

What Are These Mutual Funds In My Investment Account?



Presented by:

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8:30pm-9:30pm Eastern Time

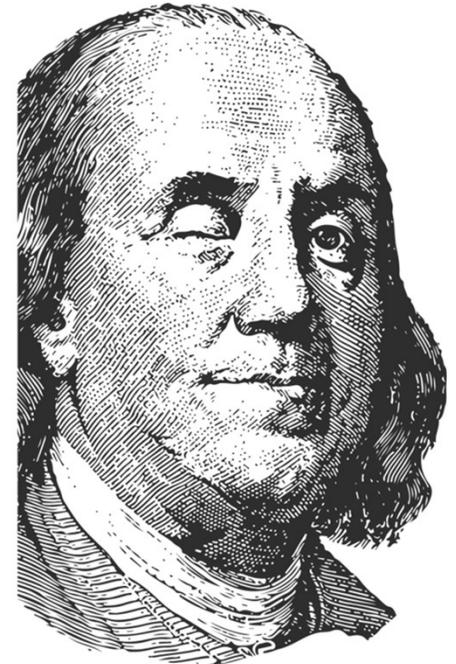
NON-PROFIT VOLUNTEER BASED MEMBER DRIVEN

We're all in this together

Money Smart Week events are cancelled due to COVID-19...

So we are bringing you “social distance” Financial Education.

**MONEY
SMART
WEEK**®



April is Financial Literacy Month



DISCLAIMER

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#DSCLMR (In 140 Characters or Less)

This is 4  &  purposes only.
 specific advice is being given. U
may   or  the  I talk abt
but it's yr  so always do yr own 
& make yr own  decisions.

What we will cover:

1. Mutual Fund Basics
2. Common accounts you will see these funds in
3. How to know what Funds are in your investment accounts
4. The difference in an Index and Actively Managed Funds
5. What to look for in a Fund
6. How to find out what companies are in your Fund
7. How quickly your money can grow to \$1 million!



What is a Mutual Fund?



A basket of
stocks or other
investments



ETFs vs. Mutual Funds

- ETF stand for: *Exchange Traded Fund*
- ETFs are very similar to Index Mutual Funds
- Both are a basket of stocks or other investments
- ETFs can be purchased on the US exchanges throughout the day, just like a stock
- Mutual Funds can only be purchased at the closing price at the end of each day
- In employer-sponsored plans, you will probably have Mutual Funds and not ETFs



Where can these funds be found?

- 401(k), 403(b), 457 or other employer-sponsored plan
- Thrift Savings Plan (TSP, www.tsp.gov)
- Traditional IRA or Roth IRA
- 529 College Savings
- Health Savings Accounts (HSA)

