

INTRODUCTION TO MUTUAL FUNDS

WHAT IS MUTUAL FUNDS?

A Mutual Fund (also known as a unit fund) is made up of money pooled from multiple investors to purchase securities. It is managed by professional Investment Managers to meet an investment objective. Investors own units (or shares) which represent a part of the Mutual Fund's portfolio holdings. Mutual funds invest in stocks, bonds or other securities according to each fund's objective.

Who Manages the Mutual Fund?

The Mutual Fund is managed by a group of professional Fund Managers guided by an investment philosophy laid out in the **fund prospectus** (A document detailing the investment objectives and strategies of a particular fund as well as the fund's past performance, managers and financial information). The Fund Manager makes decisions on what and when to buy and sell assets.



WHY INVEST IN MUTUAL FUNDS?

Professionally Managed



While diversification is important in your investments, individual investors sometimes face the challenge of high minimum investment amounts when trying to do so across multiple asset classes. Buying units in a Mutual Fund is an easy way to diversify your investments across various asset classes, geographies and strategies. This way you will not have *'all your eggs in one basket'*.

Affordability



Mutual Funds invest money pooled together from multiple investors. This allows to achieve diversification with lower investment amounts. With very small amounts, you can buy into a very large Mutual Fund.

Liquidity



Most Mutual Funds offer daily subscriptions and redemptions, thereby providing easy access to your funds.

Wide Range of Solutions



Different investors have different goals. Mutual Funds offer a wide array of strategies that can cater to different investors allowing them to achieve their personal financial goals.

TYPES OF MUTUAL FUNDS



Fixed Income (Bond) Funds

A Fixed Income fund invests primarily in debt instruments such as government bonds or corporate bonds that aim to provide a regular rate of return. Fixed income funds generally pay a return on a fixed schedule, though the amount of the payments may vary. Investors may consider these types of fund due to their potential for income generation and capital preservation. Examples of Fixed Income (Bonds) Funds are: AB FCP I-American Income Portfolio and Neuberger Berman EM Debt Hard Currency.



Equity Funds

An Equity Fund is a fund that invests primarily in stocks. The objective of an Equity Fund is generally to seek long-term capital appreciation. These types of funds may focus on certain sectors of the market or may have a specific investment style, such as investing in value or growth stocks. Examples of Equity Funds are: Franklin US Opportunities and Allianz Global Artificial Intelligence AT.



Balanced / Multi-Asset Funds

A Multi-Asset Fund generally invests in a mix of Equity and Fixed Income securities. These funds can offer investors instant diversification across asset classes and a balanced approach to investing. An example of Balanced / Multi-Asset Fund is: BGF Dynamic High Income Fund A6.



Alternative Funds

Alternative Funds offers greater portfolio diversification using sophisticated investment instruments. As these strategies are complex in nature, they are not available to our Retail and Priority customers.

Risks

Knowing the investment risks associated with each investment is important. Before you invest in a Mutual Fund, you should receive a Factsheet and Prospectus which details the risks involved. Some examples (non-exhaustive) are:

- **Investment Risk** – As with any investment, your investment value and dividends may go up or down.
- **Foreign Exchange Risk** – You should be aware that your investments can be negatively affected by foreign exchange risk if you hold unit trusts/ funds that invest in assets denominated in foreign currencies.

Please contact our Relationship Managers at any of our branches for more information.

