

Information Sheet Common Funds



Your funds in Court will be invested in 'common funds'. Common funds are pooled investments. All investments are held in the name of the Senior Master on behalf of the clients of Funds in Court (FIC).

FIC has two common funds for clients: Common Fund No. 2 (CF-2) and Common Fund No. 3 (CF-3). Only clients can have their money invested in these funds.

The Senior Master is responsible for all investment decisions. They are advised by our Investment Services team and a panel of independent experts.

Our Investment Services team specialises in managing and administering funds on behalf of clients. They manage the investments in CF-2 and CF-3 to maximise returns and reduce risk at the direction of the Senior Master.

Common Fund No. 2

When your money is first paid into Court, it is paid into CF-2. CF-2 is the account that we use to pay for your requests that the Court has approved.

CF-2 is similar to a bank account and invests in 'at-call' cash, term deposits and high-quality fixed-income securities. These are considered low-risk investments. A government guarantee protects your money in CF-2.

CF-2 earns income every day. Your share of the income is calculated using a 'crediting rate'.

The crediting rate is calculated every year by taking the income of CF-2 and subtracting some of the costs of the FIC office. The Senior Master uses this calculation to recommend a crediting rate to the Chief Justice. The Chief Justice approves the crediting rate every year.

You will be paid your crediting rate on 1 June each year.

You can read more about CF-2 and the crediting rate on our website www.fundsincourt.vic.gov.au under '[Investment information](#)' or you can call FIC on 1300 039 390 to get a printed copy of the latest fact sheets mailed to you.

Common Fund No. 3

CF-3 invests in shares in leading companies listed on the Australian Securities Exchange. It aims to provide the maximum return within an acceptable level of risk. It aims to provide capital growth over the longer term. There is no government guarantee for money invested in CF-3.

Some clients will have some of their money moved from CF-2 to CF-3. You are generally eligible to have money moved into CF-3 if you:

- have at least \$10,000 in CF-2
- will have your money with us for at least another six years
- are not planning to use your money for a large purchase soon (like a car).

If you are eligible, FIC will transfer some of your money from CF-2 into CF-3 each month until about 30% of your money is invested in CF-3.



If you have funds in CF-3, you will receive 'distributions'. Distributions are either money paid into CF-2 or further investment in CF-3. Distributions are paid every month if CF-3's investments have made enough income.

You can read more about CF-3 on our website www.fundsincourt.vic.gov.au under '[Investment information](#)' or you can call FIC on 1300 039 390 to get a printed copy of the latest fact sheet mailed to you.

How much money is in your common fund account?

We will send you a statement for your common fund accounts in February and August each year. The statement will list all the transactions in the last six months and your current total.

Does this money affect your Centrelink entitlements?

You need to tell Centrelink about your money that is being held in Court. Your investments and the income they make may affect your Centrelink payments, if you receive any.

Please tell your Client Services Officer your Centrelink Reference Number. We can then inform Centrelink about any assets and income you get from your funds held in Court each year.

The rules for Centrelink payments will be different for everyone. You can read more on our website www.fundsincourt.vic.gov.au under '[For Clients > Dealing with Centrelink](#)'.

How does FIC manage investment risk?

All investments include an element of risk.

If you want to find out more about investment risks and how we manage them, you can read the 'Investment Risks' Information Sheet.

This is available on our website www.fundsincourt.vic.gov.au under '[Investment information](#)' or you can call us on 1300 039 390 to get a printed copy mailed to you.