

Making Everything Easier!™

Australian Edition

Managed Funds

FOR

DUMMIES®

Learn to:

- Understand the pros and cons of investing in Australian managed funds
- Find the best types of managed funds to meet your financial goals
- Implement investment strategies to maximise your money
- Identify risks and returns

Colin Davidson

*Chartered accountant and
financial services professional*



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Colin Davidson has worked in financial services for more than 20 years, both in Australia and overseas, in London and Asia. A qualified chartered accountant, Colin worked in Hong Kong as a stockbroker selling equities to global and regional fund managers. In Australia, he has managed a major bank's online stockbroking business and Australia's largest direct managed funds broker. Currently working at one of Australia's largest full-service retail stockbrokers, Colin is RG146 accredited and a Responsible Executive managing the broker's financial planning business. He co-wrote the 2005 and 2006 editions of *Australia's Top 100 Managed Funds*.

Dedication

To the family, Louise, James, Ella, Alex, Claudia and Blossom, and to those gone but not forgotten, Jean and Marguerite, go well.

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Introduction

When I started writing this book at the beginning of 2010, global stock markets were emerging from one of the worst periods since the 1929 Wall Street Crash in the United States. Investors' portfolios had been decimated by the global financial crisis (GFC) of 2007 and 2008. The performance of many fund managers had fallen off a cliff and the funds management industry had gone through a shakeout. The crisis highlighted the fund managers who deserved their fees and exposed the mediocre — those who had been carried along by the 2003 to 2007 bull market.

As a result of the crisis, investors who stayed in managed funds fled to safety and switched their investments into cash, earning a pittance from the lowest interest rates Australia had seen in years. Investors lost confidence in the markets and especially in the fund managers who were supposed to be growing their money. As markets recovered, investors returned slowly, not so much to managed funds but to owning shares directly and looking after their own money.

So, all-in-all, a great time to start writing a book about managed funds!

Although the GFC should make everyone more cautious, it shouldn't stop people investing. In fact, the GFC has highlighted the need for professional fund managers. In *Managed Funds For Dummies*, I look at how fund managers provide consistency of method and a disciplined approach to managing money.