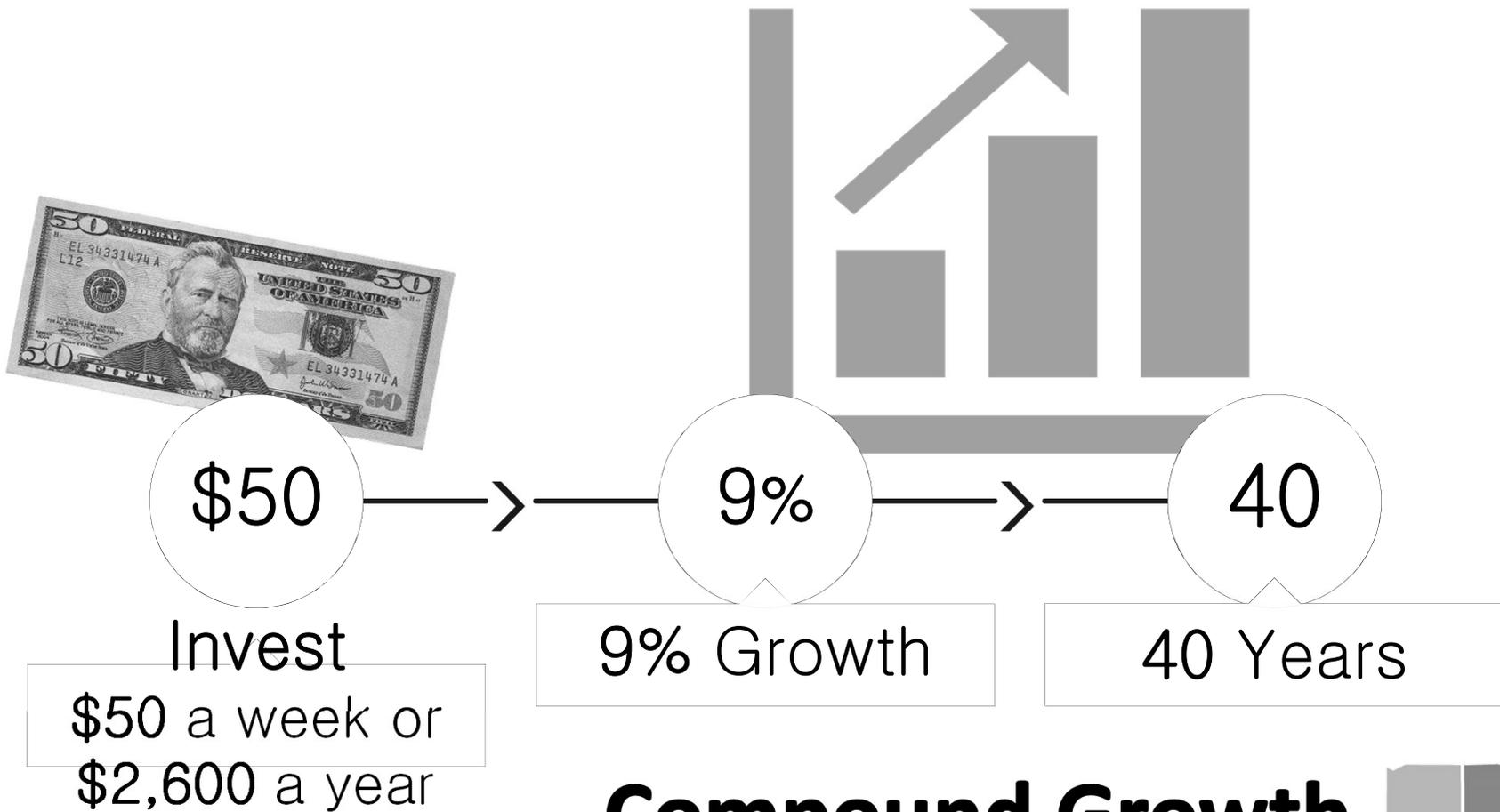


Employer-Sponsored Plans

- 401k, 403b, 457, TSP, HSA
- **If your company offers a match, take it!**
- Offers a lineup of Mutual Funds and/or ETFs
- Provides a Fund Fact Sheet for each offering
- Usually no trading fees, but limited offerings
- Look closely at expense ratios and fees in funds
- Required by law to disclose overall plan fees



Is it possible to become a **Millionaire**?

