want to take away from this episode is that whilst it's set to continue, it's still important to not be distracted by everything else that's going on. If you have a solid goal in place, just like Rachel, you were saying, why do people invest? This is taking it back to basics. Why do people

want to invest? Just make sure that you have set your goals and you've assessed the situation. And if you're unsure, get a professional advisor help you with that.

Now I just wanted to wrap up by just asking your personal question and that is, as women, and we've just talked about how women are now getting involved in the market and it's all very encouraging. But thinking back to when you first started as an investor, your very first investment, what do you wish you had known earlier? So we can send some words of encouragement to those who are looking to get started.

**Rachel White (38:08):**

Lots of things, but it touches on the point that you just made about volatility. So I actually think it's a lesson that's really important right now and it's block out the noise. An investment manager I used to work with always used to say, "I'd be a way better investor, if I lived on the moon." And it's so true. Headlines are there to sell papers or in this day and age to get website clicks, it's not there to protect you from making bad investment decisions, bad headlines sell and get those clicks or not. The eye catching, popping headlines, not the, Hey build a diversified portfolio and maintain it for 20 years. It's not quite as interesting.

**Helen Chong (38:59):**

Yeah.

**Rachel White (38:59):**

But good investors as we've said through this podcast, they have conviction, they stay the course, they tune out the noise. And it can be hard when you see those headlines all the time, but it is about time in the market, it's not about timing the market. And making investing a consistent saving habit and regularly topping up can all help with that discipline.

**Helen Chong (39:24):**

I think you're spot on there, Rachel, and I think you've covered it all really, really well. I think one thing to recount on our experiences and then another to actually kick it into a gear and just put that into action for the listeners out there who are looking to get started just to recap, women investors are smart investors, and that's been something that we have established from both sides of our data. Women take a very disciplined approach when it comes to investing and they tend to be in a more risk balanced portfolio because they are more conscious of the risk around them. And that tends to generate slightly better outcomes in the long run compared to men. But not to say that's specific to women, that's just the general behavior of what we're seeing, observing in the data. ETFs are increasingly popular entry point for investors, and that can really help alleviate some concerns around say, if you're not very confident in making decisions, you can outsource it to the professionals.

And you can take a view of almost anything in the market, as long as you're just willing to express the view. And if you don't feel like you've got enough money to

invest, which tends to be a general concern, we can get started it from as little as \$500. And an internet connection we have a list of brokers on the ASX website that can help you get started, even have a look at what you might need and you can go from there. So Rachel, thank you very, very much for your time. I really appreciate it. And I really appreciate how you've helped me make sense of the rise of female investors and what we should be learning from the girls out there, the ladies out there who are getting involved in the market. And also thank you very much for sharing a lot of the education resources that you have on the Vanguard channel and I hope that you also enjoyed your time here with us.

**Rachel White (41:13):**

Absolutely did. Thank you so much for having me. Thank you the ASX for hosting this topic. As we said, it's so important that we're having this conversation around how competent women are, how easy it is to get started. So I'm so encouraged by that and I welcome the opportunity to have this session and to talk with you today, Helen.

**Helen Chong (41:33):**

Thanks, Rachel. That's a wrap with Rachel. The key takeaway for me from this conversation is that discipline is key to long term and successful investment outcomes. Now I think this is more relevant than ever, especially as we continue to live with uncertainty this year. And Rachel also talked about ETFs being an increasingly popular entry point, for those who'd like to access a wide range of markets or themes that are low cost. As mentioned, we've also shared a few education resources here in the notes, if you'd like to learn more and I hope you found this conversation valuable and we'll see you next month.

**Speaker 2 (42:05):**

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