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# **UNIT TRUST FUNDS AS AN INVESTMENT VEHICLE**



## NAMFISA COMIC BOOKLET: PART 12 • 09/2021

### MISSION

To effectively regulate and supervise financial institutions and to give sound advice to the Minister of Finance.

### VISION

To have a safe, stable and fair financial system contributing to the economic development of Namibia in which consumers are protected.

### VALUES

#### We are committed to TEAMWORK

We create a conducive and enabling work environment.  
We have a shared urgency to achieve our vision.  
We support each other, treat each other with respect and are collectively responsible for our actions.

#### We are passionate about SERVICE

We provide quality service.  
We provide our service on time.  
We are courteous, professional and respectful.

#### We act with INTEGRITY

We act with honesty, fairness and transparency.  
We treat information confidentially.  
We act independently and consistently.

#### We drive Performance EXCELLENCE

We commit to regulatory and supervisory excellence.  
We commit to operational excellence.  
We commit to the highest standards of performance.

#### We are ACCOUNTABLE

We are accountable to our customers and stakeholders.  
We are prudent in the management of our resources.  
We take accountability for our decisions.

#### We are AGILE

We commit to being adaptable to our changing environment.  
We commit to embrace change whilst maintaining regulatory certainty.  
We commit to creating innovative solutions.