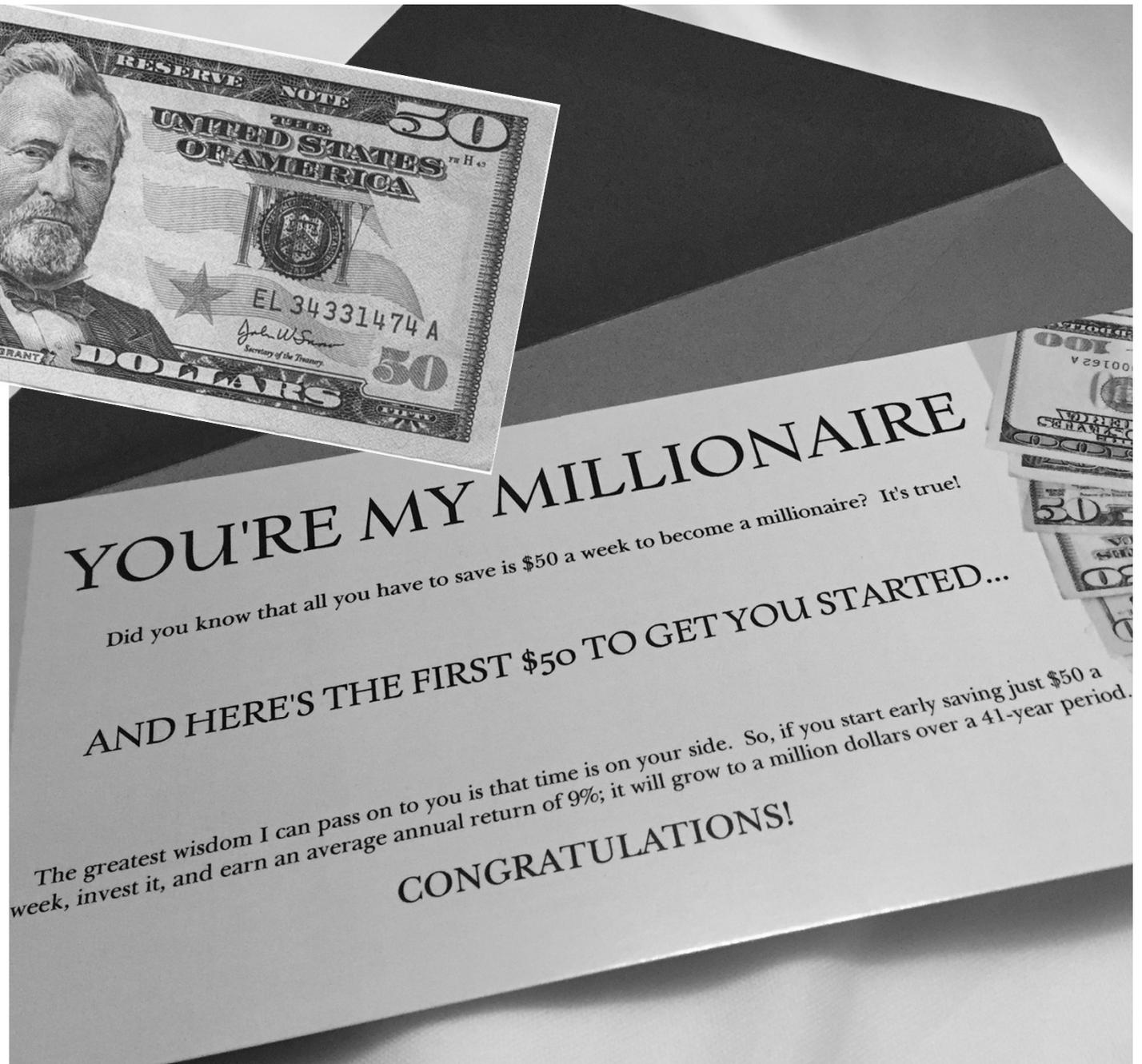


Compound Growth





\$50 +
The
magic
of
**COMPOUND
GROWTH!**



Target Date or Lifecycle Funds

The Easy Button



Automatically rebalances to maintain
a set mix of stocks & bonds based on
the date you plan to retire

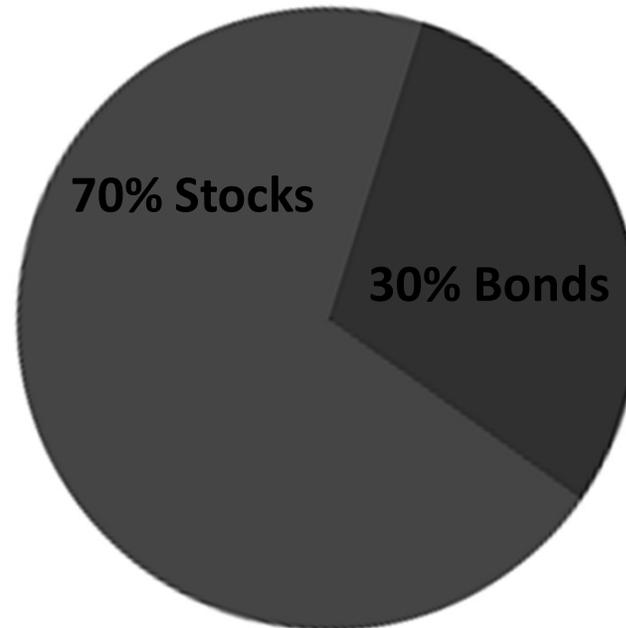


Target Date Funds - Example

Target Retirement 2030

This would be for a 50 year old that plans on retiring in in 10 years (at age 60)

Estimated split:



Things to look for in a Fund

1. Name
2. Ticker (if available)
3. Asset Class
4. Overall ratings/rankings (Morningstar & others)
5. 1, 3, 5 and 10 Year Performance
6. **Expense Ratio (much lower fees now!)**
7. Is there any upfront fees (load)
8. Top Holdings



Actively Managed

Index Fund

\$17,000
More in fees

1.1% vs .10% fees
Over 20 years

Active

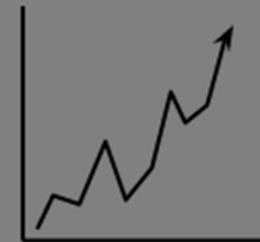
Humans in Charge
Expensive
Performance < Fee



