

Millions of Australians have discovered the benefits of managed funds – one of Australia's most popular investment products.

### What is a managed fund?

A managed fund pools your money with money from other investors to form an investment fund, which is then managed by specialist investment managers on your behalf.

Managed funds come in many shapes and sizes. Some funds invest in just one type of investment such as Australian shares, while others known as diversified funds, invest across a range of asset classes including Australian shares, international shares, fixed income, property securities and cash.

So whether you have \$2,000 or \$20,000 to invest, your money has access to the investment buying power of millions of dollars. This buying power means you can benefit from opportunities normally only available to large corporations or those with extensive specialist knowledge.

### How are managed funds structured?

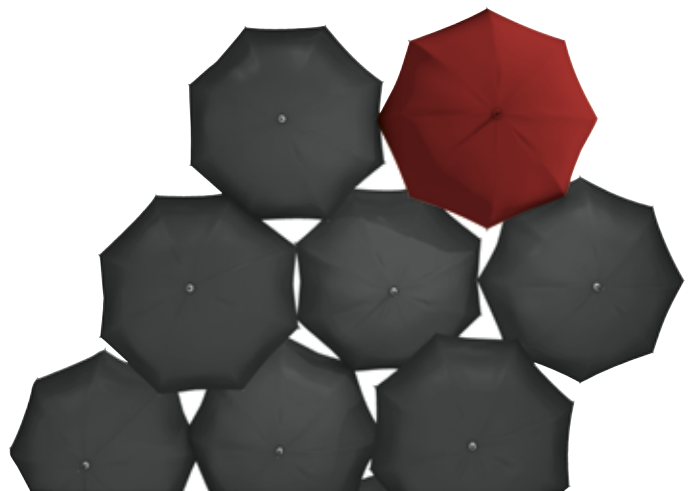
Most managed funds are structured as unit trusts. When you invest, your money buys 'units' in a fund. The number of units you receive depends on the amount you invest and the current unit price. Put simply, if a unit in a fund was worth \$1 and you invested \$2,000, you would receive 2,000 units (less the value of an entry fee and transaction costs, if charged).

The unit price reflects the value of the fund's investments. If the value of the investments rises, the unit price rises. Likewise, if the value of the investment falls, so does the unit price. To determine the current value of your investment, you simply multiply the current unit price by the number of units you hold.

You can find current unit prices for Perpetual's managed funds by visiting [www.perpetual.com.au/prices](http://www.perpetual.com.au/prices) or by phoning our Investor Services. Unit prices are also listed in major financial publications on a regular basis.

### Managed funds versus direct investments

It is possible to invest directly in nearly all the investments in which managed funds invest. However managed funds can provide you with a more diverse range of investment opportunities while taking the effort out of the administration associated with many investments.



Managed funds give you access to trained investment specialists, who constantly research and monitor the investment markets to determine the best possible investment opportunities.

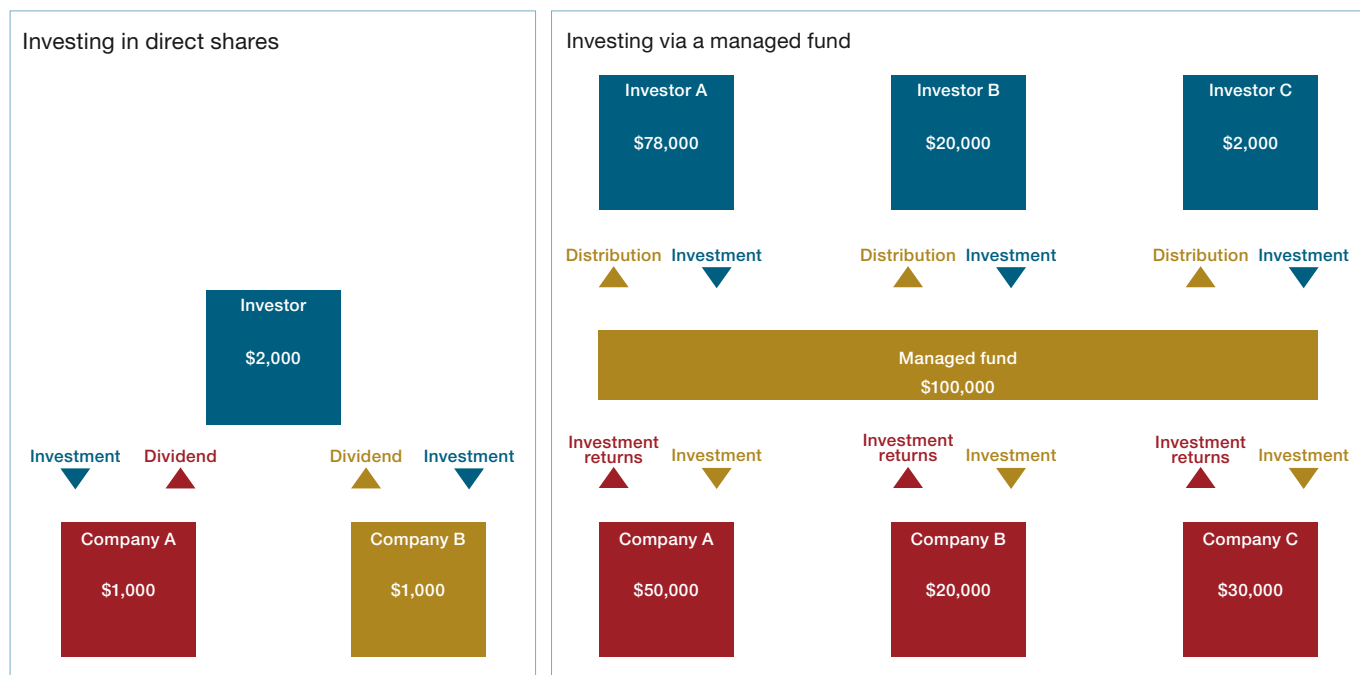
### Expertise

Managed funds give you access to trained investment specialists, who constantly research and monitor the investment markets to determine the best possible investment opportunities. For example, Perpetual's share analysts conduct research on hundreds of different companies across many different industry sectors to determine the best shares for our funds to invest in.

### Time management

Managed funds offer you a convenient and efficient method of investing. When you invest in a managed fund, your fund manager will handle all the paperwork and administration, provide you with regular information on the fund's performance and provide annual tax statements and tax guides.

Figure 1 – The difference between investing directly and via a managed fund



**Diversification**

A truly diversified portfolio of shares, property, fixed interest and cash can be very difficult for an individual investor to achieve. One of the greatest benefits of managed funds is that they allow you to diversify your investments across asset classes, within asset classes, or around the world.

**Cost**

A truly diversified share portfolio can be expensive, but managed funds are a low cost way to access professional investment expertise and diversification.

**About Perpetual**

Perpetual is one of Australia’s most experienced investment services groups, with an enduring passion for protecting and growing our clients’ wealth.

We offer a broad range of investment, superannuation and retirement income products. Our choice of investment funds includes all major asset classes, managed by Perpetual or other leading fund managers, as well as multi-manager funds.

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**Further information**

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