

# MODULE 3, LESSON 1.2 WORKSHEET



## How to Read an Index Fund Factsheet

*Investing Essentials for Beginners*

### Key Concepts at a Glance

- **Fund Factsheet:** A short document that explains what a fund invests in, how it works, and what it costs.
- **Benchmark Index:** The market index the fund is designed to track.
- **Ongoing Charges Figure (OCF):** The annual fee charged by the fund.
- **Core Idea:** A factsheet helps you understand exactly what you're buying before you invest.

### A Simple Example

*A fund factsheet is like a nutritional label for an investment.*

*It shows:*

*what the fund invests in, how much it costs, how closely it tracks the market and how risky it may be. Learning to read a factsheet removes confusion and helps you invest with confidence rather than guesswork.*

### Key Sections to Look For

- **Fund Objective:** Which index the fund tracks.
- **Replication Method:** Whether the fund physically owns the companies or uses financial contracts.
- **Performance:** How closely the fund has followed its index over time.
- **Fees:** The ongoing cost of holding the fund.
- **Holdings:** The companies, sectors, and countries your money is invested in.

### Take a Moment to Reflect

- Have I ever avoided investing because fund documents felt confusing?

- Which part of a factsheet do I currently find hardest to understand?

- Why might low fees matter more over long periods of time?

- Do I prefer knowing exactly where my money is invested, or keeping things simple?

- How confident do I feel now about opening and reading a fund factsheet?

### ***Key Takeaway***

If you can understand a fund factsheet, you can invest with clarity and confidence.  
You don't need to know everything, just the right things.

### ***What Comes Next?***

**In the next module, we'll start bringing everything together to build a simple, personalised investment portfolio using the principles you've learned so far.**

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*This worksheet is for educational purposes only and does not constitute financial advice.*

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