-VS-

Passive

Markets in Charge
Cheap
Matches Index

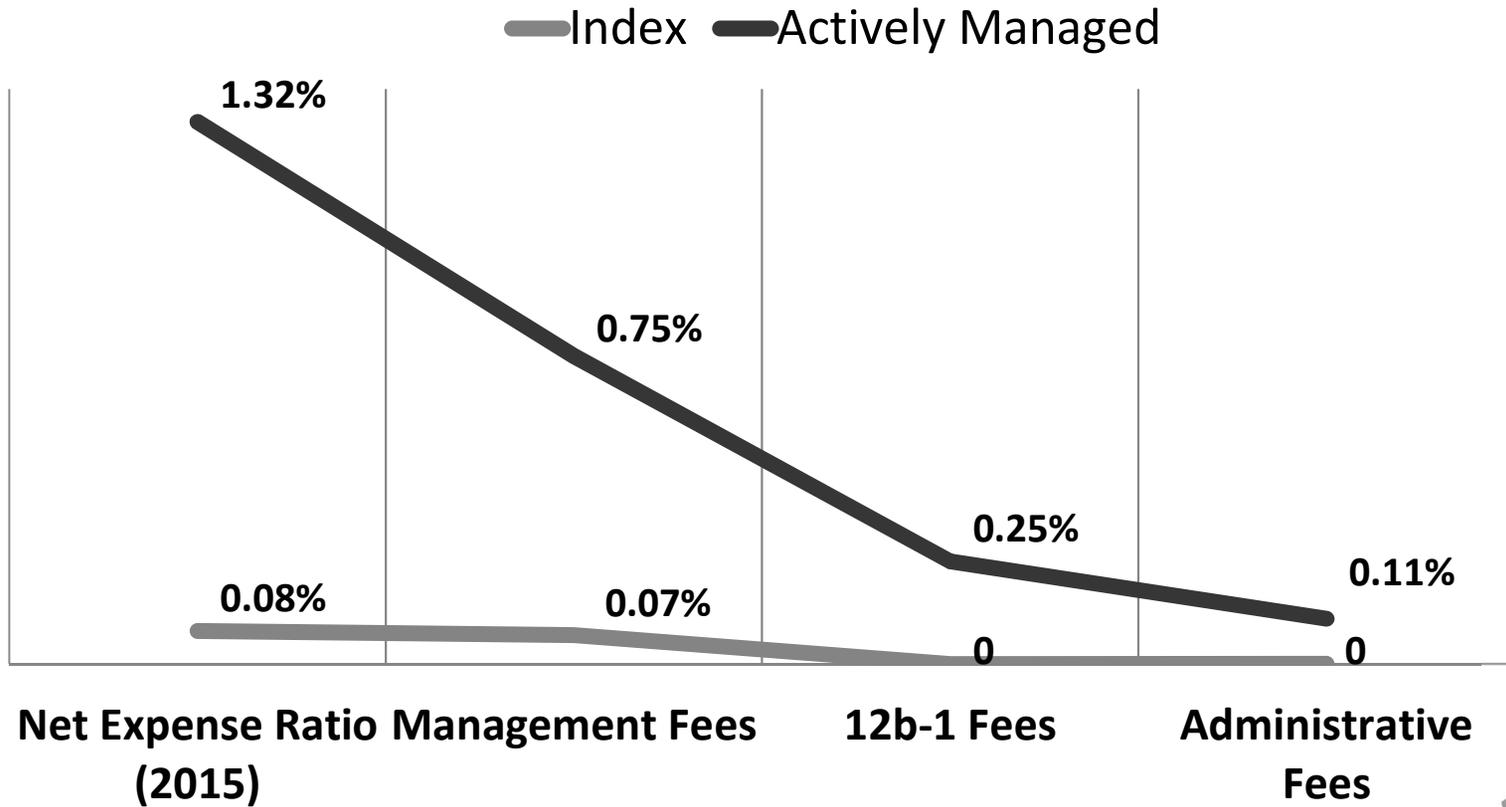


In fact, studies show that over long periods, actively managed funds do not perform better than their passive (Index Funds) counterparts. The reason why has a lot to do with fees.



