MONEY

ADVERTORIAL

A simple way of investing

Managing director of Equity-One, **Dean Koutsoumidis**, explains what a mortgage fund is, and how it makes for simple investing.

EQUITY-ONE was established in 2005 as an investment fund that provides fixed-interest investments generated through loans/mortgages to commercial borrowers. Equity-One, therefore, is also a commercial property lender.

This form of investment and lending has been around for a very long time. In recent decades, people may have had experience with this form of investment through their local law firms that ran a practice of "contributory mortgages". This is where the investors are directly linked to the borrower and their properties.

The choice is yours

We like to use the phrase "deliberately simple" in this business, as it is just that. This form of investment/borrowing has been in existence through good times and bad, and the model offers a transparency and simplicity which resonates with our clients. Nowadays, contributory mortgages are less common, as the introduction of financial services laws has resulted in law firms moving away from this model.

Funds like Equity-One have moved into this space, and offer the modern innovations that investors and borrowers have become accustomed to – such as access to information online and the ability to sign documents digitally. Investors benefit from identifying themselves the specific investment they prefer and they advise us of this. The investor makes the ultimate choice and I think that is a big part of the appeal.

At the very core of our model, we work to achieve good outcomes for both our investors and our commercial borrowers. For this, we focus on the human factor – it is all about the people in our organisation and the people we deal with that ties it all together.

Family first

Like many businesses, the team you have working with you become your "working family"; and the team at Equity-One are certainly like family to me. I am the founder of the business, having come out of a financial planning background in the early '90s. I was also a commercial mortgage broker, so I had a grounding in both the investor and borrower sides to the transaction.

Our general manager, Michael Tyers, has been along with me for the journey, too. He has experience working for a contributory mortgage practice in his home town of Colac before moving to Melbourne to start a family.

Dean Koutsoumidis, managing director of Equity-One.

Tom Danaher, our portfolio and accounts manager, is also a key person in Equity-One and prepares all the investors reports.

Then, we have a team of friendly voices, being Michelle Wighton, our internal lawyer; Milly Triffitt, who generally runs the office; and Jenny Do and Annie Pham, who work in accounts. Finally, Frank Troise, who has been working alongside me for over 20 years, specialises in banking finance, which we also offer to our clients directly.

In short, whether we are talking about our investors, borrowers, team members or service providers, it is the people that tie it all together. This is no more highlighted than in these challenging times.

For more information, visit equity-one.com or call (03) 9602 3477.

When choosing a managed fund ...

1. Check the PDS

A product disclosure statement (PDS) contains all the information you need to know about a fund and to compare funds. It includes information on what assets the funds invests in, the fees, the risks of investing in the fund, the benchmark or target return and how to complain if you have a problem.

2. Look at long-term returns

A fund's performance over five to 10 years gives you a better indication of how it will perform in the future. You should compare the returns of a managed fund or portfolio offered in a managed account against: **an index fund** – to see if it's keeping pace with the relevant market, for example the ASX200; and **other similar funds** – to see how it's performing against competing funds.

3. Review the risks

Each managed fund has different risks based on the assets it invests in. You can find information on the risks of investing in a managed fund in the PDS.

4. Check the managed fund fees

Managed funds charge a range of fees for managing your money. Small differences in fees can have a large impact on your returns. You may be able to negotiate the fees you pay with the fund manager or your adviser.

For more advice on choosing a managed fund, and for more tools, tips and guidance on money matters, visit moneysmart.gov.au.