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## **MEDIA RELEASE: Investing in managed funds easier than buying a house**

Battling ever-growing house prices, tougher lending requirements and prohibitive taxes, a generation of savers understandably feels locked out of the housing market.

But property is by no means the only route to growing wealth. Investing in a managed fund – a pool of assets managed professionally – can be far simpler than buying and owning a home and can be achieved with just a fraction of the deposit you’d need to buy a house.

To help consumers understand how a professional fund manager can assist them in meeting their financial goals, the Financial Services Council (FSC) has launched a new guide, [‘The Value of Professional Funds Management: How Fund Managers Help to Grow Your Wealth.’](#)

The guide emphasises the additional diversification and risk management that investors get when they invest in managed funds as well as the broader range of assets they can access.

### **Advantages of funds over property**

- Diversified portfolio of a range of assets;
- Can be accessed with as little as \$500;
- Professional risk management;
- Can be sold easily;
- No stamp duty;
- No repairs or renovations;
- No mortgage repayments;
- No fear of vacancy

In launching the report FSC CEO Sally Loane said: “While we all understand that property and home ownership is embedded in our DNA, for many people, especially younger Australians, owning property can seem too far away. Superannuation is of course, our rolled gold public policy which helps us all save for our retirement, but investing in managed funds is another option for saving and investing.

“It can be daunting for new investors to get their head around all the products and services that they will need to use to be successful in growing their wealth over the long-term. Financial services generally is a black box for too many Australians because of the complexity of the products, the technical jargon

we use and the layers of regulation we bind around everything. Researching investments can feel bit like learning a new language.

“But once you understand how it works, you see it’s actually easier than buying a house.

“This jargon-free guide, Funds Management 101 if you like, is intended as a helpful tool for advisers to introduce their clients to managed funds.

“Australia’s \$2.7 trillion superannuation system has provided the right ecosystem for world class fund managers to develop and operate in. We have some of the world’s best fund managers and we want all consumers, not just the sophisticated investors, to understand that.”

Aside from the diversification and risk management benefits of enlisting a professional fund manager to look after your investment portfolio, Australian investors get the additional boost of paying less than their global counterparts. FSC research shows local fees were between 12 and 20 per cent lower across asset classes as compared to the US, UK and Japan.

Brett Jollie, managing director of Aberdeen Asset Management and FSC director, said: “There is a well-documented gap in the financial knowledge of many Australians, including a limited understanding of the role that fund managers play in helping people accumulate wealth for retirement.

“Responsibility for addressing this gap rests with all of us in the industry, which is the why the FSC has taken a step in this direction with the production of this useful guide. I’m particularly pleased to see the important stewardship and fiduciary duties of professional fund managers explained so clearly.”

## **ENDS**

For further information please contact FSC Media Manager Mark Smith on 0434 566 764 or [msmith@fsc.org.au](mailto:msmith@fsc.org.au).

### **About the Financial Services Council**

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing more than \$2.7 trillion on behalf of 13 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.