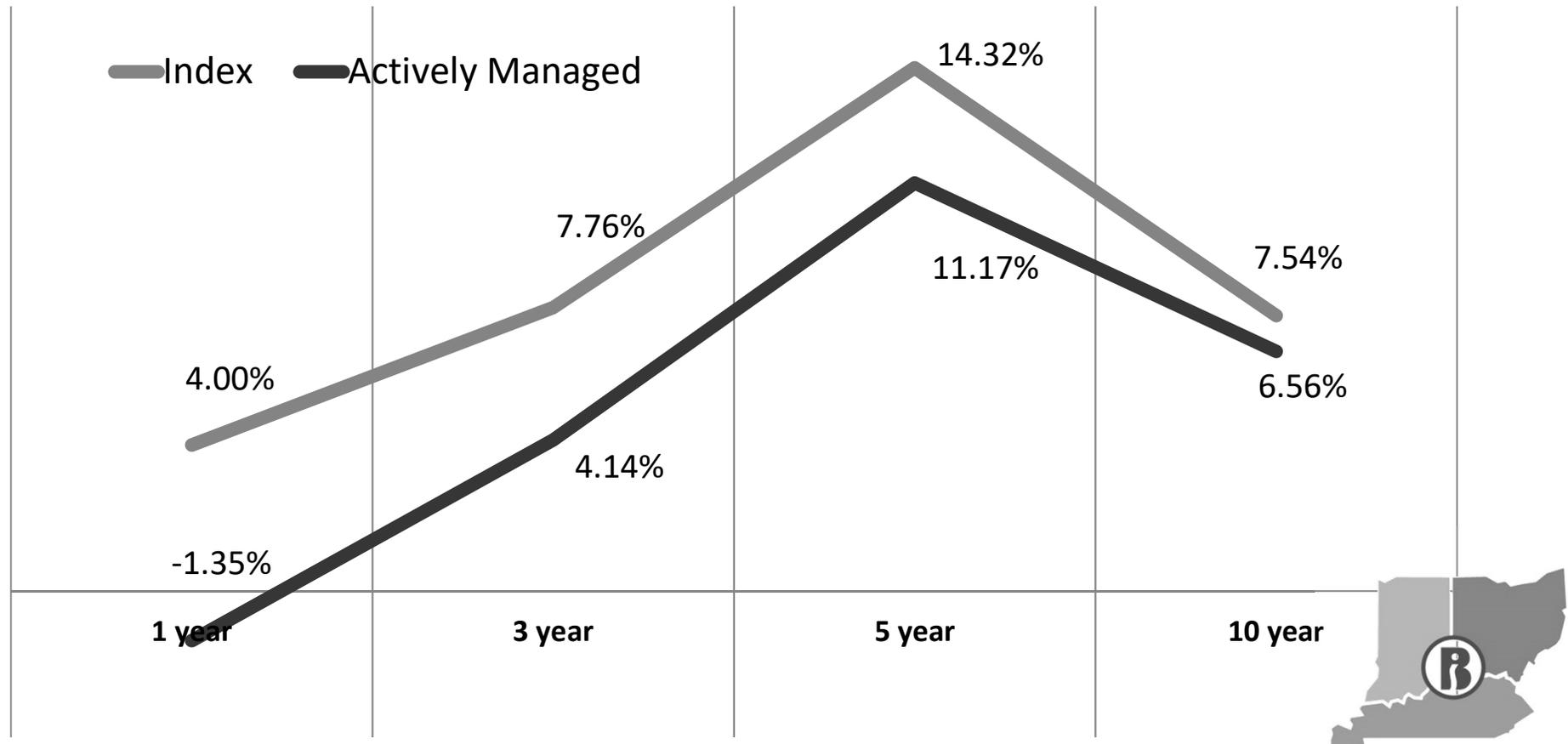
Comparison of 2 Similar Funds in my Account

EXPENSES & FEES



Comparison of 2 Similar Funds in my Account

HISTORICAL PERFORMANCE



In case you didn't catch all that...

The Passive Index Fund has:

- ✓ Better Past Performance
- ✓ Lower Expenses
- ✓ Lower Fees



Key Words of US Stocks Funds

- Large/Mid/Small Size Companies
- Equities
- Blend
- Growth
- Value
- Domestic



Key Words of Non-US Funds

- International
- Global
- Emerging Markets
- Developed Markets
- Non-US
- Foreign



Key Words for other Categories

- Alternative
- Sector
- Target Date/Lifecycle/Lifepath
- Bonds
- Fixed Income
- Money Market