Mobile Mutual Funds: Frequently Asked Questions

- **How do I start investing in Mutual Funds?** Invest through our Mobile Mutual Fund platform for greater convenience, anytime. At standard Chartered, we offer varieties of investment funds covering different asset classes, countries and sectors, catering to your risk appetite and needs. Customer to invest in Mutual Funds platform must have a domiciliary account, active investment profile, access to SC Mobile App. Upon your first login, we will require you to read through and accept the Risk Disclosure as well as Terms and Conditions.
- **Upon my first time login, it said 'You have not created an Investment Profile before investing with us'. What is Investment Profile?** Customer Investment Profile is a questionnaire which captures your overall general attitude towards investment risks as an investor. You will be assessed by us if this particular investment is suitable for you based on the available information provided by you to us and with a reference a set of "Assessment Criteria", such as your risk tolerance, investment objective, investment experience or knowledge, financial situation and financial needs. We need you to maintain a valid profile if you want to subscribe to Mutual Funds. You may review and update your customer Investment Profile through Online Banking and SC Mobile App instantly.
- **What are the types of Mutual Funds?** There are four broad types of mutual funds: Those that are invested in stocks (Equity funds), bonds (fixed income funds), short-term debt (money market funds) or both stocks and bonds (balanced or hybrid funds).
- **How do I choose the right Mutual Fund?** Invest in Mutual Fund that is suitable to you based on your risk tolerance, investment objective, experience or knowledge. If you are choosing a Mutual Fund, you should take the time to read the fund Factsheet and Prospectus. For example, fund Factsheet will give you information on risk assessment, returns etc.
- **Is investing in Mutual Funds risky?** As with any investment there will be associated investment risks involved depending on your investment portfolio.
- **Where can I access Top Mutual Fund Picks?** Top Mutual Fund picks are reviewed on a regular basis and funds performance updates can be viewed on the Mobile Mutual Fund platform via SC Mobile App.
- **What is the normal dealing time?** While you can place investment order via our Mobile Mutual Funds platform which operates 24hours a day, please note that the Bank will process the orders on business days only. We will process the order placed before the cut off time between 3:00pm and 3:30pm, otherwise it would be processed on the next business day.
- **What is the cut off time, if I place my order via Online Mutual Funds platform?** The cut off time for different fund houses are not the same. For most fund houses, the cut off time is usually at 10:30am. Please note that if we cannot debit your subscription amount on the transaction date, for example, due to insufficient settlement amount, the subscription will be rejected.
- **When will debiting be done for subscription order through online Mutual Funds?** if you submit your orders before the cut off time or else the debit will occur at 10:00am on the next business day.
- **How much do I need to invest in Mutual Funds?** The minimum investment amount for mutual funds varies. The lump sum investment will require a minimum investment amount of

\$1,000. If you wish to invest in a Regular Savings Plan in a consistent manner, you can start with as little as \$100 every month.

- **Do Mutual Funds pay out dividends to provide me with regular income?** Yes, some funds allow you to select certain share class that pay out regular distributions (the dividends are paid into investor's settlement account at periodic basis which could be monthly or quarterly basis) while Accumulation Share class (dividend re-invest option which is automatically reinvested back into the fund). The fund share class is determined by the investment manager and can be reviewed in the fund Factsheet.
- **How quickly can I get Proceeds after I redeem a fund?** Proceeds from sale will be normally released within 5-14 days after the fund house confirms the price. If the fund does not provide daily dealing, you may experience a longer redemption process.
- **What are the charges for investing in Mutual Funds?** A sales commission is charged for each of your investments type; the Mutual Funds Lumpsum is charged 3% one-off and above the investment amount, while the Regular Savings Plan, the Bank will charge an amount equivalent to one monthly contribution as the plan setup fee. The fund house will also charge an Annual Management fee of between 1-2% per annum. (Rate of each fund can be reviewed in the fund Factsheet).
- **Can I cancel/amend my orders?** No. Once submitted via Mobile Mutual Fund platform, the order cannot be amended or cancelled. Cancellation cannot be done via Mobile Mutual Funds platform. Should you have any query in relation to your order, please contact Branch Sales Staff or call our Client Care Centre number +234 01 2368657 during office hours 8:00am to 5:15pm Monday to Friday (excluding weekends and public holidays).

[For further enquiries about our Mobile Mutual Funds](#)

Please contact our Client care centre on +234 01 2368657 during office hours between 8:00am and 5:15pm Monday to Friday (excluding weekends and public holidays). You may also email us at CCC.NG@sc.com