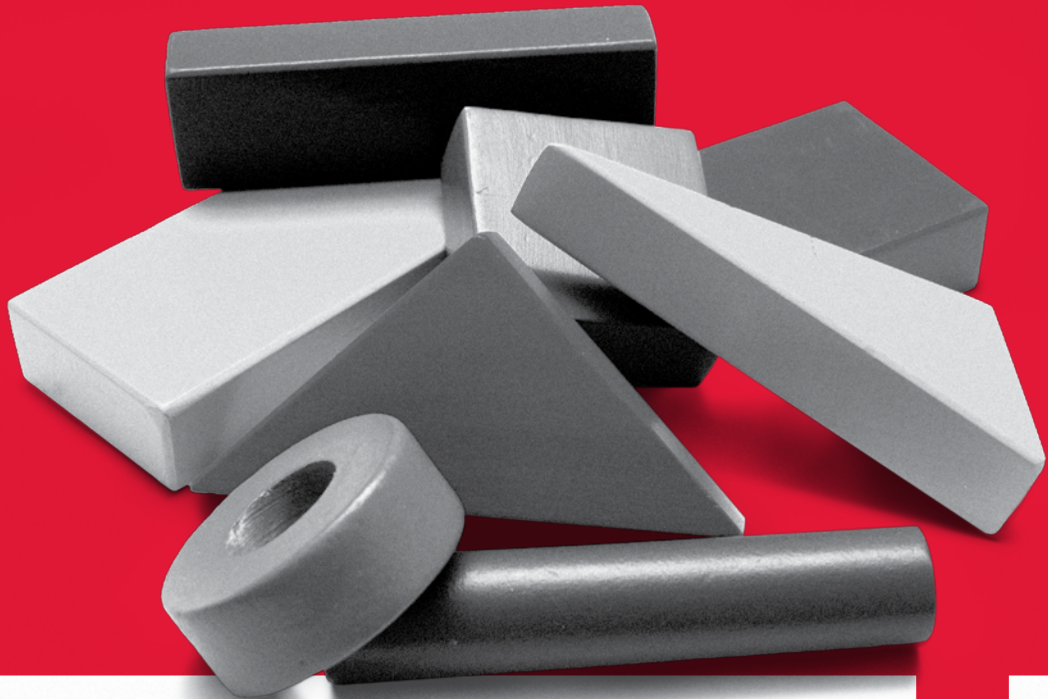
Asgard

"Your guide to managed investments"



You'd like to invest in shares, property, bonds and cash but you don't have unlimited time or money. The solution? Managed investments.

As a Senior Product Manager in our Product team, Kelly is responsible for the management and maintenance of our product suite to ensure we deliver the best possible products to you.

Managed investments pool your money with money from other investors and then invest that money on behalf of the group.

Depending on the particular managed investment, it might invest in shares, property, fixed interest or cash – or a specific combination of those assets.

When you invest in a managed investment (often called a managed fund), you're allocated a number of units based on how much you invest and the current price of each unit. If you invest $10,000 and the unit price at the time is $1, you would own 10,000 units.

If the fund does well and the value rises to $2 then your investment will be worth $20,000 ($2 x 10,000 units). Conversely, if the unit price drops to 90 cents, your investment would then be worth $9,000 (90 cents x 10,000 units).

"Using managed investments will save you time and effort as the investment manager does all the research for you."

Why should you invest in a managed investment?

Managed investments have become popular with investors for four main reasons:

1. Expert management

Investment managers employ teams of investment analysts and portfolio managers. Their job is to constantly research investment markets to determine which assets should have the best performance. Then they buy those assets on your behalf, and monitor them closely to ensure they perform as expected. Investment managers also conduct regular reviews to determine which assets should be sold and replaced with assets with more potential.

2. Broad diversification

Diversification is a proven strategy to minimise the risk of losing capital and the risk of fluctuating investment returns. It's another way of saying 'don't put all your eggs in one basket.'

The problem for most people is that they don't have enough money to spread their investments enough to minimise these risks. That's where managed investments come in. For as little as $2,000 (or even less in some cases), you can access a diversified portfolio which contains hundreds of well-researched investments.

Some managed investments are asset specific, which means that they only invest in one asset type - shares, property, cash or fixed interest. However, in each case, the managed investment would still employ diversification. For example, a managed investment specialising in shares will typically invest in a range of shares across many different sectors such as banks, retail, building materials, media and telecommunications.

3. Convenience

Using managed investments will save you time and effort as the investment manager does all the research and buying and selling the underlying investments on your behalf. All your administration issues are taken care of as well – from dealing with brokers and sending you regular reports to providing you with information relevant to your tax return.

Managed fund styles

Passive	V	Active
Strategic	V	Tactical
Growth	V	Value
Small cap	V	Large cap

For more than 20 years, we've been working behind the scenes with financial advisers to create products and services to match your financial needs. In fact, we're one of Australia's largest financial services groups, managing more than $34 billion for 400,000 Australians. For more information go to www.asgard.com.au

Which type of managed investment should you invest in?

There are a number of different types of managed investments:

- **Cash** – invests in highly secure bank and government short-term securities and wholesale money markets. You'll receive interest on a regular basis.
- **Fixed interest** – invests primarily in bonds issued by governments and corporations. The investment will pay you interest, and there is also the possibility of a small amount of capital growth and loss.
- **Property** – typically invests in commercial, retail and industrial properties. The value of these managed investments will fluctuate according to market movements, but over time should deliver an increase in value greater than inflation. Income is paid to you on a regular basis.
- **Shares** – focuses on shares in Australia and/or internationally. These investments will generally deliver the highest return of all managed funds over the medium to long term, however they also exhibit the highest fluctuations in values in the short term. Income which is paid to you will be tax effective if it is from Australian shares.
- **Multi-sector** – invests in a broad range of asset classes. Typically, some of the money is invested in shares and property, with the balance in cash and fixed interest.

Getting started

If you'd like to find out more about investing in managed investments, speak to your financial adviser.

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