A typical list of funds in your account

Investment Name	Ticker	Asset Class
<u>Schwab Target 2040 Index Fund I</u>	SWYGX	Large Blend
<u>Schwab Target 2050 Index Fund I</u>	SWYMX	Large Blend
<u>Schwab Target 2060 Index Fund I</u>	SWYNX	Large Blend
<u>Vanguard Equity-Income - A †</u>	VEIRX	Large Cap Value
<u>Vanguard Extended Market †</u>	VEXAX	Small Cap Growth
<u>Vanguard Healthcare †</u>	VGHAX	Alternative Blend
<u>Vanguard Mid Cap Index - A †</u>	VIMAX	Mid Cap Blend
<u>Vanguard REIT †</u>	VGSLX	Alternative Blend
<u>Vanguard S&P 500 Index - A †</u>	VFIAX	Indexed
<u>Vanguard Small Cap Index - A †</u>	VSMAX	Indexed
<u>Vanguard Total Stock Market †</u>	VTSAX	Large Cap Blend
<u>Vanguard Treasury Money Market</u>	VUSXX	Money Market



Fund Fact Sheet

- A quick reference summary of the key information about a fund (typically one page)
- Includes: Expense Ratio, Risk Level, Asset Class, Category, Top Holdings, Past Performance, etc.
- Should be available within your account fund listings (usually it's as simple as clicking a link)



Vanguard Total Stock Mkt Idx Adm VTSAX

Overall Morningstar Rating™



Morningstar Analyst Rating™



03/14/2019

Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics. Morningstar Analyst Rating is a subjective evaluation performed by mutual fund analysts of Morningstar, Inc. and based on five pillars: Process, Performance, People and Price.

For more information about this report, see Data Definitions and Disclosure links: [Data Definitions](#) | [Disclosure](#) | Print

Snapshot	Portfolio	Performance	Operations	Ratings & Risk	Tax	Filings
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NAV
\$ **72.16**

