



Vanguard[®]

Introducing managed funds: An overview

A managed fund is one type of investment vehicle where your money is pooled together with other investors. Instead of owning the investments yourself, like when you buy shares directly, the managed fund owns the underlying investments and an investment manager buys and sells the assets on your behalf.

Investing in a managed fund allows you to diversify your investment portfolio for a relatively small initial outlay. This may be as low as \$1,000, but is typically around \$5,000.

When you invest in a managed fund you are buying units in that fund. The value of your units is calculated on a daily basis and changes as the market value of the assets in the fund rises and falls.

You may receive regular payments from the fund, known as distributions, based on the income it receives from the underlying investments.

Buying and selling a managed fund

The number of units you are allocated depends on how much money you invest and represents your share of the fund. Managed funds generally have a product disclosure statement (PDS), which states the investment objective, costs and information needed to buy and sell.

You'll need to complete an application form which is usually found at the back of the fund's PDS or on the website.

The PDS also details the types of investments the fund will hold, how the investments will be managed and the types of risk investors can expect, which can help you align your risk and investment objectives with that of the fund.

Professional management

Professional investment (or fund) managers take care of managing money on your behalf. This means you don't have to worry about choosing which companies or securities to invest in.

There are many different kinds of managed funds offering a range of investment objectives and strategies

Fund managers are experts in their field of investment, combining economic, market and corporate knowledge to analyse the sectors and companies they invest in. They'll make sure your money is invested in line with the fund's objectives, investment strategy and risk parameters.

Types of managed funds

There are many different kinds of managed funds offering a range of investment objectives and strategies. Managed funds offer a wide choice of investment options so it's important to consider which fund is right for you.

The most common types of managed funds are:

- Cash
- Australian and international fixed interest
- Australian and international property securities
- Australian shares
- International shares
- Diversified or multi-asset managed funds

The Vanguard difference

When you invest with Vanguard, you have more than 40 years of investing experience behind you. So no matter which investment products suit your needs, you can feel confident that Vanguard investments

are built on a rigorous investment philosophy that stands the test of time.

Low-cost investing

We know we can't control the markets, but we can control the costs of investing. To that end, providing low-cost investments isn't a pricing strategy for us. It's how we do business.

We can keep our costs low because of our unique ownership structure (we're owned by our investors), which allows us to return profits to investors through lower costs so investors can earn more over time.

Our range of managed funds and ETFs

Vanguard offers a complete range of low-cost funds across all asset classes.

To see our complete product offerings, visit vanguard.com.au.



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