



Perpetual Investments

MANAGED FUNDS VS DIRECT INVESTMENTS

MANAGED FUNDS GIVE YOU ACCESS TO INVESTMENT SPECIALISTS WHO CONSTANTLY RESEARCH AND MONITOR THE INVESTMENT MARKETS TO DETERMINE THE BEST POSSIBLE INVESTMENT OPPORTUNITIES

WHAT IS A MANAGED FUND?

A managed fund pools an individual's money with that of other investors to invest, and is managed by specialist investment managers on the clients' 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 the amount being invested is \$2,000 or \$200,000, the 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 investments falls, so does the unit price.

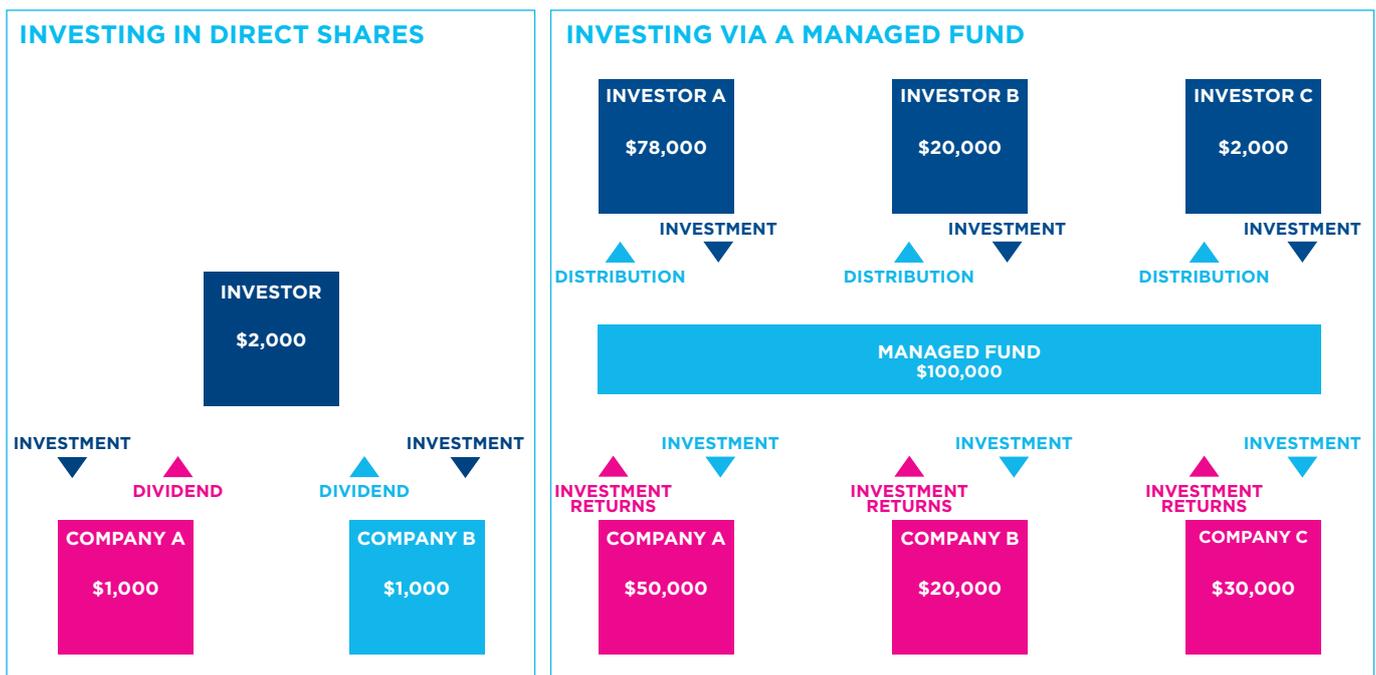
You can find current unit prices for Perpetual's managed funds by visiting www.perpetual.com.au/prices or by phoning Perpetual.

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MANAGED FUNDS VERSUS DIRECT INVESTMENTS

MANAGED FUND	DIRECT INVESTING
Teams of specialist investment managers constantly analyse the investments of the funds and make decisions on when to buy and sell securities	When investing directly someone will need to actively manage the investment selection and the portfolio on an ongoing basis, organising trades and researching investments.
All trading is done at the fund level with economies of scale achieved in terms of the brokerage cost	Each individual investor will pay brokerage on each buy and sell transaction
Diversification through a managed fund can be easily achieved with a range of investment options available to invest in; this allows clients to spread their investments across various manager styles and asset classes which allows for the client to reduce risk and may improve returns. Further the size and scale of managed funds allows access to investments that may not be available to individual investors.	It may be difficult for an individual investor to fund a well-diversified portfolio and certain investments may be closed to individual investors or may be difficult or expensive for an individual investor to access. Examples include alternative investments, infrastructure, international bonds and international shares.
Managed funds offer individuals a convenient and efficient method of investing. When investing in a managed fund, the fund manager will handle all the paperwork and administration, provide regular information on the fund's performance and provide annual tax statements and tax guides.	An investor will need to keep track of the performance, income and tax obligations involved with each investment that they hold.

FIGURE 1 - THE DIFFERENCE BETWEEN INVESTING DIRECTLY AND VIA A MANAGED FUND



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