1-Day Total Return
↑ 0.14%

USD | NAV as of 18 Apr 2019 | 1-Day Return as of 18 Apr 2019

TTM Yield
1.93%

Load
None

Total Assets
\$ 772.7 bil

Expenses
0.04%

Fee Level
Low

Turnover
3%

Status
Open

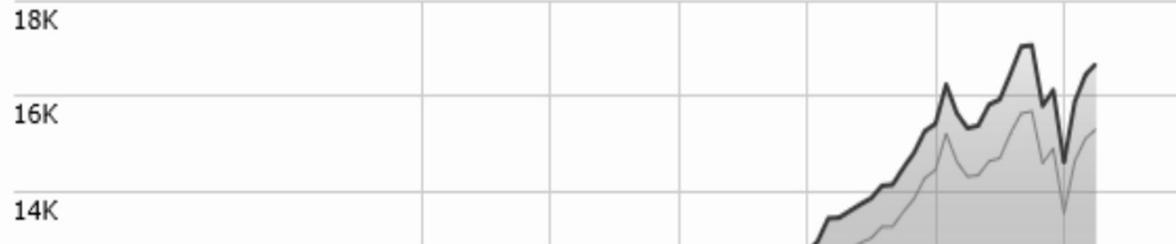
30-Day SEC Yield
1.88%

Category
Large Blend

Investment Style
 Large Blend

Growth of 10K VTSAX

● VTSAX ● Category: LB



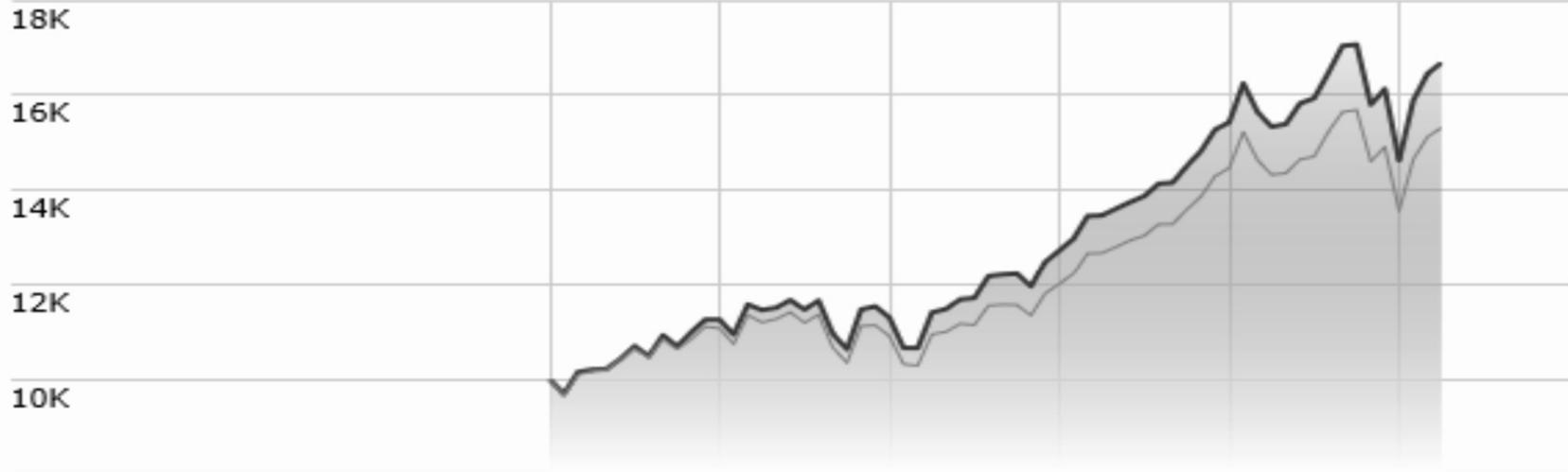
Overall Morningstar Risk Measures VTSAX



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Growth of 10K VTSAX

● VTSAX ● Category: LB



Performance VTSAX

	YTD	1 Yr	3 Yr *	5 Yr *	10 Yr *	Since Inception
Growth of 10,000	11,404	10,880	14,625	16,350	44,310	—
Fund	14.04	8.80	13.51	10.33	16.05	6.68
+/- S&P 500 TR USD	0.39	-0.70	0.00	-0.58	0.13	-2.38
+/- Category	1.10	1.90	1.67	1.42	1.51	38.29
% Rank in Cat	—	37	15	27	10	—
# of Funds in Cat	1,481	1,412	1,218	1,081	810	—

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Top Holdings VTSAX

	Weight %	Last Price	Day Chg %	52-Week Range
⊕ Microsoft Corp	3.17	123.37 USD	1.31 ↑	90.28 - 123.52
⊕ Apple Inc	2.82	203.86 USD	0.36 ↑	142.00 - 233.47
⊕ Amazon.com Inc	2.60	1861.69 USD	-0.17 ↓	1307.00 - 2050.50
⊕ Facebook Inc A	1.39	178.28 USD	-0.28 ↓	123.02 - 218.62
⊕ Berkshire Hathaway Inc B	1.33	209.99 USD	-0.18 ↓	184.75 - 224.07
% Assets in Top 5 Holdings	11.32			

⊕ Increase ⊖ Decrease ☆ New to Portfolio

Portfolio Date :03/31/2019, Price data delayed 15 ~ 30 minutes

Top Sectors VTSAX

	Fund	3 Yr High	3 Yr Low	Cat Avg	
🏢 Technology	22.39	22.39	20.32	21.52	
🏦 Financial Services	15.12	16.62	15.12	20.84	
⚕ Healthcare	14.14	14.91	13.46	14.68	
🚗 Consumer Cyclical	12.13	12.13	11.66	11.68	
⚙ Industrials	10.86	11.37	10.60	7.04	

Portfolio Date: 03/31/2019

<https://investor.vanguard.com/mutual-funds/profile/overview/vtsax>

More Resources & Education:

- Your employer or account provider
- Fund Company Website
- Morningstar
- FINRA Fund Analyzer
- Google Finance
- Yahoo Finance
- Value Line (free through most Libraries)