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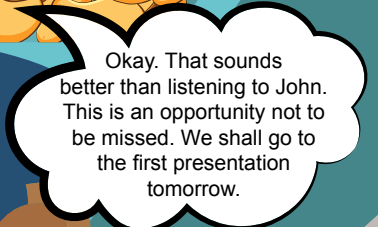
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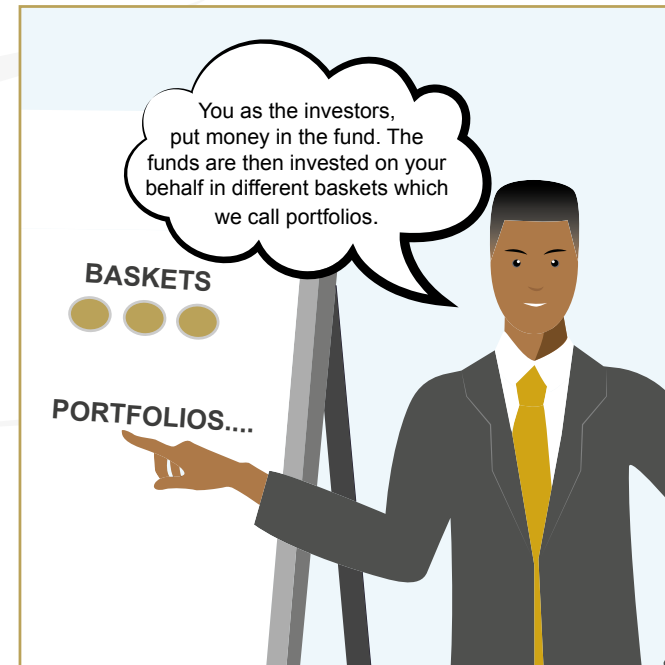
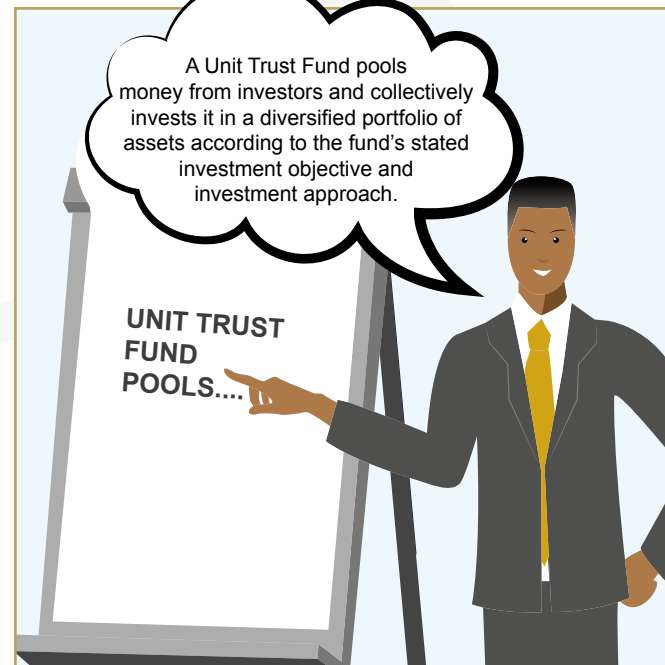
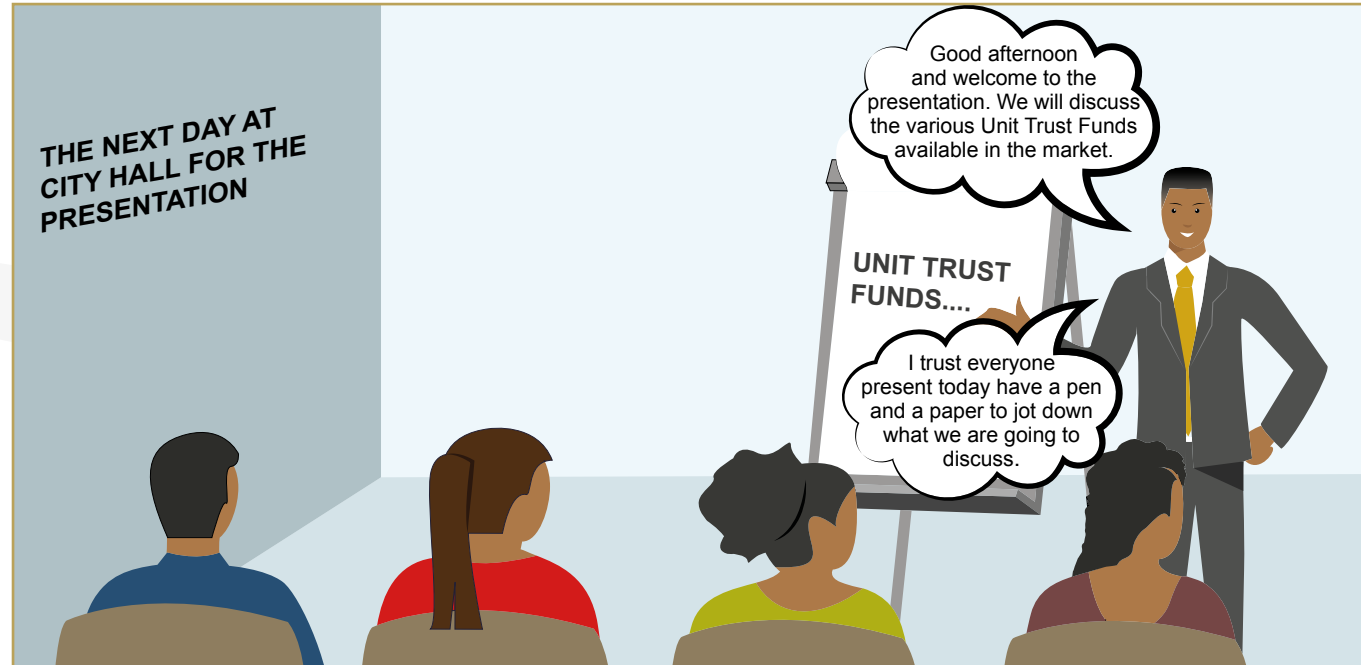
