



For customers

What is a discretionary fund manager?

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What is a DFM?

In simple terms, a DFM (discretionary fund manager) is a specialist investment manager. They design and manage investment portfolios to meet specific investor needs and to match particular appetites for risk.

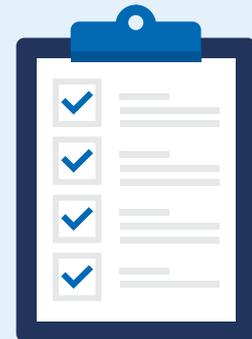
DFMs focus their time and resources on researching the investment market. They have access to research across all investment types and explore the market in depth. This means they can design portfolios suited to either an individual investor or a particular group of investors.

You grant the DFM permission to change your investments on your behalf, reducing the need for you to actively monitor your portfolio as frequently, and allowing them to react quickly to market changes.

Most DFMs will charge a percentage of the value of the investments they manage on your behalf for their service. This charging structure aligns their interests to yours because if the value of your investment grows, so does the money they will earn.

DFMs offer:

- Access to dedicated investment management services
- Extensive investment research capabilities
- The ability to make changes quickly and efficiently
- A charging structure aligned to your interests



What services does a DFM offer?

DFMs offer a number of different investment management services, some very bespoke, working with a single client to design a portfolio specifically tailored to their needs. Others involve building managed portfolios to suit a group of investors. Your financial adviser can tell you which DFM service might be the right fit for you.



What's the difference between a DFM and a financial adviser?

A financial adviser is a bit like the architect designing your house, while the DFM is the skilled carpenter tasked with building it.

Financial advisers are experts in financial planning and they have a broad knowledge of different financial products as well as the latest financial and tax regulation. In short, they have a toolkit that enables them to build a financial plan for you based on your needs and wants.

They will build a complete picture of your current financial needs and advise you on what you might want to do to meet future goals and aspirations. To do this, they'll look into your current finances, your income, your monthly commitments, your disposable income, and your spending habits.

They will also ask you about your immediate and long-term plans, and what your present and future worries are, so they can advise on how to best achieve your financial goals, all in the most tax efficient way.

In contrast, **DFMs** specialise in investment management. Their job is to design and manage investment portfolios to meet the needs of savers.

If your adviser recommends using a DFM's managed portfolio service on a platform, it's both your and the adviser's responsibility to ensure the portfolio is suitable for you, even though it's the DFM that manages it. This means that both the financial adviser and the DFM are focused on what they do best.

Finding the right DFM

It's important that you choose the right DFM. Your adviser will need to research the DFM carefully to make sure they're confident that they have the skills and processes required to add genuine value. They should then conduct regular reviews with you to ensure that your investments are meeting your needs.

If you think using a DFM might be the right option for you, your financial adviser can advise you on the most suitable DFMs to consider, given your specific needs and financial goals. You should be confident that your DFM can help you meet your financial goals.

Using a DFM with Aegon

Our platform makes it easy for you to use and monitor a DFM portfolio. You can see what's in your investment strategy, make changes to your contributions when you want to, and payments to the DFM are administered on your behalf.

Our platform also helps DFMs do the best job for investors. It lets them access a huge range of investments, gives them tools to monitor and change portfolios easily and offers the ability to add new investments quickly when they come to market.

**Ask your financial adviser
about what a DFM could do
for your financial future.**

The value of investments can go down as well as up and isn't guaranteed. You may get back less than you invested.

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