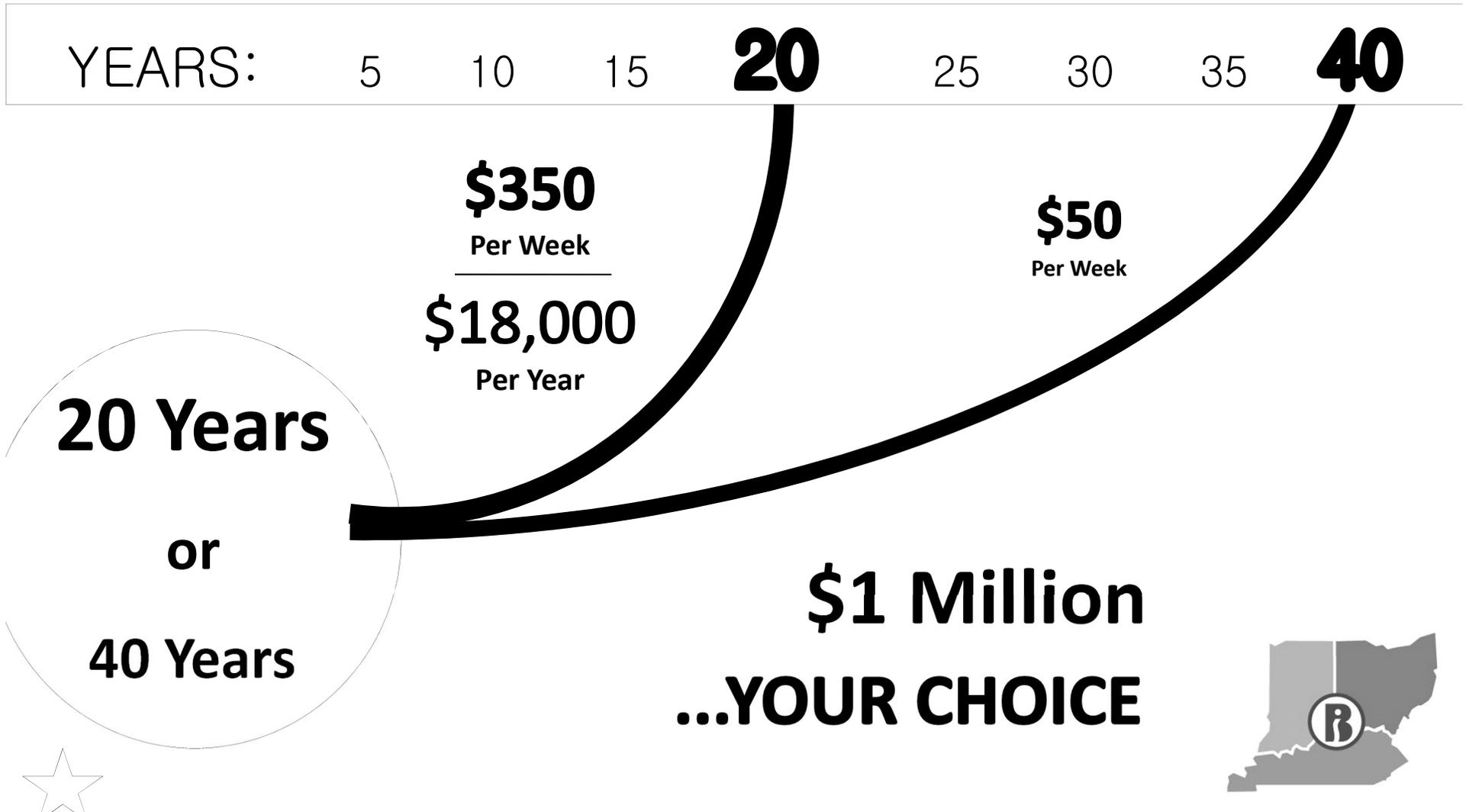
Choosing the Right Funds Could Mean...

...More money in your account



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Now... Imagine if you could cut that time in **Half!**



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Additional Resources for COVID-19 & your Finances

Protecting your finances during the Coronavirus Pandemic:

www.consumerfinance.gov/coronavirus/

“Investing in Turbulent Times”, Presented by Doug Gerlach:

www.betterinvesting.org

Direct Link: <https://bit.ly/2U4bkhP>



Learn more about BetterInvesting OKI Chapter

www.BetterInvesting.org/okitri

Meetings will be *virtual only* until further notice



Cincinnati Model Investment Club (CinMIC)

Meets at West Chester Library and online

3rd Saturday of each month, 9:45am-11:45am

Meetings are free and open to the public (online and in person)



Dayton Model Investment Club (DayMIC)

Meets at Beavercreek Fire House and online

2nd Tuesday of each month, 7pm-9pm

Meetings are free and open to the public (online and in person)



A link to this recorded session will be available within 2 days at:

<https://www.betterinvesting.org/chapters/oki-tri-state/news-articles>



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 All Contributions Support BetterInvesting Member Programs



Sample Our Resources

Come On In

Fundamental Company Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Historical Sales (\$M)	1,223	1,455	1,776	2,220	2,671	3,241	3,924	4,855	5,885	6,717
Historical EPS (\$)	0.66	1.16	1.90	2.68	3.15	3.98	4.98	6.52	8.36	10.84
Pre-Tax Profit (\$M)	66	118	196	280	326	411	507	656	787	859

Evaluate Management										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
% Pre-Tax Profit on Sales	5.4%	8.1%	11.0%	12.6%	12.3%	12.7%	12.9%	13.5%	13.4%	12.8%
% Return on Equity	14.2%	17.3%	20.2%	24.2%	21.8%	21.5%	23.0%	27.9%	33.8%	35.4%
% Debt to Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



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