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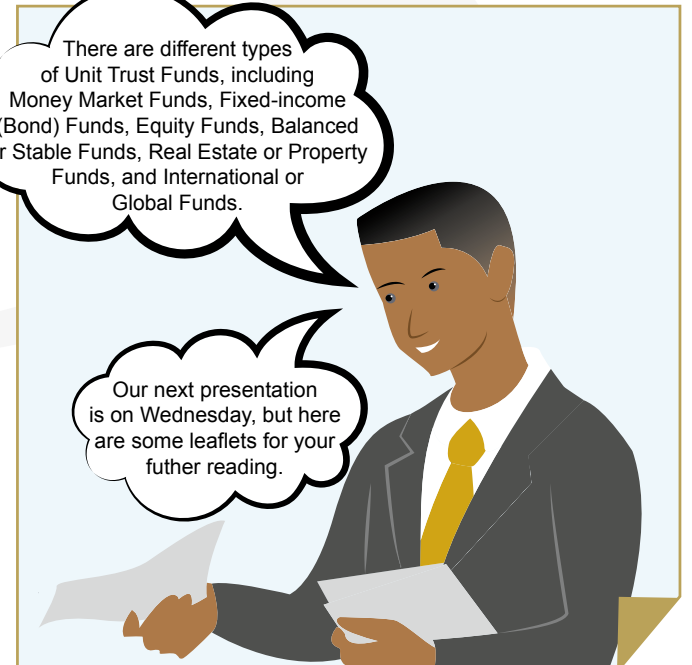
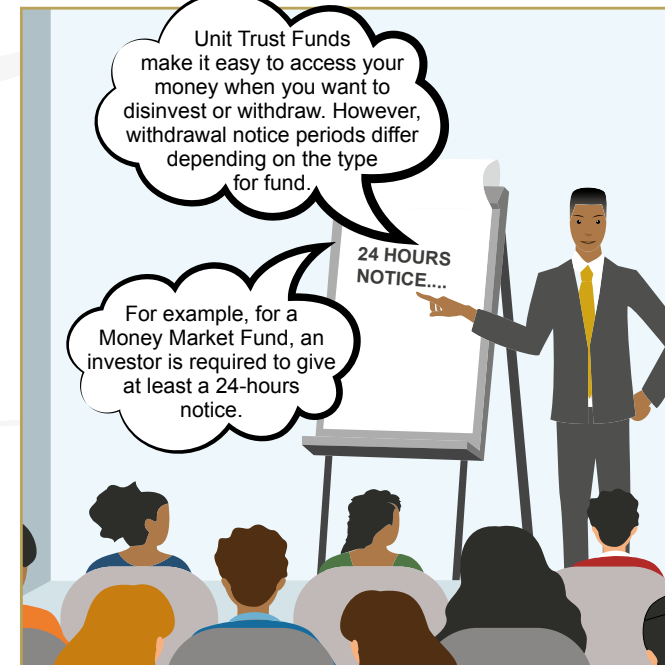
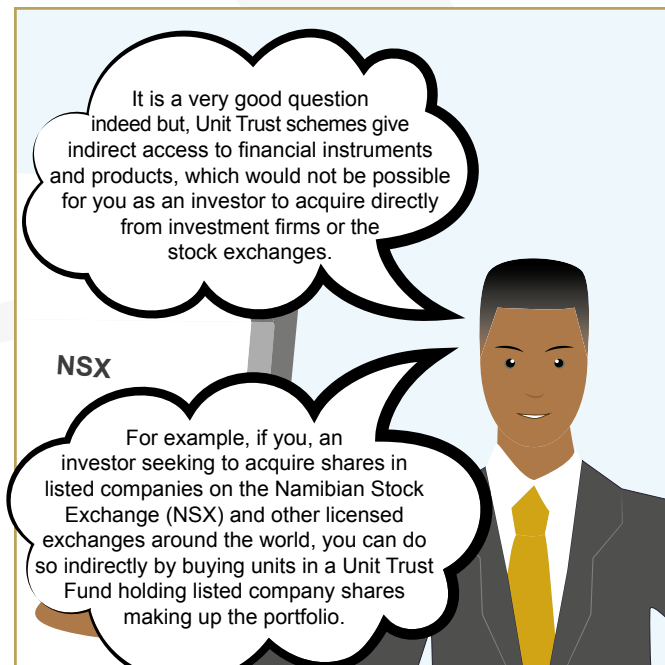
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## AT CHRISTY'S HOUSE AFTER THE PRESENTATION

