

## Comparison of alternative investment options

	Actively managed unlisted funds	Exchange Traded Funds	Listed Investment Companies (using a 'buy and hold' strategy)	Portfolio of direct shares on foreign exchanges
<b>Diversification</b>	Will vary between low to high depending on their investment approach.	High.	Will vary.	Depending on the number of stocks purchased and held.
<b>Intraday price/liquidity</b>	Low.	High.	High.	High.
<b>Transparency of underlying portfolio</b>	Low to medium.	High.	Medium.	High.
<b>Transaction fees</b>	Nil.	Fees and commissions on trades through a broker.	Fees and commissions on trades through a broker.	Fees and commissions on trades through a broker.
<b>Management expenses and fees</b>	Yes - Medium to High.	Yes – Low.	Yes – Low to Medium.	No.
<b>Comparison of overall fee payment</b>	Varies but active managed funds generally incur higher management costs.	Comparatively lower due to fewer trades and index style investing.	Comparatively lower for LIC's due to fewer trades.	Will depend on how actively the portfolio is traded.
<b>Turnover and CGT - tax effectiveness</b>	Varies but generally low.	High due to low turnover.	High due to low turnover.	Will depend on how actively the portfolio is traded.
<b>Pricing</b>	Daily quote after market close.	Continuous intra-day pricing.	Continuous intra-day pricing.	Continuous intra-day pricing.
<b>Structure</b>	Unlisted unit trust.	Listed managed fund.	Listed investment company.	Listed securities.
<b>Open/close ended</b>	Open.	Open.	Closed.	Closed.
<b>Price vs. nav</b>	Price = NAV.	Price = NAV.	Price can trade at a premium or discount to NAV.	Price can trade at a premium or discount to NAV.
<b>Listed on the ASX</b>	No.	Yes.	Yes.	Yes.

## Key International share fund characteristics

Characteristics	Franklin Global Growth Fund	Magellan Global Fund	Antipodes Global Fund
<b>Investment benchmark/objective</b>	Outperform MSCI World Index in AUD after fees and expenses by 2% – 3%, over the medium to longer term.	No relative return target as the fund is benchmark unaware. Absolute return target of 9% p.a., net of fees over the business cycle.	To achieve absolute returns in excess of the MSCI All Country World Net Index \$A over the investment cycle (typically 3 - 5 years).
<b>Volatility of total return (tracking error)</b>	Tracking error not targeted. Historically, medium to high level of risk (4 - 8% tracking error.)	Tracking error not targeted due to absolute return objective. Historically, medium to high level of risk	Tracking error not targeted due to absolute return objective. Historically, medium to high level of risk.
<b>Investment style</b>	Growth; (invests in companies based on metrics such as return on equity, revenue growth and earnings per share).	Value /Neutral; (invests in companies based on metrics such as free cash flow and that are considered to be undervalued).	Value manager incorporating macroeconomic research and bottom up stock picking.
<b>Market cap</b>	Predominantly mid - large cap bias.	Concentrated in mega caps.	Mid – large.
<b>Stock held</b>	Low (40 - 45 stocks).	Low (20 - 40 stocks).	Low (20 – 60 stocks).
<b>Currency hedging</b>	Unhedged.	Unhedged.	Low Managed.
<b>Short selling</b>	No.	No.	Yes. The aim is to capitalise on investment opportunities and/or protect the portfolio against unwanted risks.

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