That was a very informative presentation. I am glad that you insisted that we go.

Hmm, that is an excellent idea, Christy. Is he home?

Maybe we can ask John to come and give us a more detailed explanation on what was spoken today before tomorrow's presentation.

I think he is in his room. John! John!

Please come and explain to us about these Unit Trust Funds. We want to sound smart at tomorrow's presentation.

Okay Mom. I will be right there.

So you want to learn about Unit Trust Funds? Let's see what we have here. The first one is an International or Global Funds.

They consist of well-established European, American, or Asian companies. If you are seeking to gain investment returns from international securities, consider buying units in Global Funds.

Are you sure we are not going to lose our money?

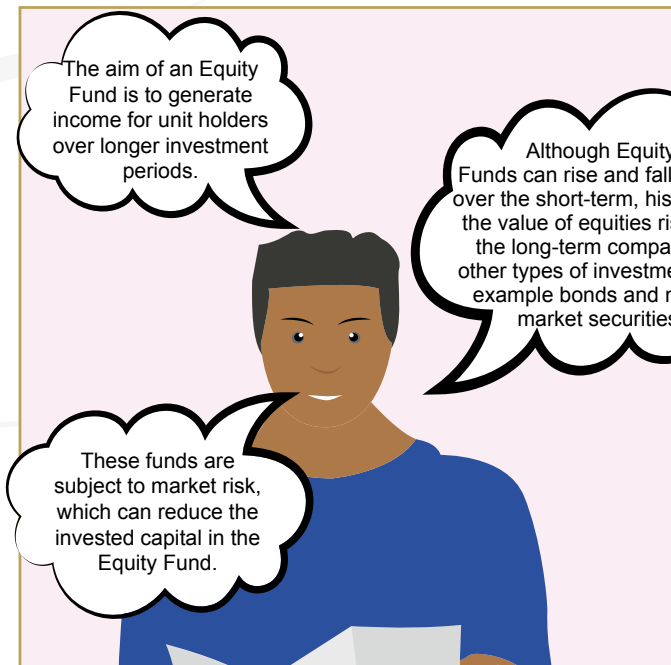
The source of income is generated through the rental of commercial and residential properties. Now, let's look into Money Market Funds.

Money Market Funds are a combination of short-term money market instruments with maturity of less than 12 months and usually includes discount instruments such as government treasury bills, certificates of deposits, notice, call and other deposits, commercial papers, etc.

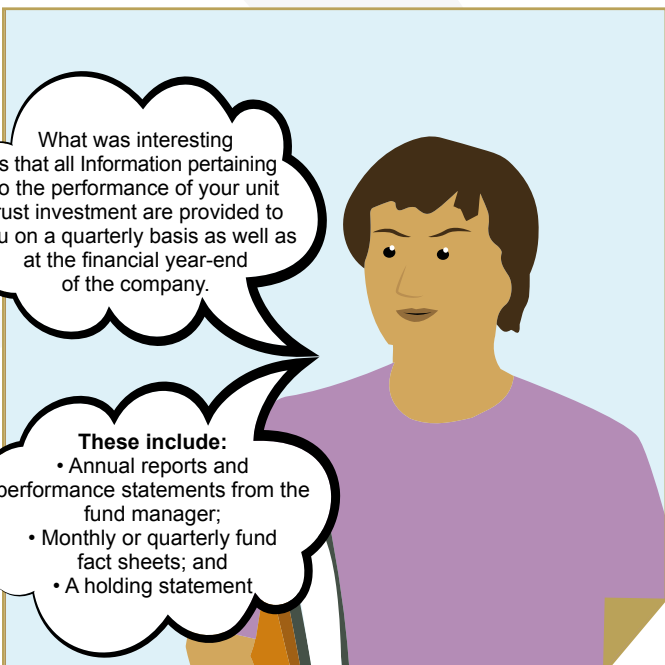
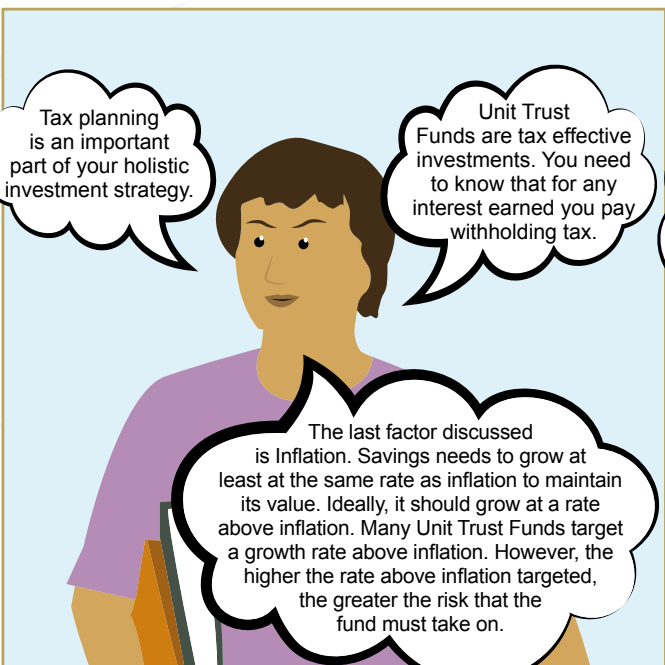
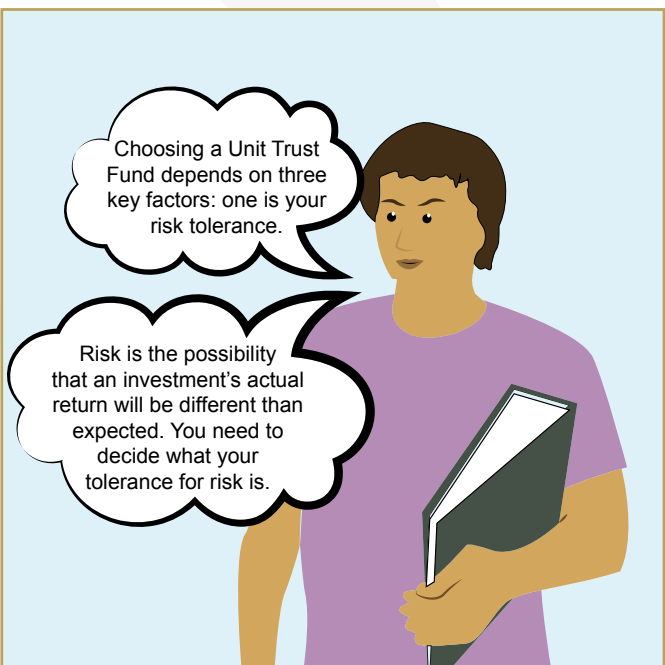
Money Market Funds carry a lower risk and aim at capital preservation overtime.

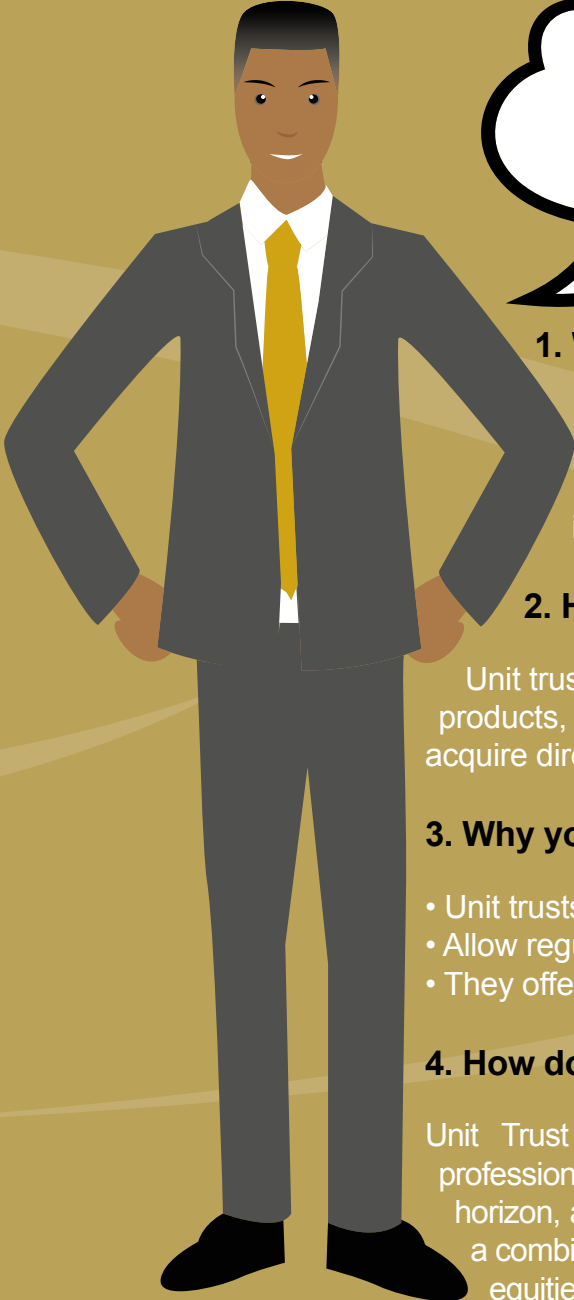
Remember that Investment returns on Global Funds are subject to various risks, for example exchange rate risk, market risk. The next one is Real Estate or Listed Property Funds.





## AT THE CAMPUS





## What have you learned?

### 1. What is a Unit Trust?

A Unit Trust Fund pools money from investors and collectively invests it in a diversified portfolio of assets according to the fund's stated investment objective and investment approach.

### 2. How does a Unit Trust benefit an Investor?

Unit trust schemes give indirect access to financial instruments and products, which would otherwise not be possible for investors to acquire directly from investment firms or the stock exchanges.

### 3. Why you should invest in them?

- Unit trusts are most affordable and simple ways to invest.
- Allow regular contributions or a lump sum at any time.
- They offer a quick easy access to your money

### 4. How do they work?

Unit Trust Funds (or unit portfolios) are designed by investment professionals or fund managers according to investment objectives, time horizon, and the risk appetite of investors. Each fund or unit portfolio is a combination of financial assets or securities i.e. bonds, treasury bills, equities, property shares, derivatives, etc.

## What have you learned.....Continued.

### 5. What types of Unit Trust Funds are available in the market?

- International or Global Funds
- Real Estate or Listed Property Funds
- Balanced or Stable Funds
- Equity Funds
- Money Market Funds
- Fixed-income (Bond) Funds

### 6. How do I choose the right Unit Trust for me?

Choosing a Unit Trust Fund depends on three key factors;

- Risk Tolerance
- Investment Time Horizon
- Investment Goal

### 7. What reports can I expect to receive for my Unit Trust investment? How frequently will the reports be sent to me?

Information pertaining to the performance of your unit trust investment must be provided such as:

- Annual reports and performance statements from the fund manager;
- Monthly or quarterly fund
- A holding statement



# **ALWAYS REMEMBER**



## **DON'T PUT ALL YOUR EGGS IN ONE BASKET**

“Unit Trust Funds can be accessed through Unit Trust Management Companies which are all regulated by NAMFISA. The registered unit trust management companies are available on the Namfisa website and the consumers are welcome to contact the Authority to confirm if they are uncertain”.

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[www.educates.namfisa.com.na](http://www.educates.namfisa.com.na)

**DON'T MISS THE NAMFISA COMIC BOOKLET:  
Part 14 - Duties Of An Insured After A Loss**